State of Louisiana
LaGov ERP Project

- Business Blueprint -

SECTION #1

Business Process Definition – Finance

FINAL
Version 1.0

February 16, 2009

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I. Introduction

During the Business Blueprint phase of the LaGov project, the business goals of the participating State agencies are validated and the business processes to support these goals are defined through business process definition workshops facilitated by IBM consultants. The key deliverable and end result of this phase is a detailed Business Blueprint for the State of Louisiana that communicates a common understanding of the solution business requirements and how they will be met within the SAP and AgileAssets software solutions. The Business Blueprint analyzes business processes from multiple angles to ensure that both the functional and technical processing requirements are incorporated into the design.

The SAP and AgileAssets systems contain many features and functions and provide a functionally rich solution for the State that is based on best business practices. The key objective of the Business Blueprint was to define the future business processing requirements of the State within the common framework of the built-in best practices of the SAP and AgileAssets solutions, while also preserving the unique processing requirements of each participating agency when possible.

The Business Blueprint outlines how the State intends to conduct daily business operations within the SAP and AgileAssets systems. The Business Blueprint is not intended to articulate the specific design of the future SAP and AgileAssets systems, but rather the conceptual master plan and business process requirements that must be achieved with the future design. Potential organizational impacts that will result from the implementation of these business process requirements are also captured so that the State can begin to develop the required plans to address the organizational impact resulting from the change that will occur.

The Business Blueprint confirms the scope of the project and is the key input into the next phase of the project, Realization. During this phase, the LaGov project team will use the business process requirements outlined in the Business Blueprint as the basis for the design and development of the SAP and AgileAssets systems. During this phase of design, development, and testing, additional details will be uncovered which may alter, enhance, and expand upon the business process requirements captured in the Business Blueprint phase of the project. These changes will be processed and realized through a formal addendum process to ensure that the scope of work remains consistent with development efforts.

A. Project Charter

The Project Charter establishes the foundation for the LaGov ERP project by defining its dimensions and completion criteria. The purpose of the Business Blueprint for the LaGov project is to document the business process requirements for the State of Louisiana in support of the following project charter dimensions.

1. Mission Statement

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

2. Business Drivers

- Public and executive demand for government transparency
- Fragmented data and processes in existing State administrative systems
- Obsolete, and unsupported technology across mission critical administrative systems
- Risk to accounting and federal billing operations at the Department of Transportation and Development due to archaic and unreliable business systems

3. Performance Measures

- On time implementation
- Project is delivered within budget
- Project delivers planned scope of functionality
- Stable operations are achieved at each implementation point
- Implemented software causes no major operational disruptions or adverse impacts

4. Goals

- Successfully migrate the State's administrative data and operations to a robust, vendor-supported and upgradeable software solution
- Establish a statewide administrative data warehouse that seamlessly integrates the State's central business data, including: budget, accounting, procurement, asset management, human resources and payroll data
- Demonstrably improve reporting and transparency
- Improve tracking and reporting of roads, bridges and other linear assets for the State of Louisiana

5. Guiding Principles

- The project will be business-driven, and will constructively engage State business stakeholders throughout the project
- All project activities, plans and decisions will be made for the best, long-term interests of the Louisiana State Government
- Getting the State agencies ready for the software is as important as getting the software ready for the State agencies
- Project Management and Steering Committee members will quickly make decisions and resolve issues
- Effective communication between project management, project executives, project team members, and involved stakeholders is essential for project success
- The project will strive to implement a maintainable system by limiting customization and site-specific code that might impede later upgrades or downstream maintenance
- Our aim is to deliver the original project scope. We will 'say no' to scope expansions which threaten successful delivery of the project
- The project will minimize the use of temporary software

B. Business Blueprint Development Process

The Business Blueprint was developed through the IBM Ascendant SAP implementation methodology.

The Business Blueprint workshop sessions were initiated with a "boot camp" to orient the LaGov project team to the approach and process that will be followed. The "boot camp" established the expectations of the sessions and provided the team with a common vocabulary and framework for which the sessions would be conducted under.

The overall approach to completing the Business Blueprint involved an iterative and all inclusive process that commenced at the sub-team level to establish baseline draft requirements and expanded to specific agency SMEs to further expand upon, refine, and complete the baseline requirements. Requirement definition workshops were utilized as the primary component within the Business Blueprint methodology to capture the participating State Agencies business process requirements.

The business process requirements were confirmed with the State SMEs through a series of validation sessions which provided the workshop participants a "playback" of the business process requirements and to-be solution model captured during the sessions. The validation sessions were delivered in a presentation format by the LaGov project team however, maintained a workshop session atmosphere to promote SME interaction and a forum to review opportunities for State business process improvements. The desired outcome of the playback sessions achieved was a consensus on the to-be business process and solution functionality.

1. Structure

The Business Blueprint development life-cycle consisted of five main components all emphasizing best business practices.

Define Business Organization Structure – The Organizational Structure workshop sessions focused on defining the organization hierarchy and legal reporting structure.

Define Business Process Definition – The Business Process Definition workshop sessions focused on defining the core business processes included as part of the project scope. The current as-is business processes were reviewed to gain an understanding of the existing processing environment and provided a foundation for building consensus for the adoption of business best practices and consolidation of business rules that will be adopted in the State's future solution. The global end-to-end business process definitions were defined during these workshop sessions.

Define Organizational Impacts – Through the requirement definition workshops and the to-be business processes decisions achieved, various impacts to the State Agencies were identified. These impacts were documented as part of the business blueprint to assist the State Agencies with initial activities to begin preparing for Agency readiness and acceptance of the changes that will result with the implementation of the new SAP and AgileAssets systems.

Define Technical Processing Requirements – In order to successfully implement the SAP and AgileAssets systems within the framework of the existing State application and business operating environment, software integration involving specific development efforts is required. The Technical Processing Requirement workshop sessions focused on defining the requirements of the technical components of the future solution including forms, reports, interfaces, conversions, enhancements, workflows, and business intelligence information providers.

Business Process Design Validation – Defined business processes were validated through a series of playback review sessions. During these sessions, the proposed end-to-end business processes were reviewed with the core project team members and State SMEs to validate the business process design, resolve issues / gaps, and gain overall consensus of the future processing model. The results from these sessions were incorporated into the final Business Blueprint document.

2. Blueprint Guiding Principles

Business Blueprint sessions were conducted under the following guiding principles.

- Business Blueprint workshop sessions will be the primary approach to gather business process requirement information. Business process requirement information will also be gathered through informal means such as email requests, one-on-one conversations, and LaGov team member investigation and research.
- Business Blueprint workshops are working sessions involving interactive discussions. In order to promote an effective and efficient conversational environment, these sessions will be balanced to include the optimal level of participation.
- The SAP Solution Manager toolset will be used to document Business Blueprint session and requirement gathering results. The results will be documented in the tool in an expedient

fashion. The toolset will be the primary channel for interactive communication on Business Blueprint results.

- As a guideline, Business Blueprint sessions will include an agenda that will be published in advance. Meeting minutes will document the results of the sessions.

3. Toolset

The SAP Solution Manager toolset was used by the LaGov project team as a project support system and central repository for maintaining business process definition documents outlining the requirements captured from the Business Blueprint workshop sessions. The integrated toolset provided the project team with a reference model of business processes to consider in the development of the Business Blueprint. The project team leveraged this reference model as a baseline to develop the custom model containing the business process decompositions that are unique to the State of Louisiana.

All business process definition documents within the toolset are stored within the State of Louisiana custom model and are linked to functional SAP and AgileAssets nodes. This approach has facilitated on-line collaboration and team knowledge sharing.

The Business Blueprint consists of a collection of definition documents captured in the Solution Manager toolset.

- Business Process Detailed Definition (PDD)
- Organizational Impact Detailed Definition (OID)
- Form Detailed Definition (FDD)
- Report Detailed Definition (RDD)
- Interface Detailed Definition (IDD)
- Data Conversion Detailed Definition (DCD)
- Enhancement Detailed Definition (EDD)
- Workflow Detailed Definition (WDD)
- Business Intelligence Detailed Definition (BDD)
- Gap Analysis Detailed Definition (GAP)

These documents capture in a consistent fashion the results of the requirement definition workshops that were conducted. Compiled together, they represent the Business Blueprint. Outlined below is a brief description of each of these documents.

Business Process Detailed Definition (PDD)
Documents the State's to-be business process requirements. The process is defined to a level of detail that is sufficient for assessing the fit with SAP and AgileAssets system functionality. The level of detail will identify individual steps required to complete each task, any integration considerations such as interfaces to external systems, and change impacts on the organization. To-be business processes include a process flow diagram.

Organizational Impact Detailed Definition (OID)
Documents the impacts to State agencies affected by the business process decisions, as well as how they are affected so that appropriate measures can be developed during realization to address these changes. Also identified are potential training impacts that will result from a defined business process and policy or legislative changes that are necessary to support the defined to-be business processes.

Interface Detailed Definition (IDD)
Documents the requirement specifications for external interfaces to and from the SAP and AgileAssets systems. IDD requirements captured during the Business Blueprint phase will be expanded upon in the Realization phase in a formal functional specification document.

Data Conversion Detailed Definition (DCD)

Documents the requirements for data conversions into the SAP and AgileAssets systems. DCD requirements captured during the Business Blueprint phase will be expanded upon in the Realization phase in a formal functional specification document.

Workflow Detailed Definition (WDD)
Documents the requirement specifications for workflows in the SAP and AgileAssets systems. WDD requirements captured during the Business Blueprint phase will be expanded upon in the Realization phase in a formal functional specification document.

Enhancement Detailed Definition (EDD)
Documents requirement specifications for customized enhancements to provide additional functionality not supported by the SAP and AgileAssets baseline solution. EDD's do not represent changing the core software, but identify user exits in the existing code to add new functionality. EDD requirements captured during the Business Blueprint phase will be expanded upon in the Realization phase in a formal functional specification document.

Report Detailed Definition (RDD)
Documents reporting requirements captured during the Business Blueprint phase. RDD requirements captured during the Business Blueprint phase will be expanded upon in the Realization phase in a formal functional specification document.

Form Detailed Definition (FDD)
Documents the form requirements with adherence to a standardized form or layout. FDD requirements captured during the Business Blueprint phase will be expanded upon in the Realization phase in a formal functional specification document.

Business Intelligence Detailed Definition (BDD)
Documents the online analytical requirements for a particular business area. Each BDD represents a logical unit of work for the Business Warehouse. It also provides supplemental information to RDD's and vice versa for the development of Business Warehouse online queries.

Gap Analysis Detailed Definition (GAP)
Documents the Gaps in the Business Blueprint requirements. These Gaps are traditionally related to business process issues that have not been resolved or decisions points that must be addressed by the State before the formal requirements can be validated or the solution approach can be selected. During the Realization phase of the project, these Gaps will be resolved in order to complete the final design of the SAP and AgileAssets systems.

C. Format / Content

As outlined above, the Business Blueprint consists of a collection of requirement definition documents that were used to capture the requirements of the future state solution. Approximately 700 requirement definition documents were defined during the Business Blueprint. Compiled together, they represent the Business Blueprint document for the LaGov ERP project.

The Business Blueprint is separated into three (3) sections as outlined below.

Section 1: Business Process Definitions – SAP Finance

Section 2: Business Process Definitions – SAP Logistics and AgileAssets Linear Assets

Section 3: This section contains the remaining portions of the Business Blueprint

- Organizational Impact Definitions
- Technical Development Definitions (FRICE-W)
- Business Intelligence Definitions
- Portal and Security Definitions
- Unresolved Business Blueprint Gaps

D. Participants

The Business Blueprint phase of the project commenced in August of 2008 for a duration of seven (7) months through February of 2009. During this timeframe, 133 requirement definition workshops were conducted and validated through 23 requirement definition playback sessions. The core LaGov project team members along with key external State subject matter experts were the primary participants in these Business Blueprint sessions. These team members, under the guidance of key business process owners and the Executive Steering Committee, were empowered to make business process decisions that will shape the future solution for the State. In order to resolve issues, gaps, and to ensure the development of a complete, comprehensive, and common Business Blueprint for the State, the LaGov project team members engaged with the State business process stakeholders and various knowledge experts for information, guidance, and direction.

Outlined below is a summary analysis of the State's participation during the Business Blueprint phase of the project.

Requirement Definition Workshop	Number of Agencies Represented	Number of Agency Representatives Attending
SAP Financials		
Asset Accounting	16	35
Accounts Payable	17	38
Accounts Receivable	12	24
Budget Preparation	22	72
Cash Management	10	19
Controlling (Cost Accounting)	10	35
Funds Management	9	30
General Ledger	12	33
Grants Management	25	61
Grantor	10	26
Project Systems	10	63
Real Estate	10	23
SAP Logistics		
Inventory / Warehouse Maintenance	4	10
Logistics Master Data	5	14
Materials Management	28	65
Mobile Solutions	4	13
Plant and Fleet Maintenance	9	21
AgileAssets		
Linear Assets Master Data	1	32
Linear Assets Operations	1	58
Linear Assets Planning	1	14
Linear Assets Reporting	1	25
Linear Assets Scheduling	1	30

E. LaGov Scope

The Business Blueprint scope includes the implementation of the SAP Finance and Logistic modules and AgileAssets modules to support the functional scope as outlined in the table below.

Phase 1 - SAP core functions (except for Budget Preparation and DOTD)
• General Ledger • Accounts Payable • Receivables/Billings • Procurement Functionality is presumed available to all in-scope agencies unless otherwise noted below: • General Ledger • Accounts Payable • Accounts Receivable* - DOTD - DOC - WLF - BOE • Procurement • Contracts • Inventory/Materials Management • Warehouse Management - DOTD - Public Safety - Wildlife and Fisheries • Asset Management • Fleet Management • Facilities Management - DOTD - DPS - OSB • Real Estate • Grant Management (Grantee) • Grantor - LGAP - BOR - DOE (non-EGMS) • Project Accounting - DFS - OCPR - DOTD • Cost Allocation* - DHH - DSS - DOL - OPH

Phase 1 - SAP core functions (except for Budget Preparation and DOTD)
• Business Intelligence / Data Warehouse • All required interfaces (as outlined in this Business Blueprint document) applicable to above functions (including to State's HR/Payroll System) • **NOTE:* AR and Cost Allocation will be used to support Grants Management

Phase 2 - All functions for DOTD (including linear assets)
▪ All Phase 1 functionality as related to DOTD. ▪ Linear Assets for DOTD only ▪ Linear Assets-related Mobile Solutions for DOTD only ▪ Business Intelligence / Data Warehouse ▪ All required interfaces applicable to above functions ▪ All required interfaces (as outlined in this Business Blueprint document) applicable to above functions ▪ Remaining mobile solutions

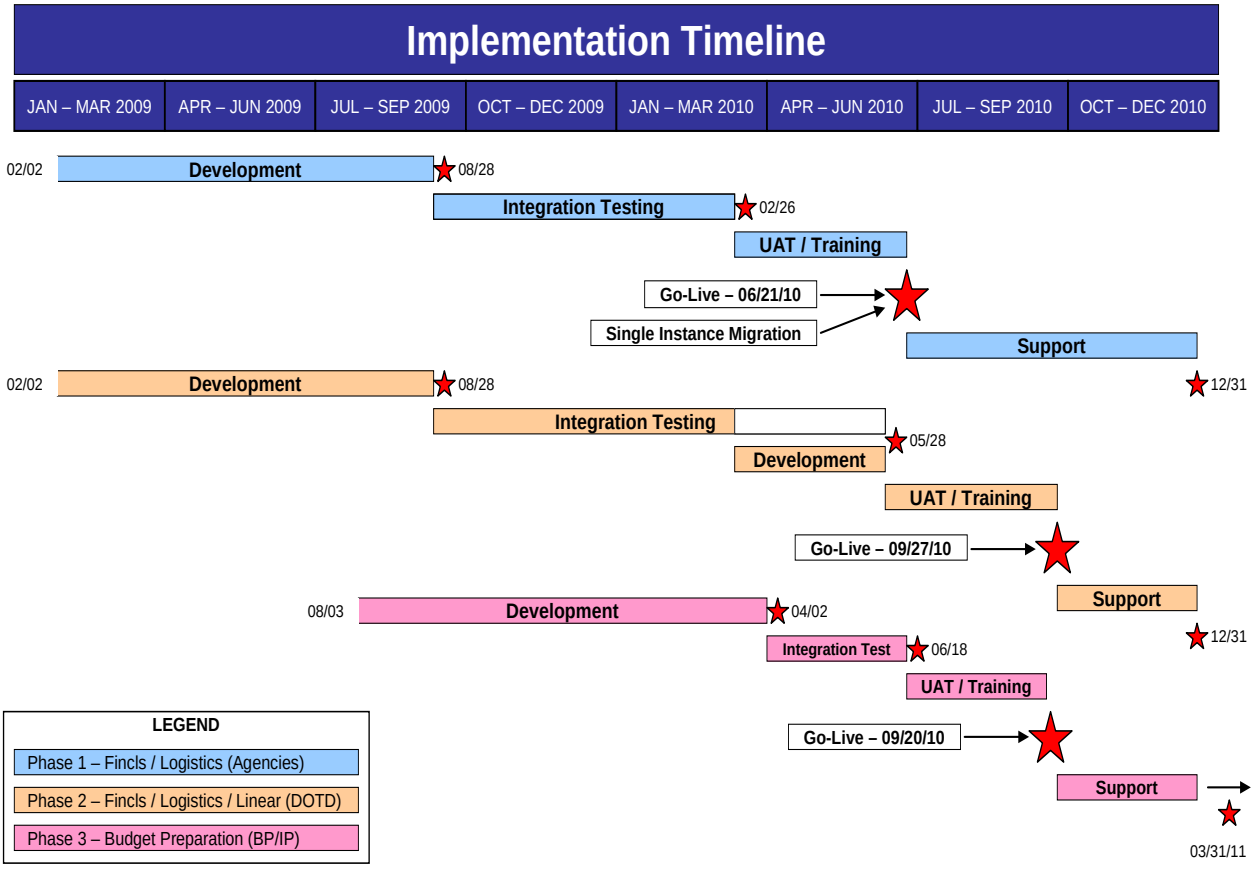
Phase 3 - Budget Preparation
▪ Budget Development including Capital Budgets ▪ Business Intelligence / Data Warehouse ▪ All required interfaces (as outlined in this Business Blueprint document) applicable to above functions

Mobile Solutions and GIS Functions				
Functional Area	Mobile Solution Use(s)	GIS Use(s)	Agencies	Comments
Property & Facilities Management	• Perform inspections of property and facilities • Enter service request • Enter work orders • Check work status • Plan, schedule, and track maintenance activities. • Send tasks to employees • Perform physical inventory of content within a building (bar code scanning).	• No GIS use	• DOTD	
Fleet Management	• Perform physical inventory scanning RFID/Bar code tags	• No GIS use	• DOTD	

Mobile Solutions and GIS Functions				
Functional Area	Mobile Solution Use(s)	GIS Use(s)	Agencies	Comments
	• Perform vehicle inspections • Schedule, track and report on preventative maintenance services, fuel usage, work orders, equipment histories, recall campaigns, and warranty recapture			
Linear Asset Management	• Perform physical inventory scanning RFID/Bar code tags • Perform inspections on roads, bridges, towers, etc. • Create work orders • Send task to employees • Record accomplishment(s) • Note changes to assets	• Location of all assets • Location(s) and limits of each work order. • Location and/or limits of each inspection • Location(s) and limits of actual work performed (i.e. accomplishments)	• DOTD	For Road and Bridge only
Inventory Management	• Physical inventory • Moving Items • Issuing Items • Receiving Items • Checking Out • Checking In • Scanning Bar Code Tags	• Location of larger assets such as portable buildings and drag lines.	• DOTD • DPS • WL&F	Warehouse Management functionality will provide Mobile capabilities
Materials Management	• Physical inventory • Moving Items • Issuing Items • Receiving Items • Scanning Bar Code Tags	• No GIS use	• DOTD • DPS • WL&F	Warehouse Management functionality will provide Mobile capabilities
Projects	• Project Inspections	• No GIS use	• No agencies specified use of Mobile Solution devices or GIS for Projects functionality	DOTD handles this via AASHTO Transport Suit

F. Implementation Timeline

Phase 1 - SAP core functions (except for Budget Preparation and DOTD)	Phase 2 - All functions for DOTD (including linear assets)	Phase 3 - Budget Preparation
PHASE 1 TIMELINE Realization Phase ▪ Start Feb 2, 2009 ▪ Complete Feb 26, 2010 Final Preparation Phase ▪ Start Mar 1, 2010 ▪ Complete Jun 21, 2010 Production Go-live ▪ Jun 21, 2010 Go-live and Support Phase ▪ Start June 21, 2010 ▪ Complete Sep 24, 2010	**PHASE 2 TIMELINE** Realization ▪ Start Feb 2, 2009 ▪ Complete May 28, 2010 Final Preparation ▪ Start May 31, 2010 ▪ Complete Sep 27, 2010 Production Go-live ▪ Sep 27, 2010 Go-live and Support ▪ Start Sep 27, 2010 ▪ Complete Dec 31, 2010	**PHASE 3 TIMELINE:** Realization ▪ Start Aug 3, 2009 ▪ Complete Jun 18, 2010 Final Preparation ▪ Start Jun 21, 2010 ▪ Complete Sep 20, 2010 Production Go-live ▪ Sep 20, 2010 Go-live and Support ▪ Start Sep 20, 2010 ▪ Complete Mar 31. 2011



II. Business Blueprint

A. Business Process Definitions – Finance

1. General Ledger

Team:	Finance – General Ledger
PDD Name:	Chart of Accounts
PDD Number:	FIN-GL-PDD010-Chart of Accounts
Business Process Owner:	Afranie Adomako
Functional Lead:	Pat Cane
Functional Consultant:	Mary Ramsrud

Executive Summary

Chart of Accounts

The chart of accounts is a listing of general ledger accounts used for an organization. Each company code needs to be assigned to a chart of accounts. Several company codes can use the same chart of accounts.

Design Decision:

The State will use a single operating chart of accounts named STLA.

General Ledger (GL) Accounts

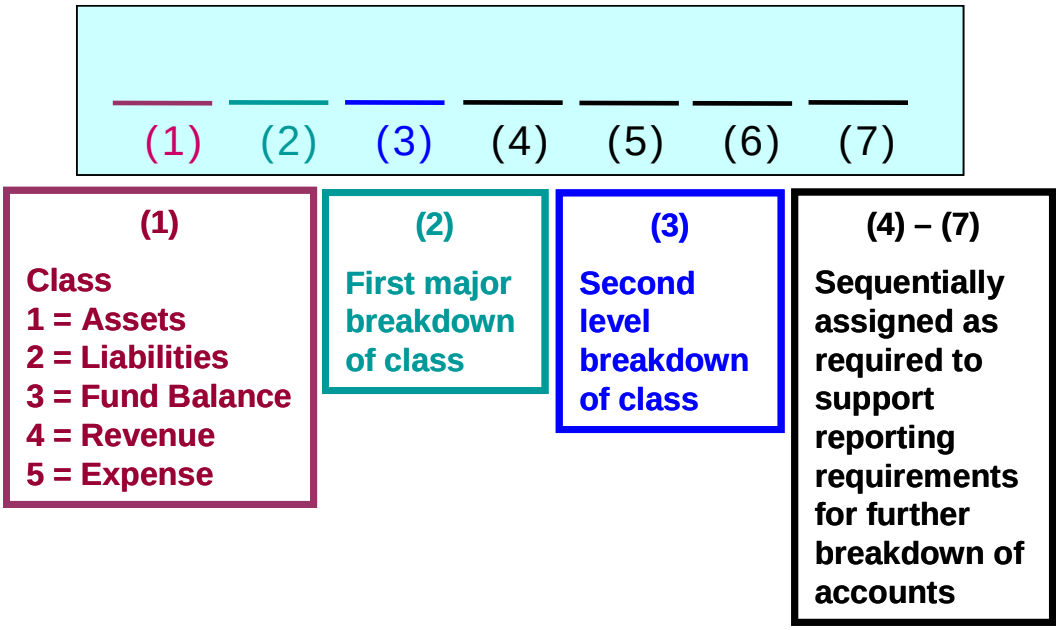
The General Ledger Accounts (GL Accounts) are the structures that classify debit and credit values for accounting transactions in the FI module and form the basis for creating balance sheets and income statements. The GL accounts are defined for the Chart of Accounts.

The current legacy Charts of Accounts for the State will need to be analyzed to determine the structure of each account code. In many cases, the account codes will contain logic which may include account, sub-account, fund, grant, and other background elements which may help in tracking and reporting (by account). Typically, the legacy chart of accounts includes many account codes because of this logic; when stripped down of these additional assignments (fund, department, etc), the number of accounts is quite a bit smaller.

The SAP Chart of Accounts is one-dimensional, with nominal and real accounts only and no sub-accounts. Required dimensions are captured using other objects, such as a cost center for a department, a cost object for a grant, or a sub-ledger account for a customer. Where the State is making use of sub-objects and this detail is required and not captured elsewhere, accounts may be created at the most appropriate sub-account level. The final creation of accounts is typically a mixture of legacy account and sub-account levels. Where possible, account fields may be used to track details obtained previously by sub-account levels (e.g. text field, assignment field, etc), reducing the number of accounts required. There are also a number of accounts required to support the SAP integrated design and accepted best business practices. These accounts will be added to the chart as required.

Design Decision:

The State will use a seven digit GL account number. Logic will be built into this number, position by position, facilitating reporting and the integrated design, while allowing for potential future growth.



To-Be Process Description

General Ledger Accounts

The processes associated with the Chart of Accounts are the creation and maintenance of GL accounts. OSRAP is responsible for both the account code creation and maintenance functions. This is a best practice to control the chart of accounts.

Formulation of the SAP Chart of Accounts

The legacy Charts of Accounts must be overhauled as part of the implementation of SAP. There are currently accounts that are not used, but that have not been deleted from the legacy chart. The exercise of producing an SAP Chart of Accounts is planned in the following steps:

1) Download the current COA onto Excel

2) Mark for deletion all accounts no longer in use

3) Of the remaining accounts,

a) The DOTD chart will be combined into the statewide chart

b) Sub-objects will be analyzed for possible inclusion in the chart

c) Mark for deletion those accounts that were created merely to capture dimensions such as department, project, etc, which will be captured using other objects in SAP.

d) Review from a budgeting/reporting point of view and ensure that the accounts can satisfy the specifications of the budgeting/reporting process.

e) SAP module specific integration requirements will be reviewed and accounts created as required

e) Final review to ensure there is justification for each account and come up with a final list of GL accounts

4) As accounts are added in the legacy system in the future, insert into the spreadsheet with an identifier. This will be done on a monthly basis.

5) Two months before go-live, review spreadsheet and redo process from #2 above for the accounts added subsequent to the initial review.

6) Establish a cut-off date after which no new accounts will be created in the legacy system.

Account Groups

Account Groups will also need to be established. The chart of accounts will be further divided into account groups. Examples of account groups are:

- Cash/Bank Accounts
- Fixed Assets
- Current Liabilities
- Sub-ledger reconciliation accounts

The use of account groups allows the State to logically group accounts together and to ensure that new accounts are created in the correct number range. In addition to number range, each account group is assigned a field status which allows control over which data fields will be required, optional, suppressed or displayed only within the account master record. These details will be worked out during realization.

Individual accounts are assigned a field status. This determines what fields are required, optional, suppressed or displayed only during a posting to the account. For example, cost center is a required entry during posting to PL accounts. In *most cases*, the same field status is assigned to all accounts within an account group. When creating account groups, strong consideration should be given to a one to one relation with the field status groups, although there are exceptions to this policy.

Open Item Managed Accounts

In addition to the traditional accounts, where all line items posted to the account make up the account balance, the State will also use the concept of Open Item Managed accounts. The balance on an open item managed account is made up entirely out of the open items. Cleared or closed items can still be displayed but are not needed to calculate the account balance. An example of an open item managed account is the outstanding checks account. When a check is cut the amount gets posted to the outstanding checks account as an open item and can be analyzed as such. When the check is cashed by the vendor SAP will “clear” the open item on this account by reclassifying the amount to the bank account. The State will decide during realization which accounts will be managed on an open item basis, such as bank clearing accounts.

GL Account Structure

The initial framework for the State GL accounts will be as follows:

- 1000000 – 1999999 Assets
- 2000000 – 2999999 Liabilities
- 3000000 – 3999999 Fund Balance
- 4000000 – 4999999 Revenues
- 5000000 – 5999999 Expenses
- 9000000 – 9999999 CO Secondary Cost Elements (used for charge-backs and labor allocations)

As a means of cross-reference, during conversion the legacy account number will be inserted into the 'Alternative Account Number' field for each account master record in SAP. The Chart of Accounts listing can be produced with this additional data field.

The following groupings are currently defined for the logical breakdown of accounts:

Balance sheet account groupings:

Assets (1000000 - 1999999)
- **Current Assets (11xxxxx)**
  - **Cash (111xxxx)**
  - **Investments (112xxxx)**
  - **Receivables (113xxxx)**
  - **Inventory (114xxxx)**
  - **Other Current Assets (115xxxx)**
- **Non-Current Assets (12xxxxx)**
  - **Restricted Assets (121xxxx)**
  - **Land, Buildings, & Equipment (122xxxx)**
  - **Other Non-Current Assets (123xxxx)**

Liabilities (2000000 - 2999999)
- **Current Liabilities (21xxxxx)**
  - **Accounts Payable (211xxxx)**
  - **Other Current Liabilities (212xxxx)**
- **Long-Term Liabilities (22xxxxx)**
  - **Long-Term Obligations Payable (221xxxx)**
  - **Other Long-Term Liabilities (222xxxx)**

Fund Balance (3000000 - 3999999)
- **Fund Balance (31xxxxx)**
- **Fund Balance - Reserves (32xxxxx)**
- **Fund Balance - Retained Earnings (33xxxxx)**
- **Fund Balance - Other (34xxxxx)**

Revenue account groupings:

Revenues (4000000 - 4999999)
- **Intergovernmental Receipts (40xxxxx)**
  - **Federal (401xxxx – 407xxxx)**
    - **Transportation (401xxxx)**
    - **Public Works (402xxxx)**
    - **Health, Hospitals & Welfare (403xxxx)**
    - **Education (404xxxx)**
    - **Labor (405xxxx)**

- Local (408xxxx)
- Other (409xxxx)

Taxes (41xxxxx - 42xxxxx)

- Sales - State (411xxxx)
- Income (412xxxx)
- Inheritance Tax (413xxxx)
- Gift Tax (414xxxx)
- Minerals, Oil and Gas (4150xxx - 4154xxx)
- Petroleum Products (4155xxx - 4159xxx)
- Automobile Rental - State (416xxxx)
- Hazardous Waste Site Cleanup (417xxxx)
- Consumer Use - Excise (418xxxx)
- Consumer Use (419xxxx)
- Soft Drink Tax (420xxxx)
- Liquors - Alcohol Beverages (421xxxx)
- Tobacco Tax - Unclassified (4220xxx - 4224xxx)
- Tobacco Permits (4225xxx - 4229xxx)
- Severance Tax (General) (423xxxx)
- Contractors Fee, Non-Resident (424xxxx)
- Corporation Franchise Tax (425xxxx)
- Electric Co-op Fee (4260xxx - 4264xxx)
- Public Utilities - Carriers (4265xxx - 4269xxx)
- Catalog Sales (427xxxx)
- Telecommunication Tax (428xxxx)
- Other (429xxxx)

Gaming (43xxxxx)

- Lottery (431xxxx)
- Horse Racing (432xxxx)
- Casino (433xxxx)

Use of Money and Property (44xxxxx)

- Royalties (441xxxx)
- Rents (442xxxx)
- Investments and Securities (443xxxx)
- Leases (444xxxx)
- Amortization Bond Premium (445xxxx)

Licenses, Permits, and Fees (45xxxxx)

- Hunting and Fishing (451xxxx)
- Fines and Penalties (452xxxx)

- Motor Vehicles (453xxxx)
- Other Licenses (454xxxx)
- Other Permits and Fees (455xxxx)
- Tuition (456xxxx)
- Truck Permits (457xxxx)
- Insurance (458xxxx)

Sales of Commodities and Services (46xxxxx)

- Sales to State Agencies (460xxxx - 464xxxx)
- Sales to Non-State Agencies (465xxxx - 469xxxx)

Other (47xxxxx)

- Miscellaneous Receipts (471xxxx)
- Insurance Recovery (472xxxx)

Other Financing Sources (48xxxxx)

- Bond Proceeds (481xxxx)
- Line of Credit (482xxxx)

IAT Revenue (49xxxxx)

- Interagency Receipts (491xxxx)
- Fund Transfers (492xxxx)

Expense account groupings:

Expenses (5000000 - 5999999)

- Personnel Services (51xxxxx)
  - Salaries (511xxxx)
  - Other Compensation (512xxxx)
  - Benefits (513xxxx)
- Travel and Training (52xxxxx)
- Operating Services (53xxxxx)
  - Services (531xxxx)
  - Insurance (532xxxx)
  - Maintenance (533xxxx)
  - Rent (534xxxx)
  - Utilities (535xxxx)
  - Depreciation (536xxxx)
- Supplies (54xxxxx)
- Professional Services (55xxxxx)
- Other Charges (56xxxxx)
  - Local Aid (561xxxx)
  - Miscellaneous (562xxxx)
- Capital Outlay (57xxxxx)

Major Repairs (58xxxxx)
Debt Service (59xxxxx)

Integration

The creation of the chart of accounts will be conducted with the assistance of the entire Finance team. Specific requirements for external reporting, cash management, budgetary integration, and asset integration must be supported. Additionally, GASB34 reporting requirements, such as accounting for assets and long term debt, must be accommodated. Separate GASB34 accounts will facilitate reporting on both bases of accounting: modified accrual and full accrual. By using separate accounts for GASB34, these accounts can be included when reporting on a full accrual basis or excluded when reporting on the traditional modified accrual basis. Fixed assets, liabilities and investments should be recorded using both bases of accounting simultaneously, regardless of the type of fund. This is considered a best practice. Affected postings in these areas will be configured to automatically make regular postings and GASB postings (to GASB accounts) to facilitate both methods.

In the integrated SAP system, FI GL accounts have an established relationship with commitment items in FM and cost elements in CO. This relationship provides for the simultaneous posting of documents in the multiple ledgers, as well as reconciliation between the ledgers. The defined relationship will be as follows:

Cost Elements	GL Accounts	Commitment
Real	Expense	Real
Real	Revenue	Real
Non-CO or Statistical	Liabilities	Non-FM or Statistical
Non-CO or Statistical	Assets	Non-FM or Statistical or Real
Non-CO or Statistical	Equity	Non-FM or Statistical or Real

Real indicates that the posting will update the specific ledger with a actual posting, as opposed to a statistical posting, which is posted purely for visibility, reconciliation, and reporting purposes. Statistical postings do not consume budget. Field length will be the same for all three fields, using an identical numbering scheme.

#	Process Terminology	Description
1	GL account	The General Ledger Accounts (GL Accounts) are the structures that classify debit and credit values for accounting transactions in the FI module and form the basis for creating balance sheets and income statements.
2	Commitment Item	Commitment Items represent budget and fund accounting classify classifications of GL accounts and Cost Elements in the Funds Management module.

#	Process Terminology	Description
3	Cost Element	Cost elements are used to classify costs (revenue and expenditure) in CO according to object. Secondary cost elements are used for internal allocations within a controlling area.

To-Be Process Flows

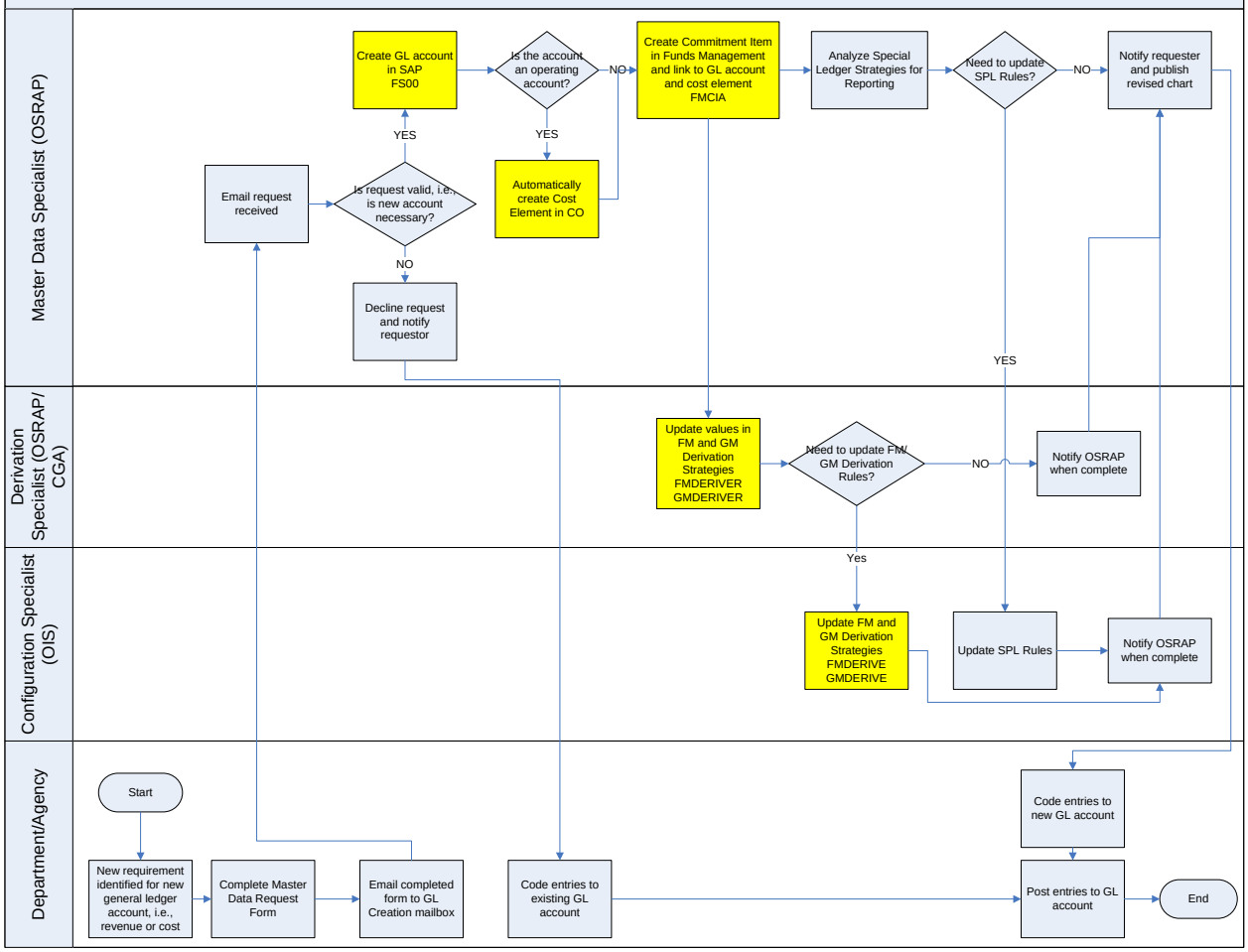
The GL accounts will be maintained by OSRAP. A web based form must be created with access for all agencies to request new GL accounts. A mailbox for the receipt of these forms must be established. OSRAP will have to monitor the mailbox and respond accordingly.

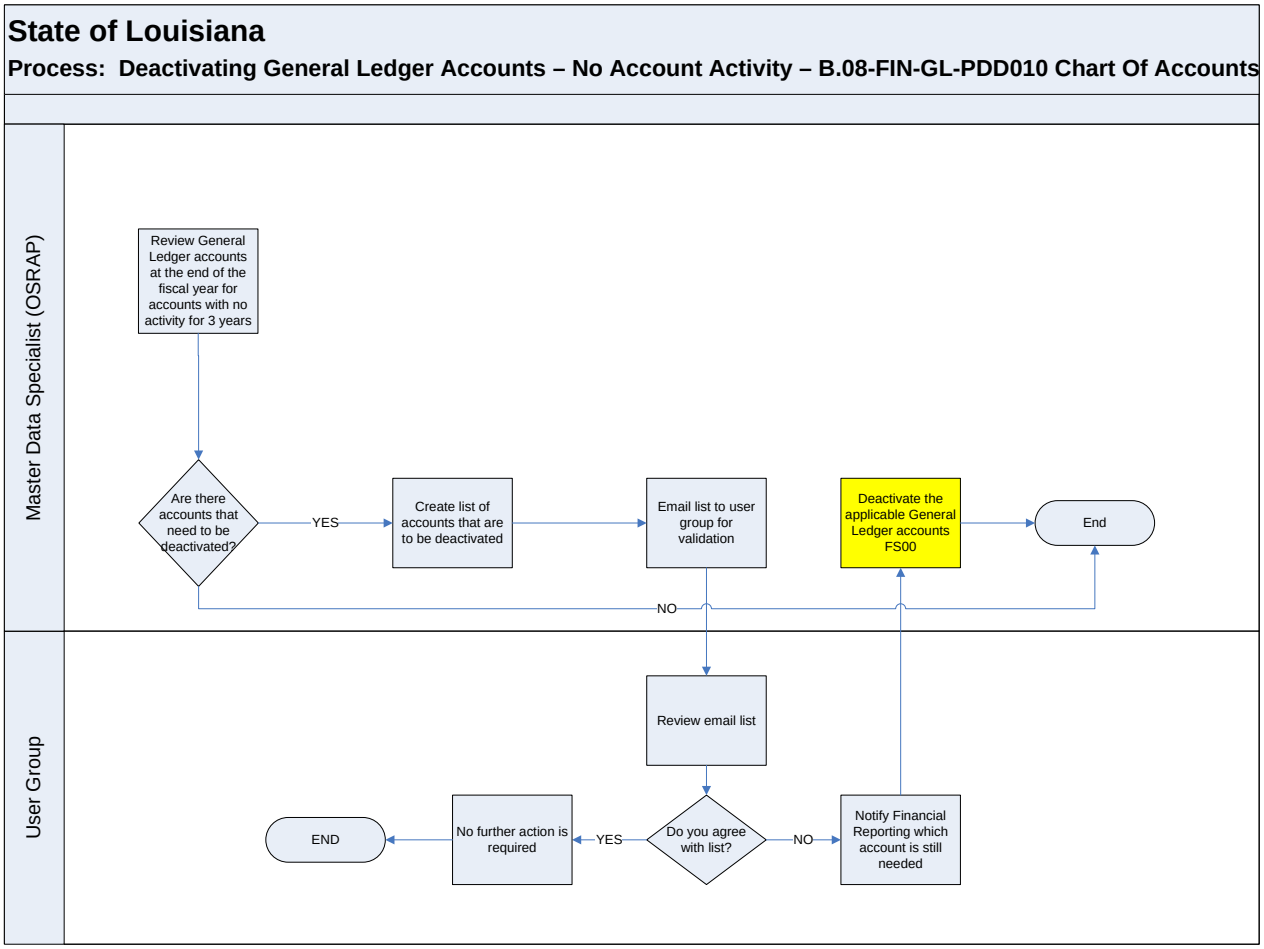
Requests for new GL accounts must be analyzed by an accountant, considering the requirement to be met, the current accounts available, and the presentation of any new accounts in the financial statements. Once the analysis is complete, OSRAP must respond to the user if a new account is determined to not be required. If a new account is required, OSRAP will create the new account and associated commitment item. If the account is a P&L account, the corresponding cost element will be automatically created by the system.

Once a new account is established, the Special Ledger and Derivation strategies must be assessed to determine if value or rule changes are required. Assessment of the Special Ledger strategies must be completed by an accountant with a detailed understanding of the Special Ledger and Split Processor. The accountant must understand the consequences of financial presentation for reporting. Assessment of the FM Derivation strategies must be completed by a person knowledgeable in the budgetary reporting and control requirements of the State. Assessment of the GM Derivation strategies must be completed by the CGA granting expert for the State, an office within the DOA. Changes in any of the three strategies discussed can have system-wide impacts and must be carefully executed with tight control. Any rule changes, requiring configuration and transport, will require that OSRAP or the CGA submit a change request to OIS. OIS will follow the existing procedure for change requests which provides for necessary approvals, testing, transport process, audit trails, online help updates, etc.

Once all required changes have been accomplished the requestor should be notified to proceed. Additionally, the revised chart should be published according to schedule with the inclusion of the new account.

State of Louisiana
Process: Create New General Ledger Accounts – B.08-FIN-GL-PDD010-Chart of Accounts





Key Business Process Decisions

A guiding principle for the project is to adapt to a common system-enabled business process design as provided by the best business practices inherent in the SAP and Agile applications. This section is used to document the key decisions that will impact existing business processes that may or may not affect ultimate configuration. Information in this section is shared with the key external support groups including the Executive Steering Committee.

#	Decision	Process Impact	Organizational Impact
1	Single Chart of Accounts	AFS and DOTD Finance charts will be combined	New levels of detail will be captured in the combined chart
2	Renumbering of accounts	Use of standard account presentation	New numbering schema will require training
3	Centralized chart maintenance	Ensures control, efficiency, and oversight	Training for OSRAP, DOTD will need to request new accounts through OSRAP
4	7 digit GL account	Allows for increased detail in combined chart and future growth	Longer string to input, some things currently captured in Agency maintained objects will have to be requested through OSRAP

Statute, Regulation, Policy, and Procedural Impacts

#	Statute, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Control Agencies Policies and Procedures Manual	Chapter 2: Structure	OSRAP
2	Control Agencies Policies and Procedures Manual	Chapter 13: Uniform Chart of Accounts	OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: Chart of Accounts						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

Note: *A web based form is required to support the agency request of a new GL account.*

R – Reports	Master List of Current and Future State Reports: Chart of Accounts						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

I – Interfaces	Master List of Current and Future State Interfaces: Chart of Accounts						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

C - Conversions	Master List of Future State Data Conversions: Chart of Accounts						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None Identified						

E – Enhancements	Master List of Future State Enhancements: Chart of Accounts				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Upload Utility	Spreadsheet upload utility to load GL accounts	Used for conversion and to support any mass additions to the chart	Simple utility, expected for every GL conversion	

W – Workflow	Master List of Future State Workflow Events: Chart of Accounts		
No.	Description	Justification	Comments
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: Chart of Accounts		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None Identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: Chart of Accounts			
No.	Role	Description	Strategy	Special Considerations
1.	Master Data Specialist	Creates and maintains GL accounts	Central control of master data	
2.	Derivation Specialist	Manages derivation strategies	Central oversight and control of derivation strategies	

Organizational Impact

OSRAP will take on the role of business owner for the derivation strategies as well as master data maintenance. OSRAP currently maintains the GL master data, but the addition of commitment item master data is a new task for them. OIS will maintain the derivation rules when OSRAP submits a change request for a change to an existing rule or addition of a new rule.

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Master data maintenance	OSRAP will maintain all GL accounts and commitment item master data	Training for OSRAP personnel
2.	Derivation strategy maintenance	Requires creation of a CGA, as detailed in GM PDD's OIS will maintain FM derivation strategies	Training for OIS personnel for strategy maintenance Training for OSRAP for business ownership of strategy

Training Impact

- A relatively small numbers of users will require training in the creation and maintenance of GL accounts. The larger community of financial and logistics users will need to understand the revised account code and the procedures for requesting new master data.

Appendix

Not Applicable

Team:	Finance – General Ledger
PDD Name:	Period Management and Closing Operations
PDD Number:	FIN-GL-PDD040-Period Management and Closing Operations
Business Process Owner:	Afranie Adomako
Functional Lead:	Pat Cane
Functional Consultant:	Mary Ramsrud

Executive Summary

This document pertains to the fiscal closing processes for the State, for both the monthly and annual closings. Many of the tasks involved in closing the books involve processes that are also performed on a daily basis, e.g. posting journal entries, which is covered under FIN-GL-PDD030 for Journal Entries. This closing PDD does not discuss procedures otherwise covered, but deals with the tasks themselves and their timing, which must be completed to close the books. However, if there are new processes unique to the closing process, they are intended to be included in this document.

The goal for month-end processing is the timely and efficient close of the books. Since the State does not currently perform a full month-end close, it is anticipated that month-end closing in SAP will take a significantly longer period of time. The initial design, as detailed in this document calls for an 8 day month-end closing cycle. The goal of the State is to gradually reduce that timeline as they become more experienced with the new integrated closing processes in SAP.

Performing a full month-end close will prepare the State for an efficient year-end closing. By affecting a hard close each month with full attention to integrated processes and document management, significant portions of the year-end closing processes will be streamlined to replicate simply another month-end closing with extended processing.
The following best practices were considered and adopted for the State:

- Perform monthly and annual closes
- Develop and communicate comprehensive monthly and annual closing schedules
- Establish a pre-close meeting early in the closing cycle to discuss any unusual results (for example, GR/IR account balances, interface postings, and cash reconciliations)
- Establish monthly cutoffs to facilitate timely monthly closings
- Closing should be centrally controlled and managed to ensure that all steps are completed timely and in sequence
- Practice year-end closing steps well in advance of year-end with production data in a testing environment
- Closing schedule includes the closing of all modules and the closing should be controlled by OSRAP
- System should provide extended periods for closing entries

The use of special periods is defined as follows:

- 13th Period – July 15 through July 31 (Note: Period 12 will be closed on July 14)
- 14th Period – August 1 through August 14
- 15th Period – August 15 through Annual Close (usually in September)
- 16th Period – After Annual Close (for entering audit adjustments only, at the discretion of OSRAP)

It should be noted that using special periods entails utilizing extra care when posting to them, to ensure that transactions are reflected in the correct period. SAP records on transactions both a posting date and a posting period, the latter of which is automatically derived from the former. However, for journal entries, when posting to special periods, the derived posting period should be overridden. For example, in the case of the State, to enter a transaction in period 14, the posting date entered would be the last day of June, but since the system would automatically derive period 12, the user must be sure to change it to period 14 before posting. For this reason, access to posting in the special periods should be limited to key staff. Special authorization levels will be set up to allow this.

The integrated closing calendar will continue to be owned by OSRAP with preparation and support from OIS personnel. Many functions currently undertaken only at year-end, done offline, or done manually will become automated processes. The closing team will have to be trained on the understanding and management of these new processes.

The GL balance conversion will be executed as part of the overall cutover plan for the State. As the majority of the State is planned to be converted at the opening of fiscal year 2011, opening balances will need to be converted. Additionally summary life-to-date revenue and expenses for projects and grants will need to be converted. The GL balance conversion requires significant integration with the cash and asset conversion activities, as there are numerous conversion reconciliation accounts involved between them. The intention of conversion accounts is to allow conversion to flow in and out with eventual reconciliation to zero and subsequent closing of the accounts. It is anticipated that some write-off activity will be required to facilitate reconciliation of the sub-ledgers to the general ledger. Required write-offs will be identified during conversion testing. Discussions with OSRAP will provide direction for the handling of any required write-offs.

DOTD is planned to be converted as of October 1, 2010. DOTD financial data will be converted from DOTD legacy systems as the systems of record. Since DOTD will be a mid-year conversion, additional conversion objects for current year activity will be required.

To-Be Process Description

Open/close posting period

Posting periods are equivalent to fiscal periods. SAP's periodic closing activities are performed in stages by module, in that posting periods are opened and closed (i.e. postings are allowed and prevented) for each module. For example, routine closing steps, among others, include closing the Materials Management period and the Accounts Payable period, with the General Ledger being closed last. At most, there are generally two financial posting periods concurrently open during the month-end close: the current (reporting) period and the period immediately following it.

To separate business transactions into different periods, a **fiscal year** with posting periods has to be defined. The fiscal year is defined as a variant which is assigned to the company code. This is done in initial baseline configuration by the project team. The fiscal year variant contains the definition of **posting periods** and **special periods**. Special periods are used for postings which are not assigned to time periods, but to the process of year-end closing. In total 16 periods can be used.

The system derives the posting period from the posting date. When the posting date falls within the last normal posting period, the transaction may be posted into one of the special periods. If the posting date falls in the 12th period, the transaction can instead be posted in one of the four special periods. Standard fiscal year variants are already defined in the system and can be used as templates.

- Note: The fiscal year variant does not include the information as to whether a period is open or closed; this is maintained in another table. The fiscal year variant only defines the amount of periods and their start and finish dates.

Typically, the posting period for the subsequent fiscal month is opened a day or two before the end of the reporting fiscal month, to allow the new month's business transactions to be processed without delay.

In SAP, users will be required to organize and complete their month-end processing according to a modular closing schedule, which provides for only certain types of transactions to be posted at different times. Although a particular module may be closed for postings, for practical reasons, through the use of authorizations, certain key users can be granted special access to continue to process transactions to it if necessary.

It is expected that monthly periods will be closed to end-users in advance of the final close for control agencies. OSRAP will manage the opening and closing of all posting periods, regardless of module. Period management in SAP is executed via end user transactional functionality. For FI, which includes AA, AP, AR, and GL, the periods are managed via transaction OB52. Periods can be opened or closed for FI as a whole, or for the sub-ledgers individually.

Parked Documents

Parked documents functionality in SAP allows users (e.g. Agencies) to enter transactions in SAP, while other users (e.g. Financial Reporting/Supervisors) post after review. This function can be useful, but it must be carefully controlled, especially during month-end processing. This is because the existence of parked documents does not preclude completing the month-end activities. So it is possible to close the books while parked documents remain outstanding and thus omitted from the financial statements. Therefore, checking for parked documents should be done at regular intervals during the period of month-end processing. In SAP, there is a report that can be run to view all parked documents. It would be a good idea to designate a staff member to be responsible for reviewing this report specifically during month-end processing, as well as following up with other staff to ensure the documents are either posted or deleted before the books are closed.

Additionally, the State is using significant workflow processing in SAP. Items in workflowed approval cycles will also need to be evaluated to ensure all appropriate documents are approved and posted prior to period closing.

Payroll accrual

There are options in SAP to have the system calculate and post either an estimate or the relevant proportion of the actual payroll for the period in question. It is recommended that the State take advantage of their single instance approach and use the delivered, automated payroll accrual functionality monthly. This will benefit the State by ensuring timely sponsor reimbursement in grants as well as allowing for complete month-end financials without undergoing arduous manual calculations. This decision is pending until discussions between OSRAP and the HCM project team are completed.

Reverse prior month's accruals

Accruals will continue to be posted individually using SAP's accrual function, but their reversal will be initiated in batch, as per the reverse posting date specified at the time of creation. Accruals will be able to be posted over several days during the closing period, but the batch reversals for them will be one of the first tasks assigned for completion as soon as the financial statements are finalized. Individual accruals will be posted by control agencies as required. The batch reversal will be executed by OIS as per the integrated closing calendar.

Comparative Analysis

Comparative analysis of the sub-ledgers balances to the general ledger balances should be executed as part of the month-end closing process. Although the system is designed and configured to ensure the real-time reconciliation of the sub-ledgers, it is a conservative financial practice to validate that reconciliation. Comparative analysis is a standard delivered function.

Sample month-end SAP specific tasks are detailed below:

Tasks specific to SAP:

SAP-specific task	***Module***	***Explanation***
Maintain GR/IR account	MM	This compares open goods receipts with invoices received and if there is no further invoice or delivery expected, clears out the difference to a specified account, either inventory or expense. Therefore, the balance in the GR/IR account at month-end is comprised purely of the value of goods received awaiting receipt of invoices or the value of invoices received awaiting delivery of goods.
Close MM period	MM	This allows goods movements to be performed in the new month. This step must be done at the beginning of the new period, after all transactions for the reporting period have been completed.
Load Electronic Bank Statement (Add on)	CM	Import and update the clearing accounts for the transactions that cleared the bank on the last day of the month. It is anticipated that this process will be done daily, with the bank reconciliation done monthly.
Close Accounts Receivable period	AR	Close the reporting period for postings to accounts related to customers. Accruals can still be processed but not to customer accounts in the subledger.
Close Accounts Payable period	AP	Close the reporting period for postings to accounts related to vendors. Accruals can still be processed but not to vendor accounts in the subledger.
Settle capital projects to Assets under Construction, Cost Center, or Final Fixed Asset	PS	Once all the Accounts Payable invoices have been recorded, capitalize project expenses of the period. This step must be done before the depreciation run.
Run fixed asset depreciation for the month	AM	Post depreciation for the month, with a supplementary posting in a separate depreciation area to satisfy GASB34 requirements.
Settle real Internal Orders (if used)	CO-IO	Post costs held in “temporary buckets” to cost elements (expense accounts).
Run assessments in CO	CO-CCA	Automatically allocate shared expenses among the departments.
Run CO reports	CO	Verify that assessments and settlements were correctly done.
Close Asset period	AM	Lock, for the reporting period, all postings to asset-related accounts.
Repost costs in CO	CO-CCA	There may be costs that were posted to an incorrect cost object. Since the information merely needs to be re-classified, these costs can be transferred from one object to the other without affecting FI.
Reconcile fund-level cash to investments & cash on hand	FI	Reconcile fund group cash control account to the actual FI GL bank accounts assigned to each fund (all recorded in the pooled cash fund)
Complete bank reconciliations	FI-GL	Compare the final statements from the bank to the GL bank account postings
Calculate and post Balance Sheet adjustment	FM	This will be automatically carried out on a daily basis by the Split Processor in Funds Management
Calculate and post Profit and Loss adjustment	FM	This will be automatically carried out on a daily basis by the Split Processor in Funds Management
Regroup receivables and payables	AR and AP	AR and AP accounts are regrouped according to certain criteria, e.g. customers with credit balances are regrouped under payables, sub-ledger accounts for which the reconciliation account was changed are transferred to the new GL account, etc.
Run Financial Accounting Comparative Analysis	GL	The system analyzes and performs a consistency check on FI transactions. It compares the transactions in customer, vendor and GL accounts with the totals of the posted documents, to ensure that they are in sync. The period should be closed or the report should be run after hours so that updates from documents being posted do not terminate the program or skew the data.
Close CO period	CO-CCA	Once all transactions, assessments and re-postings have been completed, the CO books can be closed. This should be performed near the time that FI is being closed.

SAP-specific task	Module	Explanation
Close GL Period	GL	Close when the accounts are finalized.

Tasks specific to year-end closing

The first thing that must be done at the end of the reporting year is to open the new fiscal year, which allows the new year's transactions to proceed smoothly. The opening and closing of the four special posting periods will also have to be carefully controlled during the later phases of the year-end close.

Below are tasks that must be performed in SAP during year-end closing.

Additionally there are year end specific activities to be conducted in many areas of SAP. Funds Management (FM) and Asset Accounting (AA) in particular have significant year-end activity. The FM details are defined in FIN-FM-PDD050 FM Period End Processing. The AA details are defined in FIN-AA-PDD070 Periodic Processing.

All year end tasks will be coordinated in a single year-end closing calendar, to be owned and managed by OSRAP. The GL team is responsible for assembling this calendar in draft for the project team, including and integrating tasks from all modules as required. Once the SAP functional calendar is relatively complete, ownership of the calendar should be migrated to OSRAP. The calendar will need to be significantly supplemented by the business financial closing steps and activities, including communication strategies, deadline determination, and verification and validation activities.

Reporting

The focus of year-end activity is the appropriate capture of financial activity to prepare year-end financial statements and the CAFR. Considering this overall goal, there will be unique requirements for BI reporting at year-end. Namely, the commonly presented reports for agency reconciliation will require standard variants to ensure that all agencies are viewing critical data consistently. Additionally, since year-end and month-end processing have significant critical timing events and deadlines, OSRAP will require more frequent refreshes of BI during critical periods of validation and verification. It is understood that this will likely only be for the GL cubes in BI, but may potentially include FM and AP as well.

Sample year-end SAP specific tasks are detailed below:

Task specific to SAP	Target Date	Module	Explanation
Open next fiscal year/period for Materials Management		MM	This is necessary to allow goods movements of the new year to be recorded.
Open 1st posting period of next fiscal year for Financial Accounting: General Ledger Funds Management Accounts Receivable Accounts Payable Asset Management Controlling		GL FM AR AP AM CO	Posting periods in general FI can be opened by module or by range of accounts. In this case, the period/year is opened for all the applicable modules. In Funds Management, they are opened for different types of transactions, e.g. purchase orders.
Change fiscal year for Asset Accounting		AM	This opens the new fiscal year and carries forward the asset balances to the following year. The asset sub-module is different from the other FI sub-modules in that even though the posting period might be opened for asset accounts, no asset postings can take place until the fiscal year change has been completed. Both the reporting year and the new year can be opened and posted to concurrently for assets. Any postings made in the reporting year subsequent to carrying out the fiscal year change will automatically update the account

Task specific to SAP	*Target Date*	*Module*	*Explanation*
			balances.
Carry forward sub-ledger balances for: Accounts Receivable Accounts Payable		AR AP	Carries the customer and vendor balances forward into the new fiscal year. **This must be done before the GL balances are carried forward.** It is not necessary to wait for the final entries to be posted before carrying forward year-end balances. Once the carry-forward programs have been run, any entries subsequently posted in the reporting year automatically update the opening balance of the new fiscal year.
Carry forward balances for General Ledger		GL	Carries the Balance Sheet account balances into the new fiscal year. Also closes the Operating Statement accounts to retained earnings/fund balance and sets their balances to zero. **The sub-ledgers should be carried forward prior to performing this step.** In FI-GL the Operating Statement accounts are closed to an aggregate Fund Balance account. The individual fund balances are dealt with in Funds Management. As with the sub-modules above, it is not necessary to wait for the final entries to be posted before carrying forward year-end balances. Once the carry-forward programs have been run, any entries subsequently posted in the reporting year automatically update the opening balance of the new fiscal year.
Carry forward open commitment items		CO-CCA CO-IO FM PS	This carries open commitment documents (resulting from POs for example) into the new year. It will be done as applicable for cost centers, internal orders (if applicable), funds and capital projects.
Carry forward budgets		CO-IO FM PS	This carries forward unused budgets into the new year.
Transfer encumbrances from Funds Management to Financial Accounting		FM GL	This is to allow outstanding encumbrances to be reflected in the financial statements. Reserve for encumbrance accounts will be created to satisfy this requirement.
Carry forward Funds Management balances		FM	This carries forward balances for individual funds, as specified.
Reconcile asset sub-ledger with General Ledger		AM	This program compares the asset summary records with the relevant GL accounts and produces a listing of discrepancies. It should be run before the end of the year.
Perform year-end closing for asset sub-ledger		AM	Postings to the reporting year will no longer be possible once the year is closed and there are certain prerequisites to this function: Depreciation must have been posted for the entire year. This includes the adjustment for GASB34, which will be calculated by SAP and posted in a separate depreciation area. All assets under construction should be settled. The asset sub-ledger must be closed before the General Ledger.

GL Balance Conversion

The conversion of the GL balances will be planned and executed with the following objectives in mind:

- Populate SAP with the master data needed to run the business
- Define processes for managing open items throughout the implementation processes
- Minimize the amount of historical data to be converted from existing systems to SAP
- Minimize the timeframe to complete the data conversion process
- Populate SAP with clean Data

The activities for fiscal year end conversion and mid-year conversion have unique requirements. The majority of the State is intended to be converted at a fiscal year end. DOTD is intended to be converted mid-year. There will need to be unique conversion programs to support the conversion of DOTD's current year activity.

For the fiscal year-end conversion, the opening GL balances will be converted by fund and business area. Life-to-date revenues and expenses will be converted for projects and grants. For the mid-year conversion, the conversion of summarized current year actuals will also be required. First quarter transactional data will be available for audit purposes in DOTD's legacy systems.

The GL balance conversions consist of the following key steps:

- Extract balances to be converted
- Reconcile extraction file to source system
- Map balances via crosswalk tables in SAP
- Upload the balances via conversion program
- Reconcile loaded data to extraction file

The reconciliations of the converted data are a shared responsibility between the project team, DOA, and DOTD. Opening balances must be validated. The project team, DOA, and DOTD must validate the extraction file to AFS, as well as validate the opening balances, once loaded in SAP. The project team will support this validation effort with reporting, Excel spreadsheets, and databases, as required. This effort will take support time from the project team, DOA, and DOTD just prior to and for several weeks after go-live. Additionally, as conversion testing is executed prior to actual go-live, the project team, DOA, and DOTD will need to participate in all GL balance test conversions. The project team, DOA, and DOTD will be given significant notice or timing of all participation requirements in order to effectively plan and manage their resources.

#	Process Terminology	Description
1	Non Identified	

To-Be Process Flows

The draft integrated closing calendar is attached below. The calendar will be centered on timing strategies designed to effect clean, efficient integration of the ERP environment.

Month Close

Task	DAY 0 Last day of the month	DAY 1	DAY 2	DAY 3	DAY 4	DAY 5	DAY 6	DAY 7	DAY 8
1	Open next month's posting period for FI-GL, AR, AP & AA (Tcode: OB52)	Maintain GR/IR account (AP, MM) (Tcode: MR11 and F.13)		Run CO assessments, distributions, and settlements.	Perform FI reposting(GL) (Tcode: FB50)	Reconcile fund-level cash to investments & cash on hand (CM)	Review pre-close reports (GL)	Bank reconciliations (to final hardcopy (GL)	Reverse accrual for interest on investments and debt (GL) (Tcode: F.81)
2	Open next month's posting period for CO (Tcode: OKP1)	Record accrued expenses, assets and liabilities, other than payroll(GL,AP,AR) (Tcode: FB50)		Effect all fixed asset transfers (AA)	Run assessments for Grant (GM) (Tcode; KSUS)	Last day to submit cash receipts (CM)	Perform variance analysis, as required (GL)	Run Financial Accounting comparative analysis (GL) (Tcode: F.03)	Reverse accruals in the new reporting period (GL) (Tcode: F.81)
3	Open next month's posting period for FM (Tcode: FMIR)	Complete all goods receipt of the reporting month (MM)		Settle capital projects to AuCs and final assets (CO, PS) (Tcode: CJ88, CJ86)		Transfer encumbrance from FM to FI (Tcode: FMTB)	Calculate and post adjustments, if any (GL) (Tcode: FB50)	Post final adjusting/ re-class journals (GL) (Tcode: FB50)	Complete bank reconciliations (GL)
4	Complete and verify daily interfaces and batch jobs	Record payroll accrual if implemented (HR) (PROGRAM)		Run asset depreciation (AA) (Tcode: AFABN)		Complete Customer billings for reporting month (AR) (Tcode; FB70)		**EOD: Close CO period (Tcode: OKP1)**	Enter Component Trial Balances in SAP (GL)
5	Run & Verify MRP (MM)	Perform Inventory closing steps (MM)		Post reserve for encumbrances (FM) (Tcode: FMTB)		Resource related Billing for reporting month (AR) (Tcode: VF01, VF02)		**EOD: Close FM period for reporting month (Tcode: FMIR)**	5pm: Close G/L period (Tcode: OB52)
6	Post all parked entries (AP, AR, GL) (Tcode: FBV0)	Investment and debt postings (interest accrual, allocations, market valuation)(CM) (Tcode:FB50)		**EOD: Close AA period (Tcode: OB52)**		**EOD: Close A/R period (Tcode: OB52)**		Inform all end-Users that Reporting month is closed for postings (GL)	Late pm: Run final financial reports (GL)
7	Roll MM period (Tcode: MMPV)	Load last electronic bank statement (EBS) for the month (CM) (Tcode:FF.5)		Review Schedule Manager task status (Tcode: SCMA)		Late pm: Run pre-close financial reports (eg.Trial Balance for Fund, Grant, Project, etc			Late pm: Verify BI extracts & reports (GL)
8	Review Pre-posted Budget Transfers (FM)								
9	Review Schedule Manager tasks (Tcode: SCMA)								
10	Post final AP invoices (Tcode: FB60)								
11	Record recurring expenses(GL)								
12	**EOD: Close A/P period (Tcode:OB52)**								

Final Month and Year-End Close

Task	Month -1 (May)	Month 0 (June)				Month 1 (July)			
		Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4
1	FM - Open new fiscal year	MM - Last day to create new requisitions	HR - Payroll cost distribution - Change 1018's	Submit invoices, check requests, and travel to AP for year end processing	**Month End Closing Steps (last day of the month)**	**Month End Closing Steps**	**Month End Closing Steps**	GL - Close period 12	GL - Year end adjustment entries
2	GL/FM - Create new master data (funds, GL account, commitment item, cost centers)			Forward cash deposits to Treasury for recording	MM - Convert approved requisitions to POs	AP, AR, GL – Open period 1 of new year	AP, AR - Carry forward balances	CO - Close period 12	Close Special Period 13
3	FM - Retract all preliminary budget from IP			HR - Final Payroll Run	MM - Delete outstanding prior year requisitions that should not be carried forward	CO – Open period 1 of new year	GL - Carry forward balances	FM - Close period 12	GL - Run final year end reports
4				GL - Record adjusting entries as required	MM - Maintain and Close prior year POs	MM - Roll over period	FM – Final Budget Transfers	GL – Open special period 13	
5					MM - Finalize Inventory count and adjustments.	AA - AA/GL Ledger reconciliation (ABST2)	FM – Carry forward commitments	GL - Year end adjustment entries	
6						AA – Fiscal Year Change	BA7 Carryforward process to supplement new year budget	FM - Final budget transfers	
7						AA – Year end close steps	MM - Annual Inventory Count and adjustment entries	FM – Carry forward Fund balances	
8						FM – Close earmarked funds	GL - Final GL entries		
9							AP, AR - Close period 12		
10							GL - Clear negative expenditures		

Task	Month 2 (August)				Month 3 (September)				December
	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	
1	GL – Open special period 14	GL - Year end adjustment entries	GL – Open special period 15	GL - Year end adjustment entries	FM - Final Budget amendments	GL - Close Special Period 16			MM - Close prior year POs
2	GL - Year end adjustment entries	GL - Close Special Period 14	GL - Year end adjustment entries		GL – Open special period 16 until audit is complete				
3					GL - Close Special Period 15				
4					GL - Audit adjustment entries in Period 16				
5									
6									
7									
8									
9									
10									

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	OSRAP will manage the integrated month-end and year-end closing calendar with preparation and technical support from OIS	Although there will be significant new tasks, the ownership of the calendar is consistent with the As-Is process	OSRAP, STO and OIS will require significant training on the management of integrated closing tasks. OSRAP, STO and OIS will need to be closely involved with month-end and year-end user acceptance testing
2.	Use of authorization groups to control access during closing operations	Currently the system is locked down for control purposes. In SAP the use of period management functionality is used to enable continued processing in multiple periods, while providing controls.	OSRAP will own period management in SAP.
3.	Use of special periods at year-end to control access and facilitate segregation of activity for reporting.	The State is familiar with the use of special posting periods. The alignment of the SAP special periods is slightly varied from current state-defined periods to support the integrated environment.	OSRAP will own period management in SAP.
4.	More frequent refreshes of BI as required by OSRAP during critical closing periods	OSRAP will advise the BI support team as part of the overall closing calendar preparation each year	Involvement of the BI support team in support of the closing processes
5.	Standard variants for BI closing reconciliation reports	OSRAP will define the variants required and mandate agency use in published closing procedures	Agency users will have to be trained on the retrieval of appropriate closing reports in BI
6.	OSRAP will be responsible for the validation of the converted GL balances as the financial business owner	OSRAP SME's will need to be closely integrated with the project team during conversion testing	Significant resourcing requirements from OSRAP in support of conversion testing and before, during, and after go-live

Statute, Regulation, Policy, and Procedural Impacts

#	Statute, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	Closing policies, procedures, and letters as published by OSRAP and other control agencies		Afranie Adomako
2.	Control Agencies Policies and Procedures Manual	Chapter 16: Year End Close Processes	OSRAP
3.	Revised Statutes 39:79 and 39:82	Forty-five day period after end of fiscal year	PMO

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: Period Management and Closing Operations						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Non Identified						

R - Reports	Master List of Current and Future State Forms: Period Management and Closing Operations						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	Non Identified						

I – Interfaces	Master List of Current and Future State Interfaces: Period Management and Closing Operations						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	Non Identified						

C - Conversions	Master List of Future State Data Conversions: Period Management and Closing Operations						
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
1.	GL Balance Conversion	To prepare opening balances for GL, Projects, and Grants	AFS and off-line grants spreadsheets	SAP GL	Required to support financial takeover	3 primary conversion streams for GL, Projects, and Grants	Significant work effort with extreme logical complexities and reconciliation support reporting
2.	DOTD GL Balance Conversion as of 6/30/10	To prepare opening balances for GL	GLED	SAP GL	Required to support financial takeover		Significant work effort to prepare summary balances once extracted from GLED Reconciliation to financial statement balances will be required
3.	DOTD Summary Transaction Conversion as of 9/30/10	To record first quarter transaction balances	DAJR	SAP GL	Required to support DOTD's non-fiscal year end go-live	DAJR has summarized data available	Approach may be revised based on cutover planning
4.	DOTD Project Life-to-Date Revenues	To prepare opening balances for projects	FAID	SAP GL	Required to support financial takeover	Use FAID collected data	
5.	DOTD Project Life-to-Date Expenses	To prepare opening balances for projects	PMFS	SAP GL	Required to support financial takeover	PMFS has expenses by project, funding source, and year	

E – Enhancements	Master List of Future State Enhancements: Period Management and Closing Operations				
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	Function	All financial data	Conversion of data	Required for financial	It is imperative that all

E – Enhancements		Master List of Future State Enhancements: Period Management and Closing Operations			
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
	Module and crosswalk tables	will require multiple z-tables to crosswalk data. A standard function module will be required to support the call of the z-tables and other logic definitions. This function module must then be called in support of ALL conversions involving financial data.		takeover	conversions and interfaces use the standard financial function module for financial data crosswalk. Under no circumstances should individual development call the z-tables directly. The logic for the function module is anticipated to be significantly complex, with changes and additions required throughout integration testing. Z-tables for GL accounts, reporting categories, grants, projects, funds, functional areas, cost centers, and sub-objects are anticipated at a minimum.
2.	Custom transaction code to call the function module and enable end-users to crosswalk legacy coding block to new SAP coding block	Will use custom screen to allow users to enter old coding and retrieve new	Uses function module defined above	Will support end-user satisfaction and ease the transition	Medium complexity

W – Workflow	Master List of Future State Workflow Events: Period Management and Closing Operations		
No.	**Description**	**Justification**	**Comments**
1.	Non Identified		

Gaps

Gaps	Master List of Future Gaps: Period Management and Closing Operations		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	Non Identified		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: Period Management and Closing Operations		
No.	Role	Description	Strategy	Special Considerations
1.	Non Identified			

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Management of closing activities and integrated closing calendar	No change	OSRAP, OIS, STO
2.	Execution of new integrated closing activities	There are significant new on-line processes to be executed and managed	OIS

Training Impact

- OSRAP, STO and OIS will require significant training of the new closing processes. OSRAP, STO and OIS will need to participate in user acceptance testing for month-end and year-end processing. Agencies will need to understand the new closing protocols as well as be trained in running the appropriate BI reports in support of closing verification and validation.
- All users will need to be trained on the custom crosswalk transaction to translate legacy coding to the new SAP coding.

Appendix A

Not Applicable

Team:	Finance – General Ledger
PDD Name:	GL Processing
PDD Number:	FIN-GL-PDD030-GL Processing
Business Process Owner:	Afranie Adomako
Functional Lead:	Pat Cane
Functional Consultant:	Mary Ramsrud

Executive Summary

This document deals with the process to be followed to record transactions via journal vouchers in the General Ledger. This includes manual journal entries, such as accruals, adjustments, and inter-fund transfers, as well as the internal and external interface postings.

Journal entries will continue to be processed by STO, by Agencies, and by OSRAP. Generally, many transactions that are journal entries in the current system will be processed using business specific transactions in SAP, the number of journal entries should be significantly reduced. Journal entry numbers will be system assigned. The State will use park and post functionality within the department responsible for posting the journal entry. Workflow will be enabled to support journal entries entered by Agencies that require Control agency approval.

Generally, advantage should be taken of SAP's Account Assignment Templates (AATs) for repetitive transactions where the dollar amounts change, but the account/agency/etc. assignment remains constant. AATs are essentially data entry stencils that contain pre-set account/cost center etc. assignments, so all the user has to do is enter the dollar amounts, thereby reducing the potential for error or misallocation.

Recurring entry functionality is also available for journal entries in SAP when the amount and account assignment postings do not change each period. Processing recurring entries is a three step process in SAP. In the first step, the recurring entries will be created with transaction FBD1. This transaction will create the recurring journal entry, including amounts, G/L accounts, intervals, start and ending date as well as account assignments. The first step is a one time set up step for the recurring entry, no posting occurs. The second step is SAP transaction F.14. This is the execution of all recurring documents that are due for posting. This will create a batch job containing all the documents that are "ready" to be posted. The final step is the "posting" of the documents. This will be done by OIS via SAP transaction SM35. The need for recurring entries will be determined during the realization phase.

To-Be Process Description

There are three options for the processing Journal Entries in SAP:

Option 1 – Decentralized with central approval

The need for a journal entry is identified in the agency. The agency enters the journal entry in SAP and parks the document. The document is reviewed internally, if required. Workflow routes the document to the control agency. The control agency posts the document or returns the document for correction.

Option 2 – Centralized

This would be the process under a centralized approach to Accounting, where the agencies would not prepare accounting entries. For the remote sites, the documentation necessary to prepare the entries would be submitted to a control agency for posting. Control agency employees would enter and post all journal entries. Some control agency employees may be restricted to only entering and parking the documents.

Option 3 – Decentralized

This would be the process under a decentralized approach to Accounting, where the agencies would enter and post the journal entry documents. The control agency would audit entries after-the-fact using a report of all posted documents.

The decision for the processing of journal entries in the State is Option 1, Decentralized entry with central approval for most processing. This option is consistent with the process currently in place at the State. As this process works effectively in the current environment and journal entry activity will be significantly reduced in SAP, it was decided that this would be the appropriate solution for the State. Option 2, Centralized entry, will be used for STO, with no required approvals outside STO. Additionally, Option 3, Decentralized entry with no approvals, will be used for agencies when posting revenue to revenue or expense to expense, where funds and business areas are not crossed. All entries will be immediately visible in the system for OSRAP analysis and post-audit, as required.

There is a custom workflow requirement defined with significant logic requirements to differentiate processing. Several if/then criteria will have to be developed to trigger or bypass the workflow. When triggered, the workflow will need to send simultaneous approval requests to OSRAP and STO. Both approvals will be required for the document to post. If either control agency rejects the entry, the document will be workflowed back to the originator.

Note: AVC checking will occur when a parked document is Saved As Complete by an agency user. An error message will result if budget is exceeded due to the parked document. In contrast, if a document is only parked, no check will occur. The parked document must be saved as completed prior to approval and release to workflow.

For interfaces and automatic transactions (standard functionality or custom transactions), parking should not be used. Since these postings are not impacted by human error (once the functionality has been fully tested), these entries can be posted directly, perhaps after reviewing a preliminary (test run) report prior to posting. This will reduce the number of transactions that have to be approved by OSRAP and, provided proper testing has taken place, the approval step should not be required. All transactions are fully reportable for after the fact audit and review.

Journal entry documents will be internally numbered with system generated numbers. The numbering will be sequential with no logic in the document number. If an agency needs to report on journal entries specific to their agency or fund, they will need to report based on business area or SAP fund.

Transactions Types

Accrual Journal Entries:

OSRAP employees enter the accruals and set the flag for automatic reversals. Unlike journal entries, accruals in excess of budget are allowed to be posted. SAP's accrual function will be used, which also provides for automatic reversal at a date specified by the user. SAP budget-checking for accrual transactions will be turned off – this will be done by financial transaction in SAP's budget control system (BCS).

Payroll accrual postings will be generated automatically from SAP Payroll. A decision is pending on the use of the automated payroll accrual, as the ability of implementing this solution with the current HR/Payroll system must be assessed by the payroll team. The GR/IR account will provide the accrual for PO related invoice receipts and expenses. In addition, an accrual journal entry may be processed for non-PO invoices.

Closing and Audit Adjustments:

In order to segregate the draft accounts from the accounts resulting from the post-year-end adjustments, special posting periods will be created in SAP. Therefore the financial statements can be run as of period(s) 12, 13, 14, 15, or 16 for the fiscal year to view the account balances at different stages. The method of posting the adjusting entries is the same as for standard entries.

Interagency transfers:

Certain interagency transfers may continue to be processed as journal entries. For the most part these types of transactions should be processed using CO functionality in SAP. In specific circumstances, CO will not accommodate the requirements and journal entries will be identified as the appropriate method of entry. See PDDCO0040 for more details.

Other types of journals and SAP functions:

For recurring entries where dollar amounts vary, while the account assignments remain constant, SAP's Account Assignment Templates will be used. These are templates that contain posting information already, requiring minimal information to complete the posting (such as amount). For constant dollar recurring entries, SAP's recurring entry function will be used as necessary.

Uploads and downloads to/from other systems

All uploads will be examined in more detail to determine whether SAP functionality eliminates the need for such uploads. In any case, a JV upload program using Excel will be created to assist in uploading JVs faster into SAP, particularly for use with high volume transactions. For example, summary entries for consolidations of agencies outside of SAP or offline systems might be recorded using this method. The JV upload utility will be subject to the same workflow logic as manual journal entries.

Internal and external interfaces

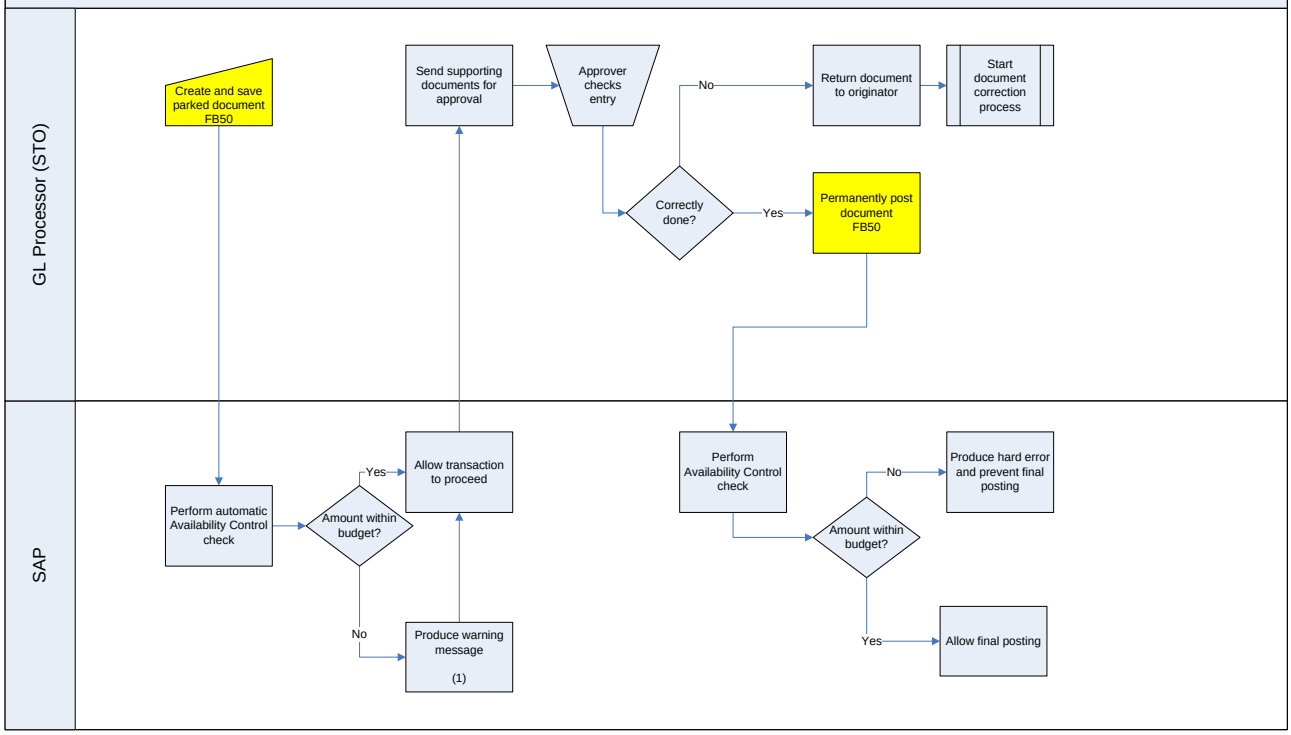
Known internal and external interfaces may post as journal entries. The use of unique document types to post these entries can be used to easily segregate them for reporting and treatment in the Special Ledger. If external interfaces require the capture of the external system document number, that number will be captured in a field on the journal entry, but will not be used as the SAP document number. Internal interfaces will include the Accounts Receivable sub-ledger (automatically updated in SAP), the Accounts Payable sub-ledger (automatically updated in SAP), and Payroll. The State's current policies for external interface management will not be changed. A standard GL document file format will be provided to external interface managers. This SAP file format will require the external interface managers to make appropriate changes to their systems and associated extract logic in order to provide the information to the SAP general ledger.

#	Process Terminology	Description
1	GL Account	The General Ledger Accounts (GL Accounts) are the structures that classify debit and credit values for accounting transactions in the FI module and form the basis for creating balance sheets and income statements.

To-Be Process Flows

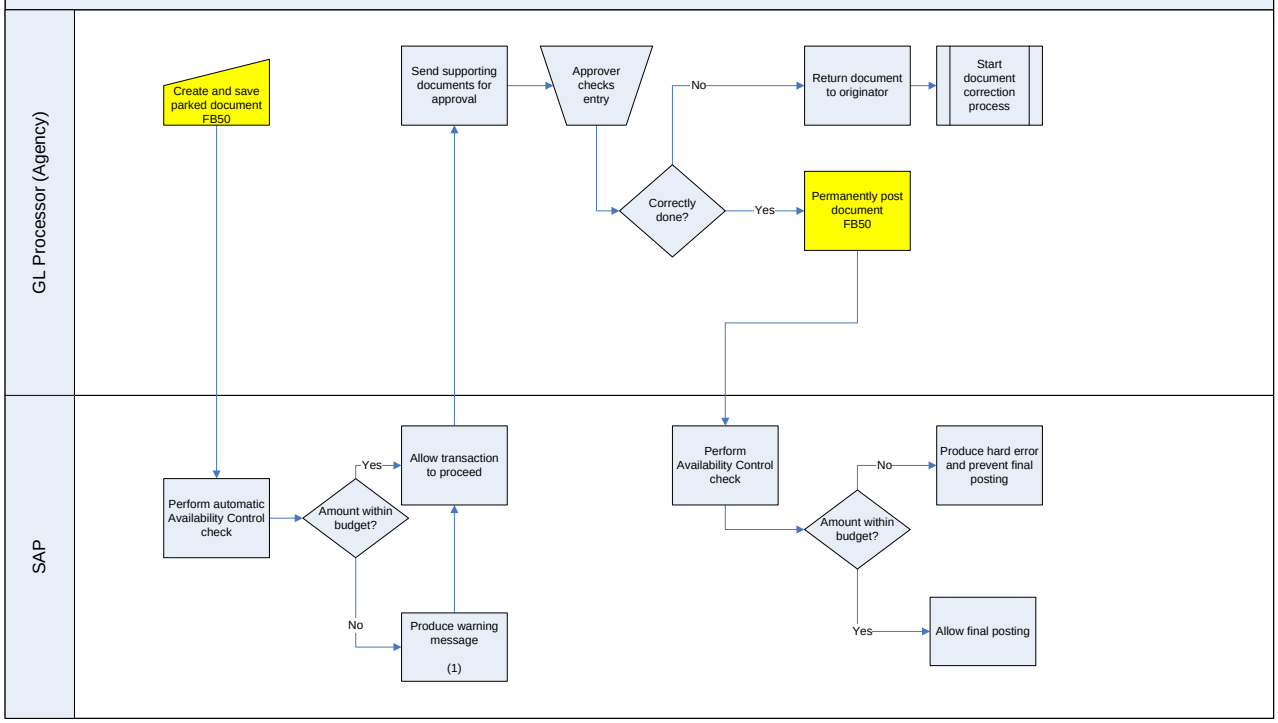
The three types of journal entry processes defined for the State are detailed in the embedded flows. Entries that do not require out of agency approvals will not require systematic workflow, but instead use park/post functionality. Users may be restricted to park only functionality, post only functionality, or have authority to do both. Validation by document type will also be required to restrict postings allowed. These validations may require enhancement upon further research in Realization.

State of Louisiana
Process: Posting Journal Entries Centralized
Document Type 1, STO only

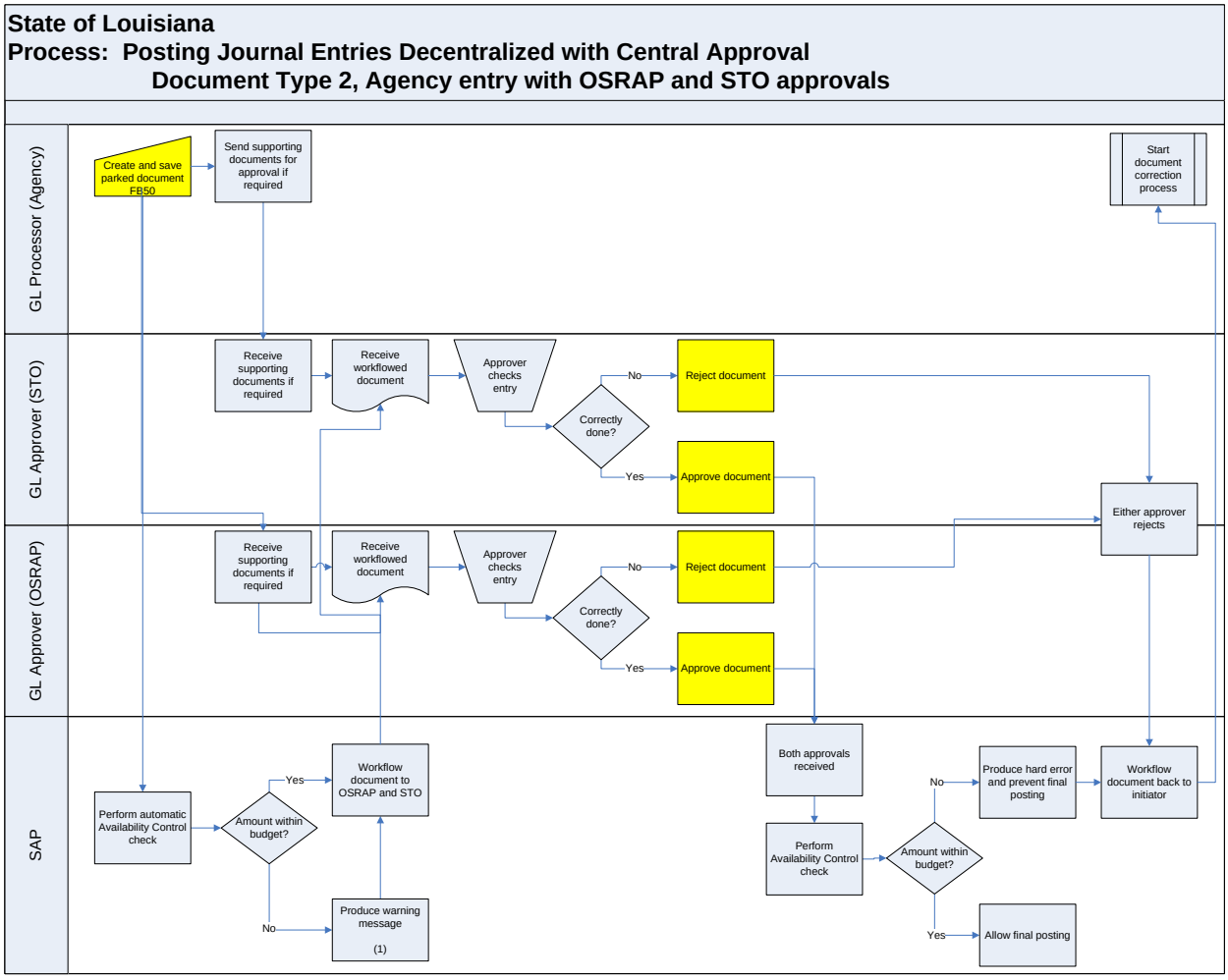


(1) The system message can be cofigured to be either a soft message (warning) or a hard message (error), the latter of which prevents further processing.

State of Louisiana
Process: Posting Journal Entries Decentralized with no Central Approval
Document Type 3, Rev to Rev or Exp to Exp within Fund and BA



(1) The system message can be cofigured to be either a soft message (warning) or a hard message (error), the latter of which prevents further processing.



(1) The system message can be cofigured to be either a soft message (warning) or a hard message (error), the latter of which prevents further processing.

Key Business Process Decisions

A guiding principle for the project is to adapt to a common system-enabled business process design as provided by the best business practices inherent in the SAP and Agile applications. This section is used to document the key decisions that will impact existing business processes that may or may not affect ultimate configuration. Information in this section is shared with the key external support groups including the Executive Steering Committee.

#	Decision	Process Impact	Organizational Impact
1	Journal entries will use system assigned, sequential numbering	No more agency specific logic in document numbers	Agency will have to be trained on the new numbering schema and how to report based on document type, business area, and fund.
2	Interfaces will use unique document types	Custom documents types will be defined	Agency will have to be trained on the new numbering schema and how to report based on document type, business area, and fund.
3	State's current policies for interface management will remain in place.	All GL interfaces will use a standard file format	External interface managers may have to make changes to their systems or extract logic to provide data to SAP GL.

#	Decision	Process Impact	Organizational Impact
4	Workflow for journal entry approval will be used	OSRAP and STO will continue to approve journal entries for Agencies	Users will have to be trained on workflow functionality
5	Upload utility will be developed to support lengthy journal entries		Will be available for agency and control agency use

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Control Agencies Policies and Procedures Manual	Chapter 8: Journal Vouchers	OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: GL Processing						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Non Identified						

R – Reports	Master List of Current and Future State Reports: GL Processing						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Non Identified						

I – Interfaces	Master List of Current and Future State Interfaces: GL Processing						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	ACCPACC inbound	Tax revenue classification	X	X		DOR	
2.	OTM inbound	Telecomm billing	X	X		DOA	
3.	Medicaid inbound	Medicaid payments	X	X		DHH	
4.	DSS inbound	Social services payments – BRIS, JAC, CAPS, TIPS, disability determine.	X	X		DSS	
5.	Census Bureau outbound	Expenditure/revenue data	X	X		DOA	
6.	GL Extract outbound	GL extract data	X	X		DPS	
7.	GL Extract outbound	GL extract data	X	X		DOA/OTM	
8.	GL Extract outbound	GL extract data	X	X		LHCA	

C - Conversions	Master List of Future State Data Conversions: GL Processing						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Non Identified						

E – Enhancements	Master List of Future State Enhancements: GL Processing				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Upload utility	Upload utility fed by Excel spreadsheet	Ability to upload line items to facilitate entry of lengthy journal entries	Required to support agency operations	Low complexity, with possible complication of workflow requirements

W – Workflow	Master List of Future State Workflow Events: GL Processing		
No.	Description	Justification	Comments
1.	Complex workflow with significant logic requirements	Required to support control agency approval	Should be presumed to be non-standard workflow

Gaps

Gaps	Master List of Future Gaps: GL Processing		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Non Identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: GL Processing			
No.	Role	Description	Strategy	Special Considerations
1.	GL Processor 1	Able to create and park journal entries	Some users will only be able to park journal entries, some will only post, some will do both	
2.	GL Processor 2	Able to post journal entries	Some users will only be able to park journal entries, some will only post, some will do both	
3.	GL Approver	Able to approve workflowed journal entries		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Approval of agency journal entries	No change	OSRAP, STO

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
2.	Submission of journal entries	No change	All agencies

Training Impact

- Journal entries processing functionality will be available to all agencies. The number of users per agency should be approximately equivalent to AFS defined users, since there is little change in the process. Users will have to be trained on journal entry processing and workflow functionality.

Appendix A

Not Applicable

Team:	Finance – General Ledger
PDD Name:	Splitting Rules
PDD Number:	FIN-GL-PDD020-Splitting Rules
Business Process Owner:	Afranie Adomako
Functional Lead:	Pat Cane
Functional Consultant:	Mary Ramsrud

Executive Summary

To fulfill its statutory reporting requirements (CAFR, PAFR, etc.), The State will use SAP Split Processor, New General Ledger (New GL) and Business Intelligence (BI) functionality. This document details the use of the Split Processor. Reporting functionality, as well as the overall statutory reporting strategy is detailed in PDDGL0050 – GL Reporting.

By default, SAP balances financial accounting entries at the Company Code level (legal entity level: State of Louisiana). In order to balance financial accounting entries at a lower level (fund, business, functional area, or grant) the SAP Split Processor must be used.

As an accounting document is posted within the SAP General Ledger, the document is simultaneously processed through the Split Processor rules (where additional lines are added that balance the accounting document by fund, business area and grant) and subsequently posted to the general ledger.

The Split Processor for fund accounting purposes will be configured to split and balance by Fund, Business Area (Department/Agency) and Grant. The standard public sector splitting rules for balancing entries as well as those that support the pooled cash and payroll trust design will be implemented. Additional splitting rules will be defined to support Bond Security and Redemption (BSR) requirements as constitutionally defined. It is expected that enhancement will be required to support the BSR requirements. Additional splitting rules will be defined and refined as required to support the business processes.

As additional custom document types are defined, each one must be assessed for inclusion in existing splitting rules or for new rule requirements. At present the need for custom documents types to support Treasury business processes, as well as identified GL interfaces has been identified. The need for custom document types is likely to evolve throughout the realization phase and into post go-live support. For this reason, it is imperative that the State develop a comprehensive understanding of the split processor functionality.

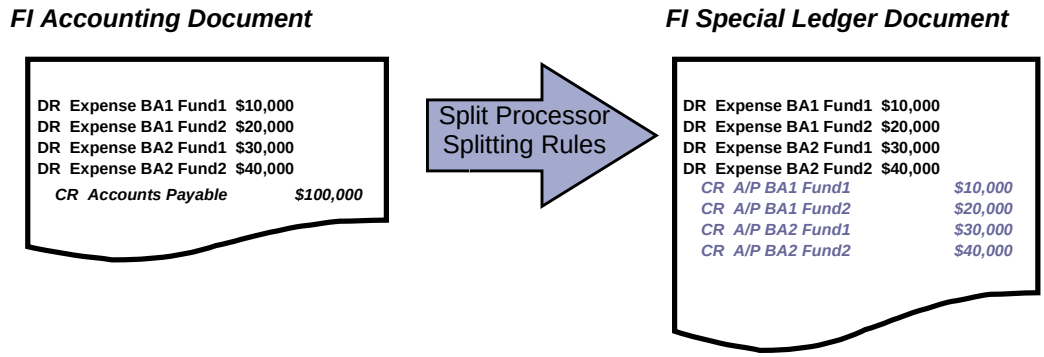
To-Be Process Description

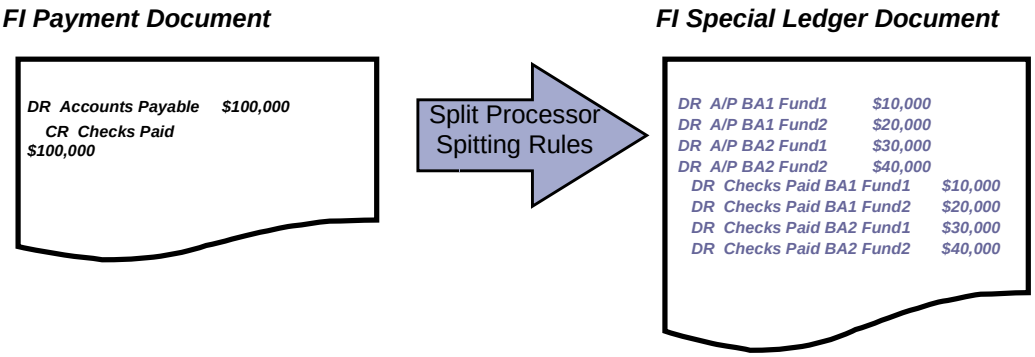
Process Description:

SPLIT PROCESSOR SPLITTING METHOD

The Splitting method will be used for splitting balance sheet items (accounts payable, accounts receivable, etc) based on the FM/GL account assignments (fund, business area, grant) recorded on the document's expense or revenue line items.

In the following example a vendor invoice is entered in SAP FI, and the split processor is configured to split the payable according to the FM account assignments recorded on the expense side of the financial accounting entry:





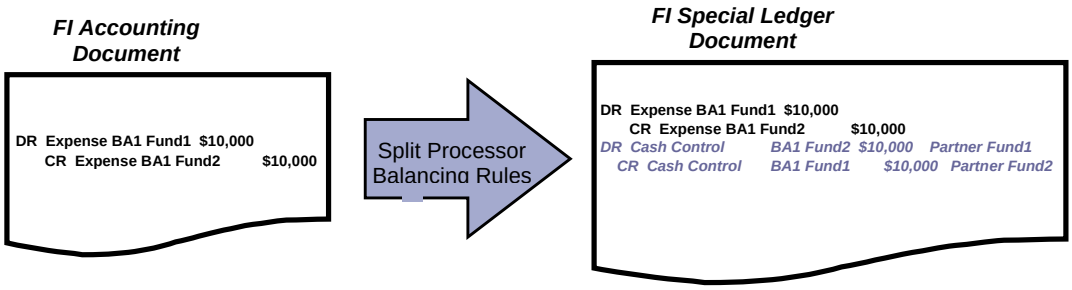
When a document that is split has a subsequent clearing that updates cash accounts (e.g., a check is issued against multi-funded vendor invoices), then the splitting done on the original document is also used for the cash payment upon clearing of the invoice with the payment. If the payment is less than the invoices being paid, an allocation is made based on the splits made to the original invoices.

Splitting rules will be configured by FI document type (ex: Vendor invoice, Customer payment, Payroll posting, etc.) and account item categories (ex: Vendor account, Cash account, Balance Sheet account, etc.).

SPLIT PROCESSOR BALANCING METHOD

If no splitting has been configured for the document type and the item categories within the document type, the document is then balanced using an inter-business area/inter-fund/ inter-grant clearing (Cash Control) account.

In the following example an expense is moved from Fund 2 to Fund 1. In FI, although all the line items have complete FM account assignments, the document is not balanced by Fund. Via the split processor, the document is balanced by all FM “dimensions” (in this example by Fund and Business Area).



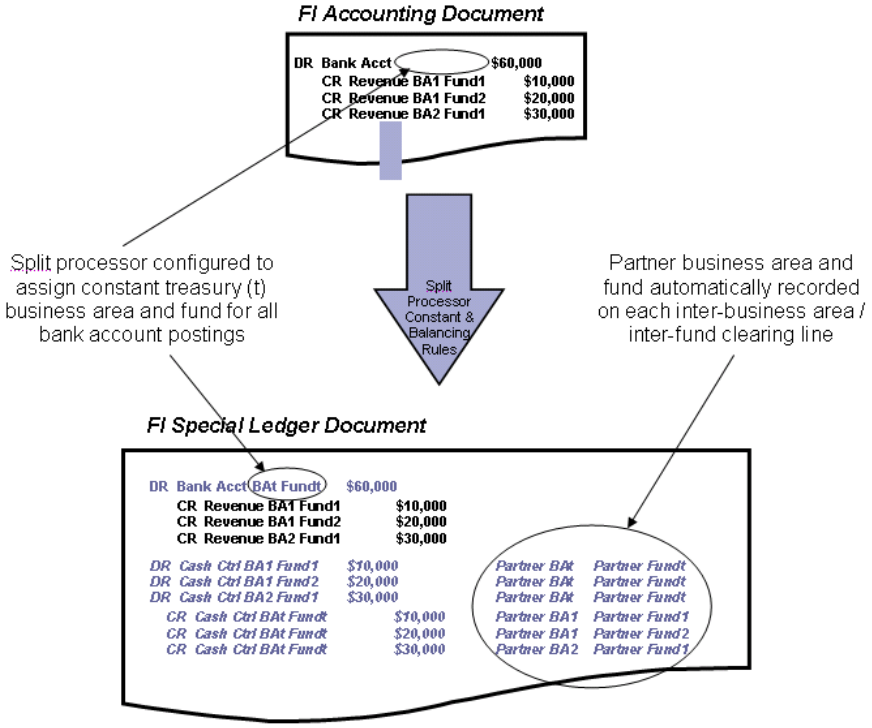
If no splitting has been configured for document type and item categories within a document type, the document is then balanced using an inter-business area/inter-fund clearing account.

Partner business area, partner fund and partner grant are updated during the balancing method in order to track the inter-business area, inter-fund and inter-grant transactions. The State will use a GL account "Cash Control" as the split processor "balancing account".

Reporting on the Cash Control account and partner business area, fund and grant will provide the necessary information on cash balances to be cleared between funds, business areas and grants, and sets the stage for implementation of the "pooled cash and investments" best business practice within the mySAP Public Sector solution (refer to next section).

In cases where cash is restricted, outstanding cash balances between funds, business areas and grants will be cleared through actual cash movements; this process is detailed in the Cash Management documentation.

SPLIT PROCESSOR CONSTANT AND BALANCING RULES – "POOLED CASH & INVESTMENTS" BEST BUSINESS PRACTICE

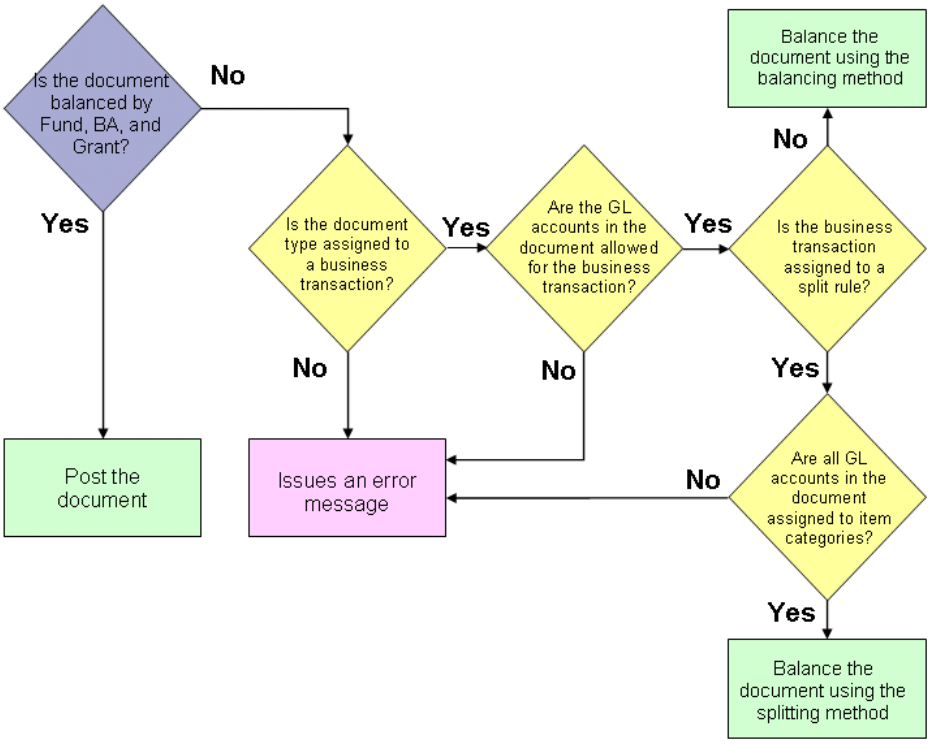


Treasurer's Business Area / Fund		Owned by Bus Areas		Owned by Funds	
Bank Account	$60,000DR	BA 1	$30,000	Fund 1	$40,000
Clearing	$60,000CR	BA 2	$30,000	Fund 2	$20,000
Balance	- 0 -		$60,000		$60,000

The State will use one Treasurer's Fund and one Pooled Cash Business Area (998). Consequently, a treasury constant will be configured in the Split Processor. The treasury constant will be mapped to the corresponding Treasurer's Fund and Business Area, as well as to its corresponding cash GL account number range.

Additionally, The State will use a Payroll Trust Fund and Business Area 999. A payroll trust constant will be configured in the Split Processor. When documents with the payroll document type are sent via the payroll interface into FI, the payroll constant will be activated to split and balance the payroll expenses in the operating funds with the payroll liabilities in the payroll trust fund.

The following Split Processor logic will be used for every document posted in the Special Ledger:



The split processor will require ongoing maintenance after the SAP project goes live. Assessment of the Special Ledger strategies requires significant understanding of the fund accounting methodology employed by the State as well as extensive, holistic knowledge of the impact of all financial postings in the SAP system. Business ownership of the Special Ledger strategies and split processor will reside with OSRAP. Maintenance of the split processor will be assumed by OIS. Any rule changes requiring configuration and transport will require that OSRAP submit a change request to OIS. OIS will follow the

existing procedures for change requests which provides for necessary approvals, testing, transport process, audit trails, online help updates, etc.

The BSR requirements are anticipated to require enhancement to standard SAP split processor functionality. The State constitution requires that all monies deposited in the State treasury (with a few exceptions) be credited to the BSR fund to ensure that debt service payments are fully funded. The interpretation of the constitution language is to be discussed as an opportunity for future improvement. The current requirements will be met by enhancing the split processor, pending any interpretation changes. The split processor will create the additional posting lines to ensure that revenues are recorded to the appropriate BSR fund, whether permanently or with additional lines to reverse the recording. Different revenue streams require different treatments. Additionally, different revenue streams are posted to different BSR funds, depending on their treatment and presentation requirements. The current list of BSR funds may be revised as part of the effort to revise the interpretation of the constitutional requirement.

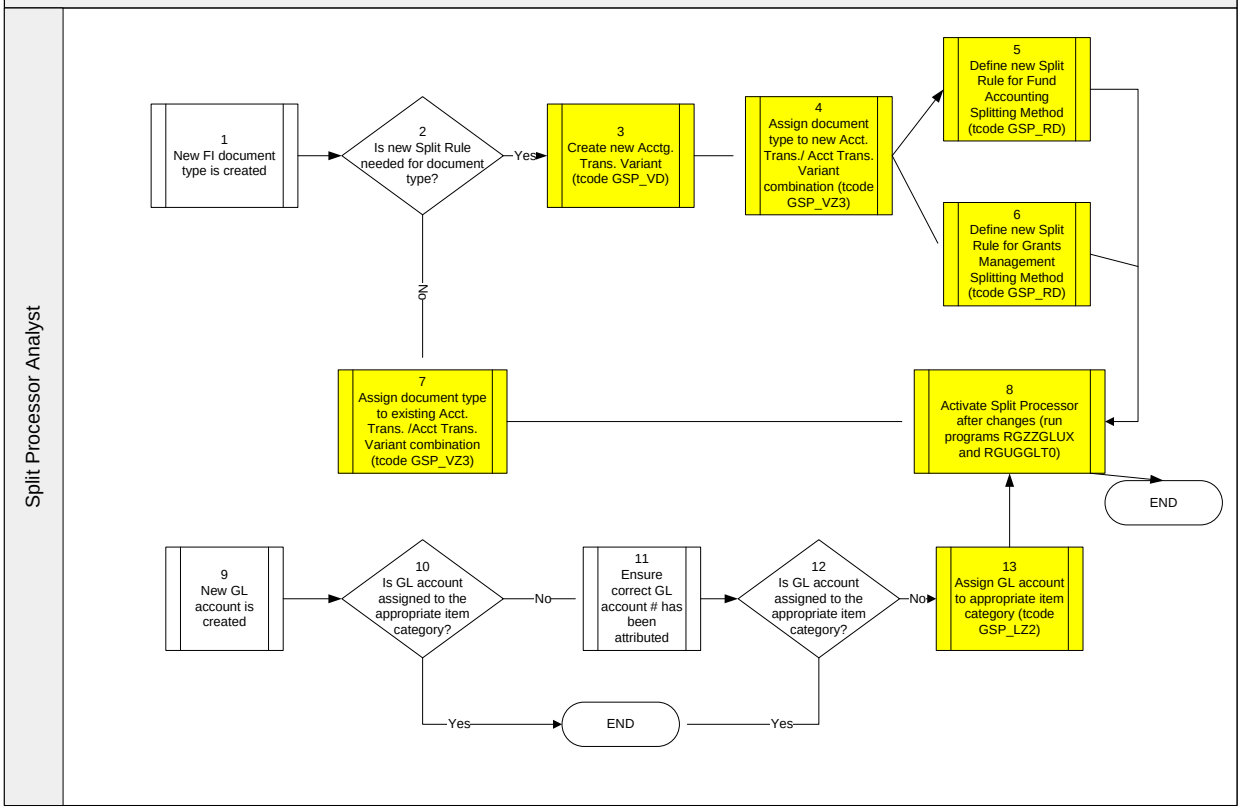
An enhancement for customer field updating will be required to enable the recording of cost objects in the new GL. This is a minor enhancement to turn on functionality in the new GL that was previously standard in the old general ledger.

#	Process Terminology	Description
1	Split processor	To meet public sector accounting requirements, SAP provides a tool called the Split Processor that splits and balances FI transactions by Business Area, Fund, Grant, or Functional Area.
2	Special ledger	Section of a database table. A ledger only contains those dimensions of the table that it is based on that are required for reporting. A ledger is used for reporting purposes. Special ledgers are alternate views of the General ledger data.

To-Be Process Flows

Maintenance of the split processor requires ownership by skilled financial resources. OSRAP will be the business owner of the split processor functionality for the State, with maintenance provided by OIS following the existing change request procedures. There are multiple layers of logic required for the split processor to function efficiently. Those layers will be made even more complex by the enhancement for BSR Fund requirements. Maintenance of the split processor is largely configuration based and must be strictly controlled. Split processor errors can be generated by any posting to the general ledger and can be complex and difficult to resolve.

The State of Louisiana
Split Processor Maintenance – B.08-FIN-GL-PDD020 Splitting Rules



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	The State will use the delivered scenarios for pooled cash and the payroll trust.	Revisions to the current business process for management of cash transactions. Changes to the integration with HR/Pay.	Changes need to be understood by HR/Pay, STO, OSRAP, and OIS.
2	Enhancement to the split processor will be developed to support BSR Fund requirements.	Constitutional requirement interpretation should precede custom development for the BSR Fund.	Understanding of the process and associated reporting by OSRAP and STO.
3	Splitting and balancing will be done by business area, fund, and grant	Real time balance sheet reporting by business area, fund, and grant.	Availability of real time financial statements
4	OSRAP will own the business process for the split processor functionality with maintenance and technical support from OIS.	Help desk personnel will need to refer split processor errors to OIS for resolution. OIS will refer policy questions to OSRAP.	OSRAP and OIS will need to have a thorough understanding of the split processor and its system-wide impacts.

Statute, Regulation, Policy, and Procedural Impacts

#	Statute, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Constitution	BSR Fund interpretation	PMO

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: Splitting Rules						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Non Identified						

R – Reports	Master List of Current and Future State Reports: Splitting Rules						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Interest allocation for pooled cash	To provide support to investment interest allocation calculation	X	X	Required to support STO's mandated business processes	STO	Legacy 2G08 report
2.	Cash by fund	To define ownership in the pooled cash	X	X	Required to support STO's mandated business processes	STO	Legacy BBAB table

I – Interfaces	Master List of Current and Future State Interfaces: Splitting Rules						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Non Identified						

C - Conversions	Master List of Future State Data Conversions: Splitting Rules						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Non Identified						

E – Enhancements	Master List of Future State Enhancements: Splitting Rules				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Simple BADI	Customer fields activation	Allow posting of detailed cost objects	Required to support integrated reporting	Minor enhancement

E – Enhancements		Master List of Future State Enhancements: Splitting Rules			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
			in the new GL	and reconciliation	
2.	Custom scenarios, tables, and validations	Enhancement for BSR Fund	BSR Fund requirements mandated by the constitution	Required to support the development of additional automatic posting lines	Highly complex enhancement

W – Workflow	Master List of Future State Workflow Events: Splitting Rules		
No.	Description	Justification	Comments
1.	Non Identified		

Gaps

Gaps	Master List of Future Gaps: Splitting Rules		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Non Identified		

Security & Enterprise Role Definitions:

Authorizations	Master List of Future State Roles/Authorizations: Splitting Rules			
No.	Role	Description	Strategy	Special Considerations
1.	Split Processor Analyst 1	Maintains split processor configuration	OIS will provide maintenance and technical support to OSRAP	
2.	Split Processor Analyst 2	Responsible for split processor analysis and ownership	Requires skilled financial resource	Display access to split processor transactions

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Ownership of split processor	New toolset in SAP, custom development in current system	Training for OSRAP and OIS

Training Impact

- A relatively small number of users are impacted by the split processor and require significant training. Although the split processor affects all financial transactions, it is behind the scenes functionality.

Appendix A

Not Applicable

Team:	Finance – General Ledger
PDD Name:	GL Reporting
PDD Number:	FIN-GL-PDD050-GL Reporting
Business Process Owner:	Afranie Adomako
Functional Lead:	Pat Cane
Functional Consultant:	Mary Ramsrud

Executive Summary

The impact of GASB Statements 34 and 35 is to require substantially the same accounting methods that were used previously for separate "fund" financial statements (no longer grouping funds by fund type, but by major vs. nonmajor funds) while, at the same time, requiring full accrual reporting of the organization (including recording of assets and infrastructure) in order to report at a government-wide level on a basis similar to that of private sector organizations.

Functional reporting, not required previously for funds subject to full accrual accounting, is also a requirement for all funds under GASB 34 and 35 and has been expanded to include functional classifications of revenue.

The determination of which accounting basis is appropriate to be used is based on the related fund type. All governmental funds utilize the modified accrual basis of accounting. Proprietary and fiduciary funds use the full accrual basis. However, with the issuance of GASB Statements 34 and 35, governmental funds must now be able to report on the full accrual basis as well.

In order to make the system as simple as possible from a usability perspective, the best approach for recording modified vs. full accrual transactions is to be consistent and use both bases of accounting for all funds. Reporting on either basis of accounting will be addressed by segregating modified vs. full accrual when performing fund balance/retained earnings carry-forwards and use of GL account groups. This approach allows full flexibility for management analysis and possible future changes of funds between fund types. It also facilitates ease of use. For example, users aren't required to select a governmental vs. proprietary asset class when purchasing an asset, just the type of asset being purchased.

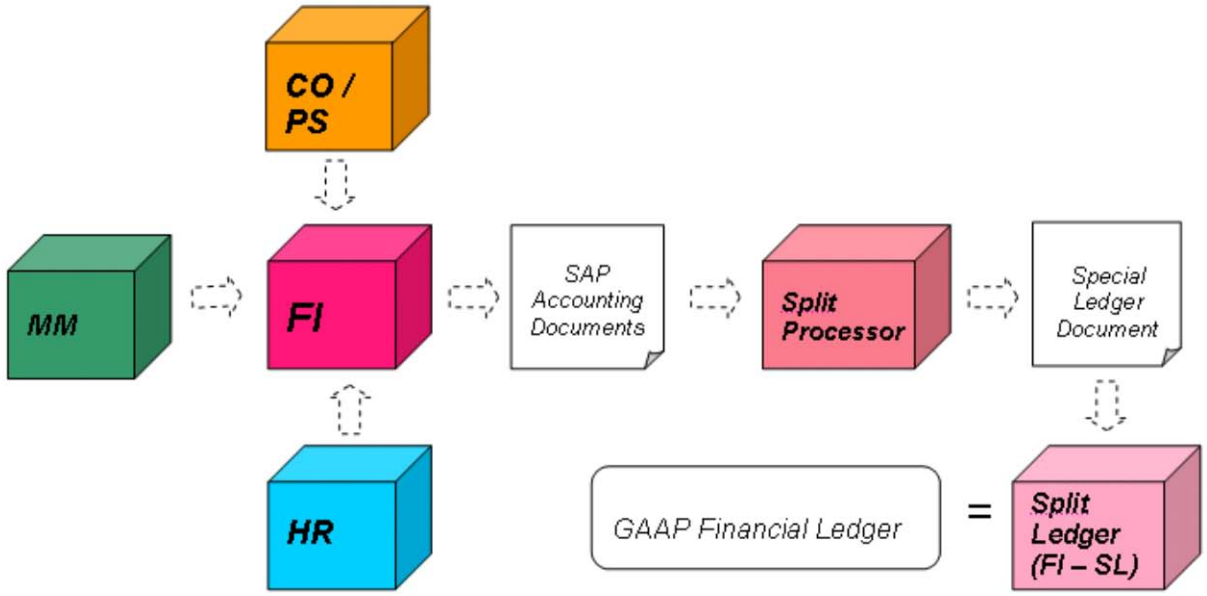
Reporting and automated reconciliation of the different accounting methods will be done by determining which GL accounts, cost elements and commitment items are used for which basis of accounting. These accounts/elements/commitment items will then be included or excluded (using grouping functionality) within a report, depending on the basis of accounting used, or reflected in an automated reconciliation report when comparing the different accounting bases.

Any differences in revenue, expenditure/expense, operating transfers, and fund balance/net assets will be recorded in separate GL accounts, cost elements and commitment items. In GL and FM, these GL accounts/commitment items will then be mapped to separate fund balance/net assets GL accounts/commitment items for balance carry-forward purposes, ensuring that the accumulated differences between the accounting bases can be segregated for reconciliation and reporting purposes within each fiscal year.

To fulfill its statutory reporting requirements, the State will use the SAP Split Processor, the New General Ledger, and BI functionality. This document details the use of the New General Ledger. Split Processor functionality is detailed in GL-PDD020 Splitting Rules.

To-Be Process Description

The New General Ledger will be used to properly record all financial postings balanced by fund, business area (agency), and grant in accordance with basic US public sector GAAP requirements. All financial postings will be split and balanced systematically for posting in the New General Ledger. All postings will originate in the other SAP modules being implemented, routed through FI (Financial Accounting), and split and balanced by fund, business area (agency), and grant prior to being posted, as shown in the diagram below.



General Ledger will require configuration once, during the Realization phase of the State SAP implementation project. There may be ongoing maintenance as new accounting treatments are defined.

FINANCIAL POSTINGS ACCORDING TO BOTH FULL AND MODIFIED ACCRUAL

General ledger is the external reporting ledger; all financial postings will occur in other areas (financial accounting, asset accounting, debt and cash management, etc.). These areas will detail in their process documents their respective financial postings. Below are a few examples of such postings along with the information included in the General Ledger view of the posting. The General Ledger information will be used to produce both modified and full accrual financial statements in accordance with Generally Accepted Accounting Principles, based on GASB standards. The General Ledger contains fully balanced financial information by company code (0010), business area (agency) and fund. Although the following example doesn't illustrate balancing by Grant, the same concept would apply.

	Original Posting	***General Ledger***
Cash	$9,000DR Ccode1 BA1 Fund1	$9,000DR Ccode1 BA1 Fund1
Operating Revenue	$9,000CR Ccode1(blank)(blank)	$9,000CR Ccode1 BA1 Fund1
Operating Expenses	$1,000DR Ccode1 BA1 Fund1	$1,000DR Ccode1 BA1 Fund1
Accounts Payable	$1,000CR Ccode1(blank)(blank)	$1,000CR Ccode1 BA1 Fund1
Transfers Out	$2,000DR Ccode1 BA1 Fund1	$2,000DR Ccode1 BA1 Fund1
Transfers In	$2,000CR Ccode1 BA1 Fund2	$2,000CR Ccode1 BA1 Fund2
Inter-fund Clearing	(nothing posted)	$2,000CR Ccode1 BA1 Fund1

Inter-fund Clearing	(nothing posted)	$2,000DR Ccode1 BA1 Fund2
ST Compensated Absences Expense	$1,000DR Ccode1 BA1 Fund1	$1,000DR Ccode1 BA1 Fund1
ST Compensated Absences Payable	$1,000CR Ccode1(blank)(blank)	$1,000CR Ccode1 BA1 Fund1
LT Compensated Absences Expense	$2,000DR Ccode1 BA1 Fund1	$2,000DR Ccode1 BA1 Fund1
LT Compensated Absences Payable	$2,000CR Ccode1(blank)(blank)	$2,000CR Ccode1 BA1 Fund1
Capital Outlay	$5,000DR Ccode1 BA1 Fund1	$5,000DR Ccode1 BA1 Fund1
Investment in General Fixed Assets	$5,000CR Ccode1 BA1 Fund1	$5,000CR Ccode1 BA1 Fund1
Fixed Assets	$5,000DR Ccode1 BA1 Fund1	$5,000DR Ccode1 BA1 Fund1
Cash	$5,000CR Ccode1(blank)(blank)	$5,000CR Ccode1 BA1 Fund1
Depreciation Expense	$1,000DR Ccode1 BA1 Fund1	$1,000DR Ccode1 BA1 Fund1
Accumulated Depreciation	$1,000CR Ccode1 BA1 Fund1	$1,000CR Ccode1 BA1 Fund1

Balance Sheets Possible

Modified Accrual	***Original Posting***	***General Ledger***
Cash	$4,000DR Ccode1 ONLY!	$4,000DR Ccode1 & BA1 & Fund1
Inter-fund Clearing	$ 0DR (not posted)	$2,000CR Ccode1 & BA1 & Fund1
Total Assets	$4,000DR Ccode1 ONLY!	$2,000DR Ccode1 & BA1 & Fund1
Accounts Payable	$1,000CR Ccode1 ONLY!	$1,000CR Ccode1 & BA1 & Fund1
ST Compensated Absences	$1,000CR Ccode1 ONLY!	$1,000CR Ccode1 & BA1 & Fund1
Total Liabilities	$2,000CR Ccode1 ONLY!	$2,000CR Ccode1 & BA1 & Fund1
Fund Balance	$2,000CR Ccode1 ONLY!	$ 0 Ccode1 & BA1 & Fund1
Total Liabilities and Equity	$4,000CR Ccode1 ONLY!	$2,000CR Ccode1 & BA1 & Fund1
Inter-fund Clearing	$ 0DR (not posted)	$2,000DR Ccode1 & BA1 & Fund2
Total Assets	$ 0 (not posted)	$2,000DR Ccode1 & BA1 & Fund2
Fund Balance	$ 0CR (not posted)	$2,000CR Ccode1 & BA1 & Fund2
Total Liabilities and Equity	$ 0CR (not posted)	$2,000CR Ccode1 & BA1 & Fund2

Balance Sheets Possible

Full Accrual	***Original Posting***	***General Ledger***
Cash	$4,000DR Ccode1 ONLY!	$4,000DR Ccode1 & BA1 & Fund1
Inter-fund Clearing	$ 0DR (not posted)	$2,000CR Ccode1 & BA1 & Fund1
Fixed Assets	$5,000DR Ccode1 ONLY!	$5,000DR Ccode1 & BA1 & Fund1
Accumulated Depreciation	$1,000CR Ccode1 ONLY!	$1,000CR Ccode1 & BA1 & Fund1
Total Assets	$8,000DR Ccode1 ONLY!	$6,000DR Ccode1 & BA1 & Fund1
Accounts Payable	$1,000CR Ccode1 ONLY!	$1,000CR Ccode1 & BA1 & Fund1
ST Compensated Absences	$1,000CR Ccode1 ONLY!	$1,000CR Ccode1 & BA1 & Fund1
LT Compensated Absences	$2,000CR Ccode1 ONLY!	$2,000CR Ccode1 & BA1 & Fund1
Total Liabilities	$4,000CR Ccode1 ONLY!	$4,000CR Ccode1 & BA1 & Fund1
Fund Balance	$4,000CR Ccode1 ONLY!	$2,000CR Ccode1 & BA1 & Fund1
Total Liabilities and Equity	$8,000CR Ccode1 ONLY!	$6,000CR Ccode1 & BA1 & Fund1

Inter-fund Clearing	$ 0DR	(not posted)	$2,000DR	Ccode1 & BA1 & Fund2
Total Assets	$ 0	(not posted)	$2,000DR	Ccode1 & BA1 & Fund2
Fund Balance	$ 0CR	(not posted)	$2,000CR	Ccode1 & BA1 & Fund2
Total Liabilities and Equity	$ 0CR	(not posted)	$2,000CR	Ccode1 & BA1 & Fund2

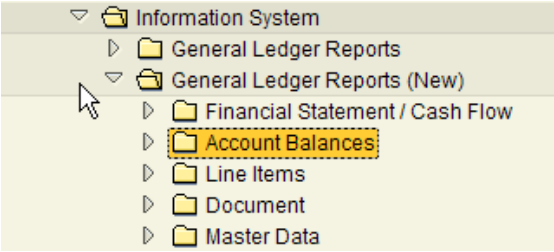
GENERAL LEDGER REPORTING TYPES

Reporting will be supported by a combination of Standard ECC Reports and custom BI Reports. BI will be the primary reporting tool for the State, particularly for custom reports and reports that have the potential to strain the resources in ECC (transaction system). Key reports will be created in BI prior to go live. Use of BI reporting transfers the processing load from the transactional database (ECC) to the reporting database (BI) and provides enhanced reporting capabilities, including filtering, sorting, analysis, calculations, exporting, summarization and presentation. Users will be trained to customize reports/queries in BI. BI will be refreshed overnight. Delta loads will be extracted from ECC for transactional data and full loads for master data. In some cases (for example, to view open items), real time reporting will be required. Real time reports will be run out of the ECC system.

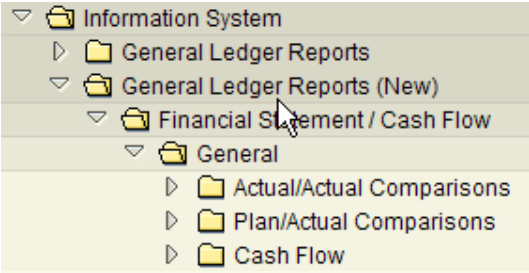
GL and BI budgetary reports will be made available to all agencies' authorized SAP users, who will be trained to run their own reports. These reports will provide the end-users with real-time (or in the case of BI, near real-time), multi-dimensional reports with drill down capabilities. Currently, many reports are static, having to run several different reports to view the same data when timing (e.g. monthly versus YTD) or sorting requirements differ. Legacy reports are not always real-time and are not run by the individual users. This will change with SAP.

SAP Standard Reports

There are five general categories of delivered General Ledger reports:



Financial Statement Reports

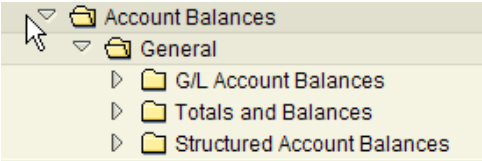


The ECC System includes a standard balance sheet/profit and loss report. This report program will produce an output for each separately defined financial statement version. Financial statement versions are also used in the structure balance list, drilldown reporting, planning, and transferring data to consolidations. Users can define as many financial statement versions as needed to prepare reports according to various criteria (for tax authorities, other external users, internal users, etc.). The financial statement version allows you to configure the report format, including:

- Which items are to be included and the sequence and hierarchy of the items
- Text describing the items
- Which charts of accounts and individual accounts that are relevant to the report
- Totals to be presented in the statements.

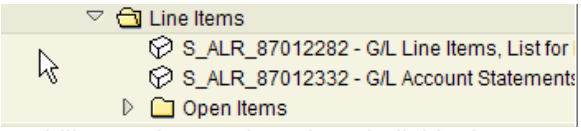
The selection parameters allow you to include additional specifications, such as whether to report at the business area level, company code level, etc. The standard system is delivered with sample financial statement versions. These versions can be copied and modified to create custom versions.

Account Balance Reports



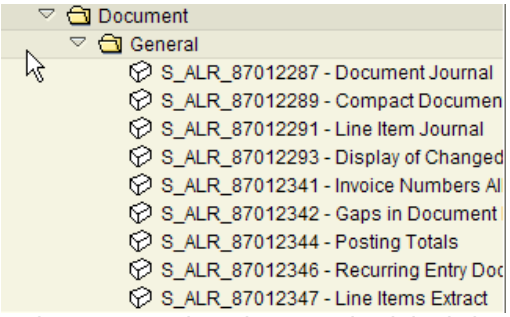
Account balance reports provide the ability to report balances overall by period and by individual general ledger account. Account balances can be filtered and restricted by many selection criteria including business area and fund.

Line Item Reports



Line item reports provide the ability to view and analyze individual transactional lines at a general ledger account level. Additionally, accounts designated as open item managed can be viewed to analyze whether items have cleared or remain open.

Document Level Reports



Document level reports allow the user to view the actual original documents processed throughout the system that resulted in postings in the general ledger. Virtually all system documents, with the notable exception of commitments, post individual documents in the general ledger.

Master Data Reports

Master data reports and indexes allow the user to display the master data of the general ledger accounts, as well as the overall Chart of Accounts.

Additional standard ECC reports are available. The reports will be reviewed to determine the key reports for State use and training. Standard reports will take precedence over custom reports. Additional analysis will be done on current reports, with a goal of mapping the requirements to a standard report, or BI report if no standard ECC reports meets the requirement.

REPORTING USING SAP REPORT PAINTER

While SAP delivers some standard reporting within the General Ledger, it does not deliver standard external reports by fund. Reports based on records posted to the General Ledger will be developed using an SAP reporting tool called Report Painter or in the Business Warehouse. Report Painter provides custom reporting within ECC. This is a user- friendly tool, not requiring any type of programming expertise.

The State will use the SAP Report Painter and BI to develop statutory reports, including CAFR support and financial statements. All the data will be extracted out of the General Ledger with the following exceptions: for budgetary reports Funds Management will be used and for grant reporting the Grants Special Ledger will be used.

CUSTOM REPORTS

During the workshop, critical legacy financial reports were preliminarily analyzed to determine whether standard reporting was likely to meet the requirements. The following four reports were identified to be developed as custom reports:

Trial Balance, Balance Sheet, and P&L by fund/fund type/fund group (admin fund) by fiscal period (existing BUNDL report 2G06, CAFR – Fund General Ledger Trial Balance).

- Receipts and expenditures by fund by cash account with subtotals by fund class (existing BUNDL report 2G37, Receipts and Expenditures by Cash Account).

It is expected that as report reconciliation and review processes continue in realization that additional custom general ledger reports will be identified.

#	Process Terminology	Description
1	BI (Business Intelligence)	Business warehouse based solution for reporting. BI is updated nightly from the ECC transactional database.
2	Report Painter	ECC custom reporting tool

To-Be Process Flows

No process flow required.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	BI will be the primary reporting tool for the State	Transfers the processing load from the transactional database to the reporting database, while providing enhanced reporting capabilities	Users will need to be trained on BI reporting. A cross reference from legacy reports to new will be required.
2	BI is typically refreshed overnight	BI reporting is near real-time	
3	Real time reporting requirements to support daily decision making process will be supported by ECC	Real time reporting will be available to all general ledger users	Because running reports on the ECC system can drain significant processing resources, users will need to understand the consequences of their actions.

#	Decision	Process Impact	Organizational Impact
3	Pre-delivered reports should be utilized whenever possible to meet required needs	Every attempt will be made to use standard delivered reports to meet agency needs in order to avoid additional custom objects and their associated maintenance	While the presentation of data may differ from legacy, a standard report must be considered an acceptable replacement if it makes the required data available.
4	Use of variants to save defined selection criteria for reports to be run routinely	Allows OSRAP to ensure that agencies view critical data correctly. Also allows users to save selections for regularly viewed reports.	Establish variant naming convention if variant functionality is widely deployed.
5	Standard variants for BI closing reconciliation reports	OSRAP will define the variants required and mandate agency use in published closing procedures	Agency users will have to be trained on the retrieval of appropriate closing reports in BI

Statute, Regulation, Policy, and Procedural Impacts

#	Statute, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	AFS Reports Manual	Potentially rescinded	OIS

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: GL Reporting						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Non Identified						

R – Reports	Master List of Current and Future State Reports: GL Reporting						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Trial Balance	By fund and fund type	X	X	Required financial statement	OSRAP	May require presentation format
2.	Balance Sheet	By fund and fund type	X	X	Required financial statement	OSRAP	May require presentation format
3.	P&L	By fund and fund type	X	X	Required financial statement	OSRAP	May require presentation format
4.	Receipts and Expenditures	By fund and cash account Subtotals by fund class	X	X	Required financial statement	OSRAP	May require presentation format

I – Interfaces	Master List of Current and Future State Interfaces: GL Reporting						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Non Identified						

C - Conversions	Master List of Future State Data Conversions: GL Reporting						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Non Identified						

E – Enhancements	Master List of Future State Enhancements: GL Reporting				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Non Identified				

W – Workflow	Master List of Future State Workflow Events: GL Reporting		
No.	Description	Justification	Comments
1.	Non Identified		

Gaps

Gaps	Master List of Future Gaps: GL Reporting		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Non Identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: GL Reporting			
No.	Role	Description	Strategy	Special Considerations
1.	All GL roles	Run standard and custom reports	Ability for all users to run reports as needed in ECC and BI	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Users must be able to identify what reports they use and for what purpose	Current proliferation of reports must be managed appropriately in SAP.	Users may need to coordinate requests for future reports through report administrators.
2.	Training users to set up and run reports	SAP is self-service reporting.	Users of all skill levels will need to be trained on how to successfully retrieve data.

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	considering various user types		
3.	Developing security and authorization strategy to limit access to the data	Some reporting access will require restriction if sensitive data is involved or if external users have access.	
4.	Agreement to and understanding of the centralized and decentralized approach	Reporting access will be decentralized.	Agency personnel will have to understand the integration of the SAP finance modules and ledgers.

Training Impact

- Training on the use of real-time multi-dimensional reporting where necessary is required. Training on BI navigation and functionality is required for all users. Training on self-service reporting model and understanding of financial module and ledgers integration is required for all financial reporting end users.

Appendix A

Not Applicable

2. Controlling

Team:	Finance - Controlling
PDD Name:	Cost Centers
PDD Number:	FIN-CO-PDD010-Cost Centers
Business Process Owner:	Afranie Adomako
Functional Lead:	Linn McNary
Functional Consultant:	Abdulla Meer

Executive Summary

SAP's Controlling (CO) application component records and administers financial data for internal cost accounting and reporting purposes for revenues and expenses. It provides functionality needed for collection and reporting of actual costs incurred and costs allocated between cost objects such as: Cost Centers.

The CO module uses Cost Centers to divide the State of Louisiana into smaller organizational entities. Cost Centers are used to collect actual costs incurred as a result of financial transactions. Typically, organizational units, such as agencies, divisions, and sections are represented as Cost Centers in CO.

By depicting the State in a structure consisting of several Cost Centers, CO allows for the assignment of costs to Cost Centers. This facilitates the recording of expenses where they actually were incurred within the State. Relevant postings made in other SAP modules, such as Finance (FI), are simultaneously recorded in CO for assignment and for further allocation to one or more cost objects.

For the LaGov ERP System, all organizational units will be set up as Cost Centers using a 10-digit code. One or more Cost Centers can be grouped into a "Cost Center Group"; this allows for creating an organizational structure in SAP, which facilitates reporting at different levels for the State.

This document provides a description of the Cost Center numbering scheme and a description of the processes needed to create and maintain Cost Center master data in the LaGov ERP System. To-Be Process flows to create new Cost Centers and to change/delimit existing Cost Centers are included.

To-Be Process Description

#	Process Terminology	Description
1.	Controlling Area	The Controlling Area is the highest organizational unit in the Controlling module. It is used to represent a closed system for cost accounting purposes and may include single or multiple company codes. All internal allocations refer exclusively to objects in the same controlling area.
2.	Cost Center	A Cost Center is a unit distinguished by an area of responsibility or location. Cost Centers collect the ongoing expenses and revenues from operations, projects or products. Expenses and revenues are assigned to Cost Centers via the distribution cycle, supply, and settlement of accounts payable and receivable.
3.	Cost Center Groups	A Cost Center Group is a group of related Cost Centers. The relationship is based on location, business activity, business operation and business type.

#	Process Terminology	Description
		Groups can contain other groups, forming a hierarchy. The groups simplify cost management and reporting, as a single group containing all the required Cost Centers can be selected instead of specifying many individual Cost Centers.
4.	Cost Center Standard Hierarchy	A hierarchical structure that depicts Cost Centers according to the organizational structure of an entity. All Cost Centers must be associated with the standard hierarchy.
5.	Cost Element	A cost element represents the type and value of a planned or actual cost.
6.	GL Accounts	General Ledger Accounts are the structures that record debit and credit values for accounting transactions in the FI module.
7.	FM Derivations	Tool used in Funds Management (FM) to infer ("derive") FM budget objects from other SAP objects, such as Internal Orders.

CO Master Data:

This section describes the key master data objects maintained in the CO module.

Controlling Area

The Controlling Area is the highest organizational unit in the Controlling module. It is used to represent a closed system for cost accounting purposes. A controlling area may include single or multiple company codes. All internal allocations refer exclusively to objects in the same controlling area.

For LaGov, a single controlling area will be created; it will provide the umbrella for the Cost Center Hierarchy.

Cost Centers

A Cost Center is an organizational unit within a controlling area that represents a clearly defined location where costs occur. These organizational divisions can be created on the basis of functional, activity-related, spatial, and/or responsibility-related parameters Cost centers act as accumulators that collect cost information for reporting purposes. Assigning costs to cost centers will let the State determine where costs are incurred within the organization.

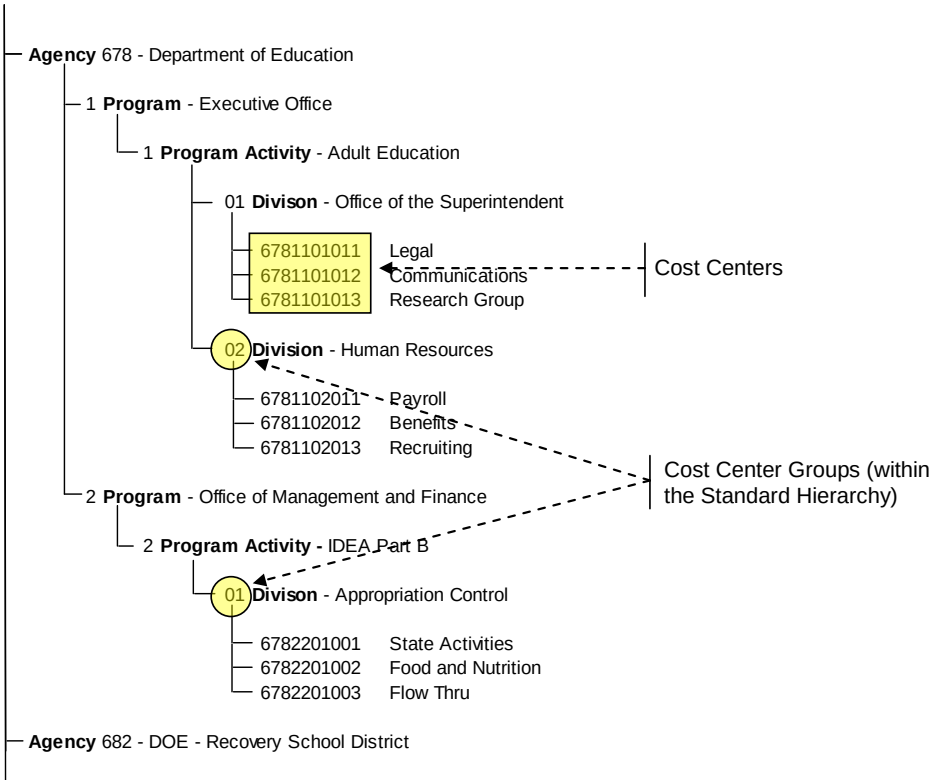
Cost Center Groups and the Standard Hierarchy

Cost Centers can be collected into groups according to various criteria. Groups can be used to build Cost Center hierarchies, which summarize the decision-making, responsibility, and control areas according to the particular requirements of an organization. These groups enable evaluations to be performed for each decision-making, responsibility, or control area. The individual cost centers form the lowest level of the hierarchy.

Within the Controlling Area, there must be at least one group that contains all cost centers and represents the entire organizational structure of the State of Louisiana. This cost center group is known as the **Standard Hierarchy**. Groups of Cost Centers can be assigned to the Standard Hierarchy and will be used to support reporting needs.

In addition to the Standard Hierarchy, an unlimited number of alternate hierarchies may be created for reporting purposes.

Following is a graphical depiction of what a portion of the State of Louisiana's Standard Hierarchy might look like:



Cost & Revenue Elements

Cost and Revenue elements represent the type of expense or revenue in CO.

There are two types of Cost Elements. A “primary cost element” is a cost-relevant item in the chart of accounts, for which a corresponding general ledger (G/L) account exists in Financial Accounting (FI). A primary cost element can be created only if a corresponding G/L account is defined in the chart of accounts and is created as an account in Financial Accounting. The State’s current AFS Object Codes will be represented as General Ledger (G/L) expense accounts in the SAP General Ledger (FI-GL) module and as primary cost elements in CO.

A “secondary cost element” is only created in CO to represent internal cost flows, such as those found in overhead allocations and settlement transactions. Secondary cost elements will be used to collect distributable expenses that need to be allocated to other Cost Centers or primary cost elements.

G/L revenue accounts will be created as Cost Elements in Controlling. In SAP Public Sector implementations, Revenue Elements are treated as negative Cost Elements.

Cost Center Numbering Scheme:

The Cost Center numbering scheme has been changing throughout the Blueprint phase. The first version was presented in the Blueprint session FI-CO-001-Cost Centers and the second version was presented in the Validation session which followed all of the CO Blueprint sessions. A summary of the changes to the Cost Center numbering scheme can be found in document "FIN-FM/CO History of Fund, Cost Center/Fund Center and Functional Area Numbering Convention”.

Cost Center Numbering Scheme - Version “V 3.0”

The State proposed a new version (V 3.0) that removed "Parish" from the numbering scheme and brought back "Program" code as well as "Program Activity" (old Sub Program code). Parish was moved to the Functional Area code. Version 3.0 is shown below.

For Department of Transportation and Development (DOTD):

Data Element		Digits	Data Type	Possible Entries
Agency/Business Area	=	Digits 1 – 3	Numeric	001-999
Program Code A-Z (no O)	=	Digit 4	Alpha-numeric	1-9
Program Activity Code A-Z (no O)	=	Digit 5	Alpha-numeric	1-9
District / Section	=	Digits 6 - 7	Numeric	01-99
Administrative Unit	=	Digits 8 – 10	Numeric	001-999

Administrative Unit will contain code for DOTD's Crew ID.

Cost Centers:
Proposed Numbering Scheme – V 3.0
DOTD

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10)

(1) – (3) Agency = Business Area

(4) Program

(5) Program Activity

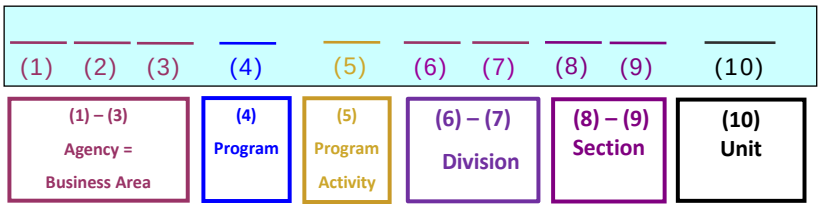
(6) – (7) District/Section

(8) – (10) Administrative Unit

For Non-DOTD Agencies:

Data Element		Digits	Data Type	Possible Entries
Agency/Business Area	=	Digits 1 – 3	Numeric	001-999
Program Code A-Z (no O)	=	Digit 4	Alpha-numeric	1-9
Program Activity Code A-Z (no O)	=	Digit 5	Alpha-numeric	1-9
Division	=	Digits 6 – 7	Numeric	01-99
Section	=	Digits 8 – 9	Numeric	01-99
Unit	=	Digit 10	Numeric	1-9

Cost Centers:
Proposed Numbering Scheme – V 3.0
Non-DOTD Agencies



Functional Area: Functional Area will consist of codes for Disaster and Parish and is discussed in the Funds Management PDD at FIN-FM-PDD010 – FM Master Data.

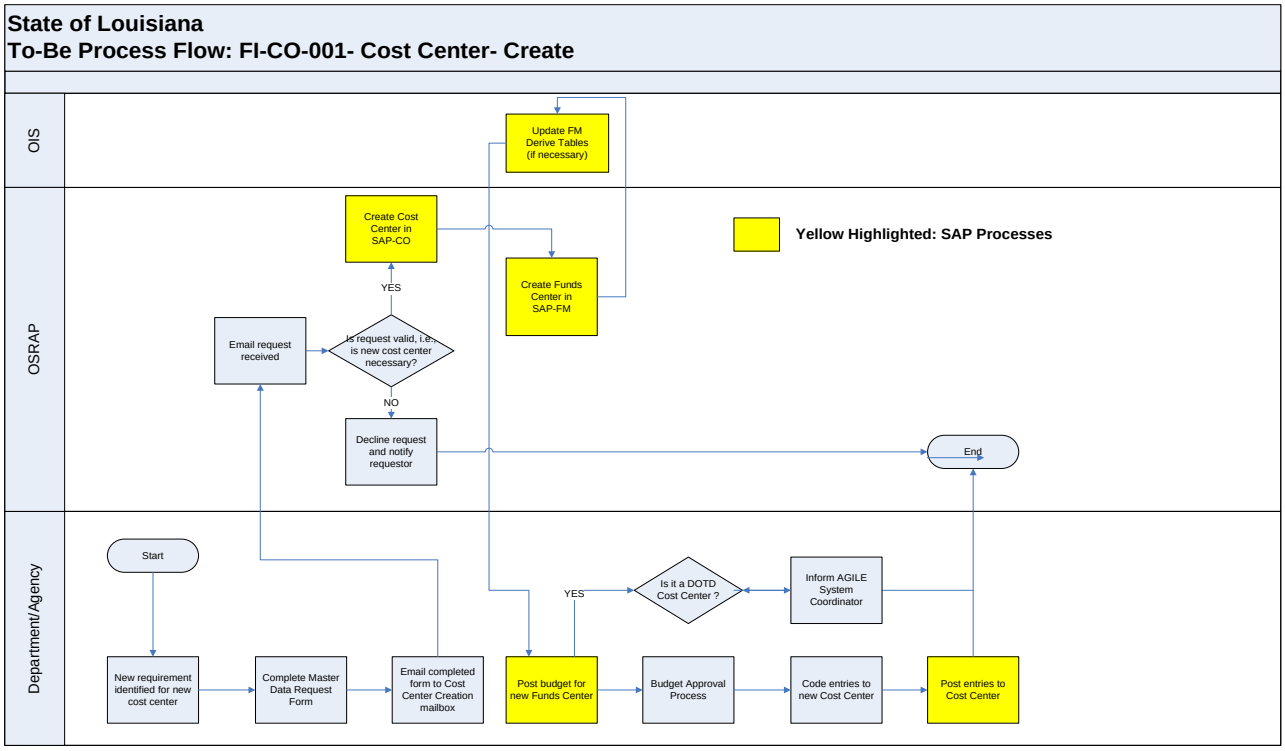
To-Be Process Flows

As part of the conversion process, the ERP Team will load an initial set of Cost Centers into the LaGov SAP system. This section describes the process flow to be used when a new Cost Center needs to be created after Go-Live.

In order to achieve standardization and consistency throughout the State, it was determined that a centralized office should oversee the master data activities. The decision has been made that the Office of Statewide Reporting and Accounting Policy (OSRAP) will be the central office responsible for creating and maintaining Cost Centers for the entire State. In addition to Cost Centers, OSRAP will also be maintaining other key master data objects, such as Funds Centers, Internal Orders, etc.

Process Flow: Create Cost Center

The Business Process Flow Chart showing the steps for creating a new Cost Center in the system is below.



Process Flow Description: Create Cost Center

The process for creating a Cost Center in LaGov starts with a request from an agency or department. The requesting agency will complete a web-based "Master Data Change Request Form" and submit it via email to OSRAP. For purposes of this document the team will be called the "Master Data Maintenance (MDM) Team." The MDM Team will review the form and decide if the request to create a new Cost Center is valid and if all required information is provided.

If the request is valid and the required detail is provided, the MDM Team will create a new Cost Center. In addition, it will also create a corresponding Funds Center in Funds Management (FM).

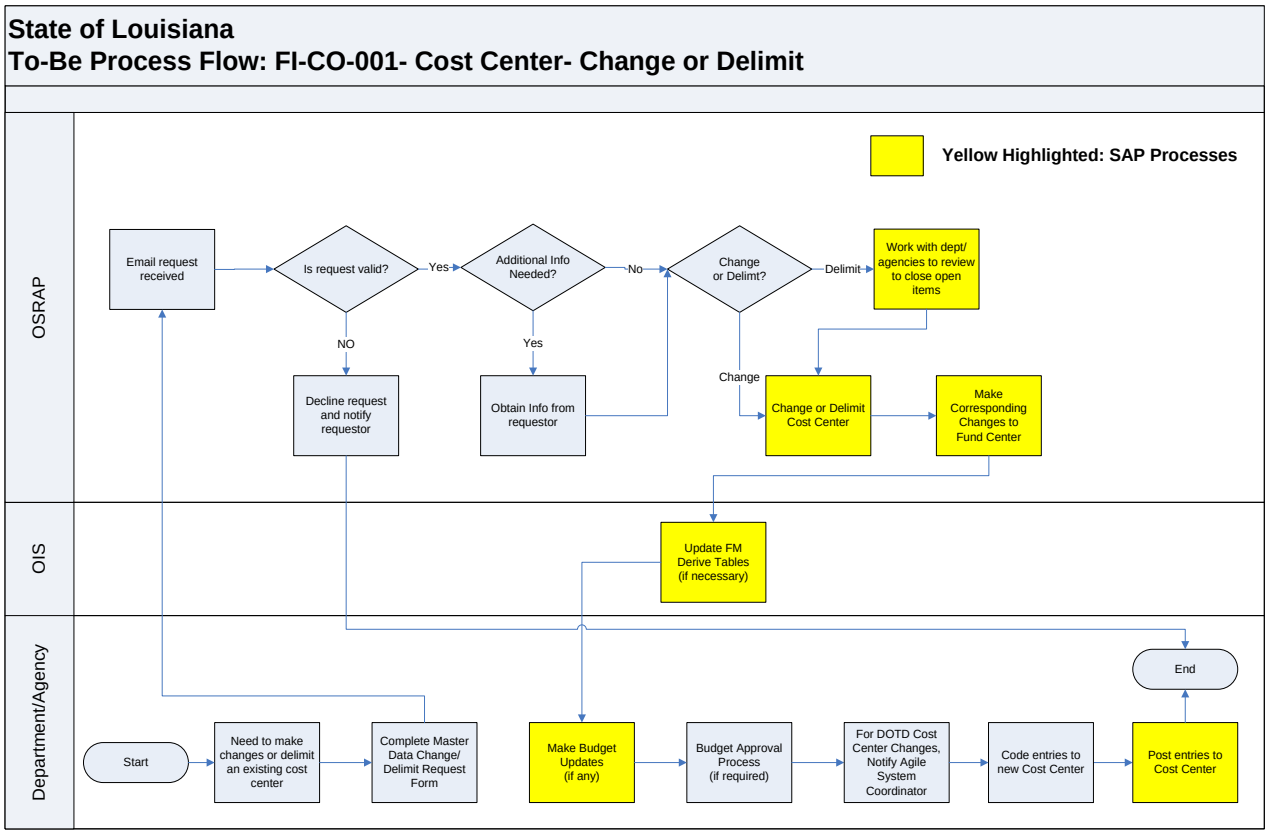
Next, the Office of Information Services (OIS) updates the FM Derivation tables which links the Cost Center to the Funds Center so that Funds Center is derived when a Cost Center is entered on a transaction.

If the requesting agency is DOTD, once the Cost Center and Funds Center master data objects are created in the system, DOTD will send a notification to the Agile System Coordinator informing them of the creation of the new objects. DOTD will also proceed to create budget for the new Funds Center in FM following the Budget Approval process.

After the budget has been approved, the requesting agency can begin posting expenses to the new Cost Center. Additional detail on these activities can be found in Process Design Documents: "FIN-FM-PDD010-FM Master Data" and "FIN-FM-PDD020 - Budgeting: Preparation, Load and Amendments".

Process Flow: Change or Delimit Cost Center

The Business Process Flow diagram and description showing the steps for changing or delimiting an existing Cost Center in the system is below:



Process Flow Description: Change or Delimit Cost Center

Before Go-live, the initial set of Cost Centers will be created through the conversion process by the ERP Team. To change or delimit a Cost Center after Go-Live, the process flow diagram and steps noted below will be followed:

A department or agency requesting changes to an existing cost center will complete a web-based Master Data Change Request Form and submit it via e-mail to OSRAP for processing.

OSRAP's MDM team will review the request, and if additional information is needed to complete the task, return the request with comments or questions. Upon obtaining the information needed, the MDM team will determine the validity of the request. If the request is deemed valid, the MDM team will complete the request. If the request is to change certain elements of the Cost Center master data object, OSRAP will complete the changes.

If the request is to delimit the existing Cost Center, the MDM team will work with the appropriate department or agency to close any open items before delimiting the Cost Center. The agency Finance staff is responsible for closing out any open items posted against the Cost Center.

After making the changes to the Cost Center, the MDM team will perform corresponding changes to the Fund Center and will notify the requesting department/agency and OPB of the changes made to the Cost Center.

Next, OIS will update the FM Derivation tables to make appropriate changes necessary to keep the linkage between the Cost Center and the Funds Center correct.

If the requesting agency is DOTD, after requested change(s) have been made, DOTD will notify the Agile System Coordinator of the change(s) made and proceed to determine if there are any budget impacts due to this change. Agencies will then make required budget adjustments (if any) in the system following the Budget Approval process. Additional detail on these activities can be found in Process Design Documents: “FIN-FM-PDD010-FM Master Data” and “FIN-FM-PDD020 - Budgeting: Preparation, Load and Amendments”.

Once this process is complete, changes made to the Cost Center are in effect and expense postings can be made. If the Cost Center is delimited, the system will not allow further expense postings outside of the validity dates.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	Cost Center creation and maintenance activities will be performed by a centralized group (the MDM team),	Standardization and consistency achieved throughout the System	Change Management – Requesting departments need to send out an electronic form when there is a need to create, edit or delete a Cost Center
2.	OSRAP will maintain key Finance Master Data objects including Cost Centers, Funds Centers, and Internal Orders.	Since Cost Centers are linked to Funds Centers, it is recommended that whoever maintains the Funds Centers also be given responsibility for maintenance of Cost Centers.	The MDM Team, organizationally under OSRAP, will need to work out procedures with agencies and OIS. OIS will be responsible for making Funds Management (FM) Derivation table changes that result from the changes made to Cost Centers and/or Cost Center structures.
3.	OIS will be responsible for updating FM Derivation tables.		
4.	Departments and Agencies requesting a new Cost Center or changes to an existing Cost Center will make new budget entries or changes to existing budget in the system.		New Budget Approval process is being considered.
5.	Cost Center Numbering – 10-digits	Facilitates SAP derivations and provides for a structured approach for numbering organizational units	Change Management -- End users need to familiarize themselves with the numbering scheme; however, search tools in SAP can be used to findCost Centers

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	None Identified		

Identified Development Objects (FRICE-W)

Tailoring the solution to the unique business requirements of the State will require development work to support efficient business processes. Given below is a list of identified development objects needed to support this process:

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

Note: *A web-based form that requests "master data creation" and "master data changes/deletion" needs to be created. This is considered non-SAP development.*

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

Note: *During Realization, additional needs may be discovered resulting in requirements for custom reports.*

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Agency Organizational Charts	Needed to prepare Data Conversion Input Spreadsheets	Spreadsheets, files, paper	SAP Cost Center Master Data Tables	Provides a systematic approach to prepare input data and load it automatically into the System	SAP Tools will be used to automatically read the Input Spreadsheets	

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None Identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None Identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Central Cost Center Master Data Maintenance Team Member			

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Cost Center numbering	New 10-digit numbering scheme is proposed.	End-users will need to familiarize themselves with the new numbering scheme.
2.	Cost Center master data maintenance	New central group needs to be created for this purpose.	OSRAP staff responsible for master data maintenance needs to be trained in Cost Center and other Finance master data maintenance activities.

Training Impact

- OSRAP staff responsible for master data maintenance will need to be trained on these business processes. The required level of knowledge on the processes described here is rated “high”. In addition, they should have a good understanding of how changes to Cost Centers impact Funds Centers and the budget.

Appendix A

Not Applicable

Team:	Finance - Controlling
PDD Name:	Internal Orders
PDD Number:	FIN-CO-PDD020-Internal Orders
Business Process Owner:	Afranie Adomako
Functional Lead:	Linn McNary
Functional Consultant:	Abdulla Meer

Executive Summary

SAP's Controlling (CO) application component records and administers financial data for all management accounting purposes. The Controlling module is used to assist management in internal cost accounting and reporting functions for revenues and expenses.

In addition to Cost Centers, Internal Orders provide another type of cost collector object that can be used in LaGov for monitoring expenses. In LaGov, Internal Orders will be used to plan, collect, and settle the costs of projects and special activities that are not represented as SAP objects elsewhere in the system. For example, major projects will be represented as "Projects" in SAP's Project Systems module. Small projects on the other hand could be represented as "Internal Orders" in CO.

Expenditure postings are made against the Internal Order via journal postings (in the General Ledger), vendor invoices (in Accounts Payable), purchase orders (in Logistics) and other such transactions. Expenditure postings made against the Internal Order in CO can be broken down by the expenditure code (called cost element in SAP). For example, if the expenditure was for supplies, the appropriate expense code (cost element) for supplies will be specified.

Internal Order types are used to group similar Internal Orders in SAP. The order type defines the general purpose of the order, as well as controls the status and process options available for the order. The order type also defines what information should be captured in the master record. Commitment management will be enabled on the order type to record financial commitments on an Internal Order.

For projects that must ultimately settle or transfer accumulated expenses to other cost objects, SAP provides "Real" Internal Order functionality. "Statistical" Internal Orders are used for reporting purposes only. In LaGov, the Internal Order types will be defined as follows:

- 10 – Real Internal Orders
- 20 – Statistical Internal Orders

Expenditure postings made to Real Internal Orders will be settled to an appropriate cost object, such as a Cost Center, G/L account, etc. using a standard SAP process. This will be done as part of the monthly Periodic processing.

To-Be Process Description

#	Process Terminology	Description
1.	Internal Order	Master Data object used to collect and monitor the actual costs of discrete, short-term tasks. Costs collected in Internal Orders can be allocated to one or more Cost Centers.

#	Process Terminology	Description
2.	Funded Program	Object used in Funds Management (FM) to budget and control spending on Internal Orders. Internal Orders that have a budget and/or need control on spending will be linked to a Funded Program in FM.
3.	FM Derivations	Tool used in Funds Management (FM) and Grants Management (GM) to infer ("derive") FM and GM budget objects from other objects, such as Internal Orders.

Master Data

Internal Order:

Internal Order is a key master data object used extensively in SAP. It provides functionality to represent a small project or mission (not represented as an SAP object elsewhere) as a cost object for charging expenditures.

For every Internal Order, a master data record exists in the CO tables. Internal Orders can be monitored in LaGov throughout their life cycle; from initial creation, through posting of expenses as they occur, to the final settlement of the expenses posted to other cost objects or G/L accounts.

Internal Orders are classified either as "real" or "statistical". Real Internal Orders are those whose collected costs can be settled to another cost object or a G/L account. Statistical Internal Orders cannot be settled. Statistical Internal Orders are used for reporting purposes. Expenditures posted to Statistical Internal Orders involve posting to another real cost object, such as a Cost Center, WBS Element, etc.

Internal Order Type:

Internal Order type functionality is used to group similar Internal Orders into a 'type' for processing purposes. Internal Order type can also be used to assign a different number range for each type.

For LaGov, following is the initial list of Internal Order types:

- Z10 – Real Internal Orders
- Z20 – Statistical Internal Orders

Additional Internal Order types can be created as necessary.

Internal Order Group:

Internal Order groups are used to classify two or more Internal Orders into a group for reporting purposes. Typically, all Internal Orders that meet certain criteria are grouped together to form an Internal Order group.

Internal Order Numbering Scheme:

Each Internal Order type will have a separate number range. Internal Orders will be 8 digits; the first two digits denote the Internal Order type and digits 3-8 will be sequential numbers generated by the system.

Note: Internal Orders are currently used in the HR Payroll SAP system. Accordingly, consideration will need to be given during realization to the existing number range used as well as the range planned by Plant Maintenance. Therefore, the number range could change.

Z10 – Real Internal Orders

Number Range: **10000000 to 10999999**

- **8 digit internal numbering (system generates the number).**
- **The first 2 digits indicate Internal Order Type: True Internal Order**
  - **10: True Internal Order**
- **Last 6 digits sequentially generated by the system when the Orders are created.**

Z20 – Statistical Internal Orders

Number Range: **20000000 to 20999999**

- **8 digit internal numbering (System generates the number).**
- **The first 2 digits indicate Internal Order Type: Statistical Internal Order**
  - **20: Statistical Internal Order**
- **Last 6 digits sequentially generated by the system when the Orders are created.**

To-Be Process Flows

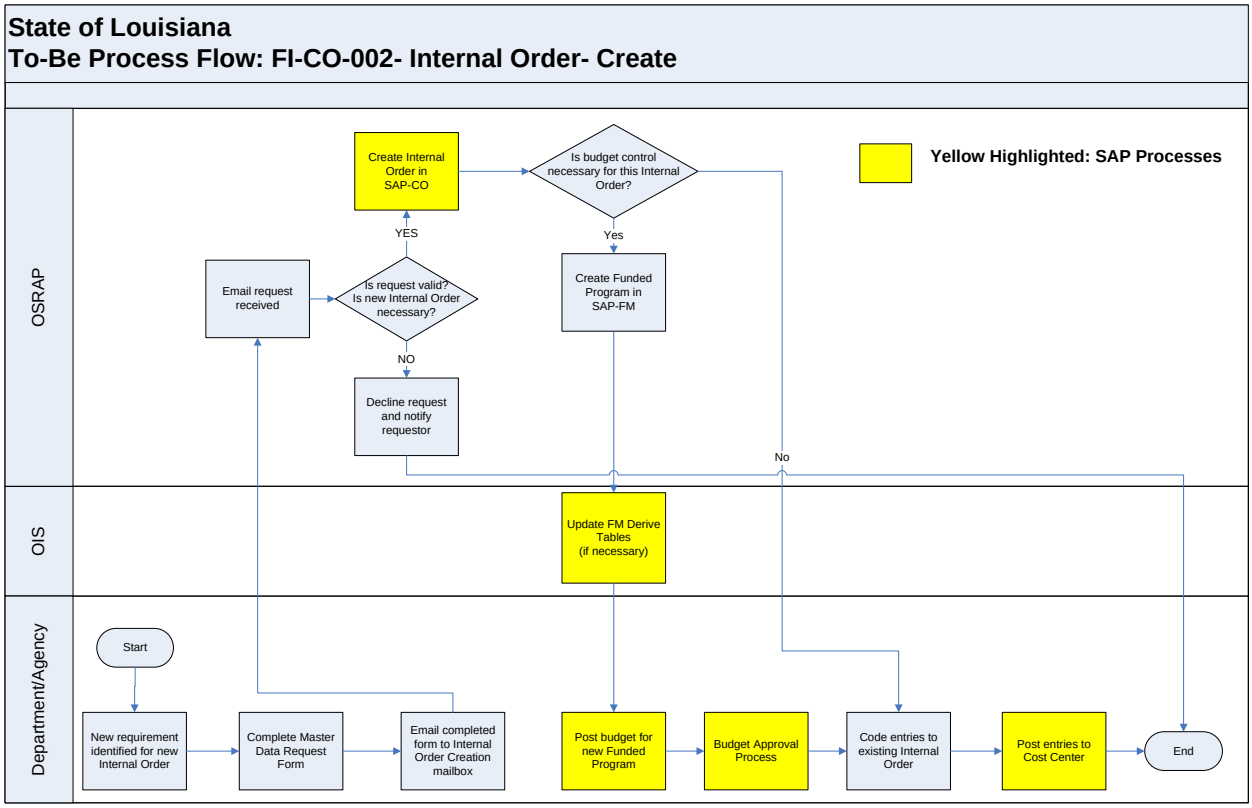
During Realization, the Finance CO Team will work with the agencies and other Finance teams to identify an initial list of Internal Orders that need to be loaded into the system. Once identified, as part of the conversion process that takes place before Go-live, the CO Team will load an initial set of Internal Orders into LaGov. This section describes the process flow to be used when a new Internal Order needs to be created after Go-Live.

In order to achieve standardization and consistency throughout the State, it was recommended that a centralized office should oversee master data activities. The Office of Statewide Reporting and

Accounting Policy (OSRAP) has been chosen as the central office responsible for creating and maintaining Internal Orders for the entire State. In addition to Internal Orders, OSRAP will maintain other key master data objects, such as Cost Centers, Funds Centers, etc.

Process Flow: Create Internal Order

The Business Process Flow Chart below depicts the steps for creating a new Internal Order in the system.



Process Flow Description: Create Internal Order

Before Go-live, the ERP Team will use a conversion process to create an initial set of Internal Orders in LaGov. After Go-live the following steps will be followed to create a new Internal Order in the system:

The To-Be Process for creating an Internal Order starts with a request from an agency or department that needs to create a new Internal Order. The requesting agency will complete a web-based “Master Data Request Form” and submit via email to OSRAP’s Master Data Maintenance (MDM) Team for processing. The MDM Team will review the form and decide if the request is valid and if all required information is provided on the form.

If the request is valid and the form complete, the MDM Team will create a new Internal Order.

If there is a budget associated with the Internal Order, the MDM team will create a corresponding Funded Program in the system; otherwise, the Internal Order is now ready to be used.

Next, if budget control is necessary, the Office of Information Services (OIS) will update the FM Derivation tables to link the Internal Order to the appropriate Funded Program for the purposes of deriving the Funded Program as expenditures are posted against the Internal Order.

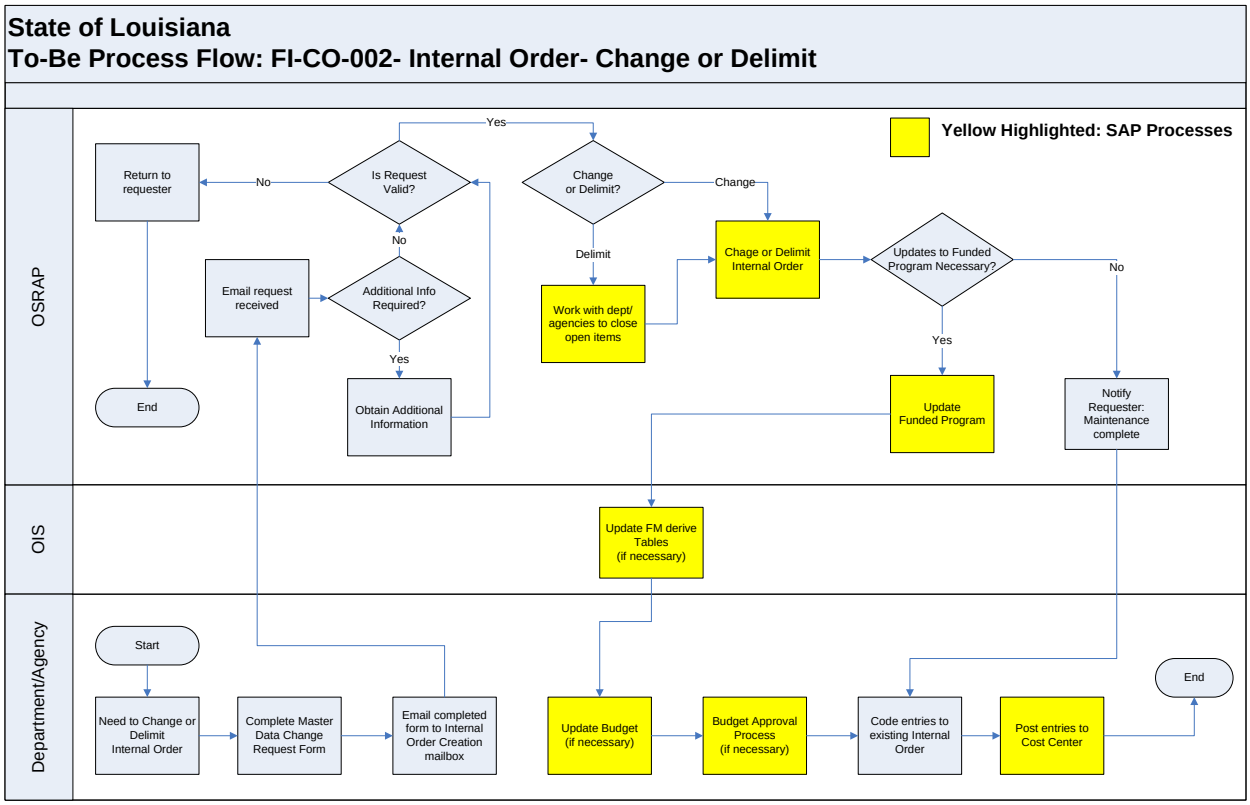
After creation of the Internal Order and the corresponding Funded Program master data objects, the requesting agency will enter the budget for the Funded Program in FM and follow a Budget Approval process to have the budget change approved.

After budget entry or budget changes in the system are complete, the requesting agency can begin posting expenditures to the newly created Internal Order. Expenditures posted to Real Internal Orders (not statistical) must be settled to an appropriate cost object, such as an Internal Order, or G/L account, as part of the Periodic processing activities, described in detail in Process Design Document "FIN-CO-PDD060-CO Periodic Processing".

Additional detail on FM related processes discussed in this document can be found in Process Design Documents: "FIN-FM-PDD010-FM Master Data" and "FIN-FM-PDD020 - Budgeting: Preparation, Load and Amendments".

Process Flow: Change or Delimit Internal Order

The Business Process Flow Chart below depicts the steps for changing or delimiting an existing Internal Order in the system:



Process Flow Description: Change or Delimit Internal Order

A department or agency requesting changes to an existing Internal Order will complete a web-based "Internal Order Master Data Change Request Form". The completed form is sent via e-mail to OSRAP's Master Data Maintenance (MDM) Team for processing. The MDM Team will review the form and decide if the request is valid and if all required information is provided on the form.

If the request is to change certain elements of the Internal Order master data object, the MDM team will complete the changes.

If the request is to delimit the existing Internal Order, the MDM team will work with the appropriate department or agency to close any open items related to the Internal Order before delimiting the Internal Order.

OIS will update the FM derivation tables as necessary.

Next, the requesting agency will carry out budget-related tasks in FM, such as updating the budget for the Funded Program.

Additional detail on FM activities discussed here can be found in Process Design Documents: "FIN-FM-PDD010-FM Master Data" and "FIN-FM-PDD020 - Budgeting: Preparation, Load and Amendments".

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	Internal Order Types: Z10 - Real Internal Orders Z20 - Statistical Internal Orders Additional may be added as needed.	In the Legacy environment, there are no Internal Orders. Where appropriate, as-Is processes related to legacy objects (such as Reporting Category) need to be replaced with the To-Be processes related to Internal Orders.	The MDM team needs to be trained in Internal Order concepts, processes, and transactions related to Internal Order maintenance.
2.	Internal Order numbering: Z10 - 10000000 - 10999999 Z20 - 20000000 - 20999999	For Internal Orders, a system-generated number will be assigned.	End users need to be trained in Internal Order concepts, processes, and transactions that support creation and maintenance of Internal Order master data.
3.	To-Be Process Flows: For Internal Order creation, changes and delimiting	In the Legacy environment, there are no Internal Orders. New, To-Be processes for creation, edits and deletion are proposed.	The MDM team responsible for master data maintenance needs to understand these process flows and also needs to be trained in SAP transactions that support creation and maintenance of Internal Order master data.
4.	Central Office for Internal Order Master Data Maintenance (part of the To-Be Process): MDM team, under OSRAP, will maintain Internal Orders.	In the Legacy environment, there are no Internal Orders. New, To-Be processes for creation, edits and deletion are proposed.	MDM team responsible for master data maintenance need to understand these process flows and also need to be trained in SAP transactions that support creation and maintenance of Internal Order master data.
5.	OIS will maintain Funds Management (FM) derivation tables		OIS impact
6.	Agencies requesting new Internal Orders or changes to existing Internal Orders need to update the budget for Internal Orders (via Funded programs)		Agency Finance staff responsible for Internal Orders need to be trained in processes for entering and changing budget on Funded programs.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	OSRAP will create and maintain Internal Order master data. Currently, OSRAP has procedures, OSRAP Policies and Procedures Manual 1.3.1 Chapter 2 – Structure, that govern how Agencies request new data elements or changes to existing data elements in AFS. Similar procedures will be employed to handle Cost Center master data.	Not yet determined	Afranie Adamako

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
2.	In the current environment, Agencies determine what data element (g/l account, organization, reporting category) they need and the request is granted by OSRAP. The same objects can be used for different purposes in AFS. With SAP, OSRAP will need to validate the request to ensure that the appropriate object is being requested. Current procedures can be found in OSRAP Policies and Procedures Manual 1.3.1 Chapter 2 – Structure.		Afranie Adamako

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

Note: *A web-based form for the agency requesting new Internal Orders will need to be created; this is a non-SAP development effort.*

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

Note: *During Realization, additional needs may be discovered resulting in the requirement for custom reports.*

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	List of Internal Orders (SAP Development)	To load initial set of Internal Orders into LaGov	Spread-sheets, files, paper	SAP's Internal Order Master Data Tables	Provides a systematic approach to prepare and load data into the system; saves manual labor time; eliminates data entry errors	SAP Tools will be used to automatically read the Input Spread-sheets	SAP Development

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None Identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None Identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Central Internal Order Master Data Maintenance Team Member	Responds to user requests to create, change and delete Internal Order master data		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Internal Order numbering	No Internal Orders in the As-Is state.	End-users will need to understand the new concept of Internal Orders and the numbering scheme.
2.	Internal Orders master data maintenance	New central master data maintenance group needs to be created and organizational procedures established to implement the proposed To-Be processes for Internal Orders.	MDM team members who are responsible for Internal Order master data maintenance activities.

Training Impact

MDM Team members responsible for maintaining the Internal Orders master data for LaGov will need to be trained on these business processes. The required level of knowledge on the processes described here is rated “high”. In addition, they should have a good understanding of how Internal Orders are related to and impact Funded Programs.

Appendix A

Not Applicable

Team:	Finance - Controlling
PDD Name:	Labor Costing and Time Entry
PDD Number:	FIN-CO-PDD030-Labor Costing and Time Entry
Business Process Owner:	Afranie Adomako
Functional Lead:	Linn McNary
Functional Consultant:	Abdulla Meer

Executive Summary

SAP's Controlling (CO) application component records and administers financial data for internal cost accounting and reporting purposes for revenues and expenses. It provides functionality needed for collection and reporting of actual costs incurred and costs allocated between cost objects such as cost centers.

The Controlling module receives postings from several other SAP modules. These transactions represent the costs or charges to be posted against Cost Objects, such as: Cost Centers, Internal Orders, etc. This document discusses the aspects related to entry and subsequent costing of Labor Time entered in the system. Examples of Labor Time categories include: Repair Hours, Programmer Hours, etc.

This document describes options that were discussed during the Business Blueprint phase for entering and costing Labor Time for the purpose of charging a Cost Object for time spent on a specific activity.

Options discussed for entering Labor Time in LaGov included:

a) Cross Application Time Sheet (CATS), an end-user oriented tool that facilitates Labor Time entry; and

b) PA61 and TMW (Time Manager's Workplace), time keeper/manager oriented tools for time entry.

Currently, DOTD utilizes CATS for entering employee's time. The State has decided to continue the use of CATS for DOTD and will consider CATS for other agencies that use the Plant Maintenance module in LaGov. All other agencies will continue to use transaction PA61 or TMW for time entry.

For costing Labor Time, two options were discussed:

a) Using actual salary and benefit numbers for recording charges against Cost Objects; and

b) Using an average loaded rate for each activity type.

For LaGov, the actual salary and benefit option will be used throughout the State. The average loaded rate (estimated pay rate plus benefits) option will be used for planning Work Order costs in the Plant Maintenance (PM) module.

To-Be Process Description

#	Process Terminology	Description
1.	CATS (Cross Application Time Sheet)	A SAP component that enables standardized, cross-application recording of employee working times.

#	Process Terminology	Description
2.	PA61	A transaction used in SAP's Human Resources (HR) module to enter employee time (labor time) against activities.
3.	TMW – Time Manager's Workplace	SAP tool for time data entry geared towards Time Keepers and Time Managers.
4.	Work Order	A Plant Maintenance (PM) Work Order provides for detailed planning assistance for maintenance tasks to be performed. The Work Order is also the cost receiver for labor entries, goods issues, etc.
5.	Work Center	A group of one or more people (e.g. Technicians) and equipment (e.g. Dump Trucks) used in PM module.
6.	Maintenance Planner	User role that performs review and processes outstanding notifications related to PM Work Orders, such as: plan, schedule, close, etc.
6.	Primary Cost Element	A cost element whose costs originate outside of CO. One to one relationship with general ledger P/L accounts.
7.	Secondary Cost Element	Used to portray internal value flows, such as internal activity allocation or overhead calculations.
8.	Activity type	Describes output quantity of a cost center and is used for calculating operating rates.

CO Master Data

This section describes key master data objects related to this process.

Primary Cost Element:

A "primary cost element" is a cost-relevant item in the chart of accounts, for which a corresponding general ledger (G/L) account exists in Financial Accounting (FI). A primary cost element can be created only if a corresponding G/L account is defined in the chart of accounts and created as an account in Financial Accounting. The State's current list of expense Object Codes used in AFS will be represented as general ledger (G/L) expense accounts in FI's General Ledger (FI-GL) module as well as primary cost elements in CO.

Primary cost elements will be created automatically from General Ledger's Profit and Loss (P&L) accounts using SAP's internal tools. The cost elements will be created with the same number as the general ledger account

Secondary Cost Element

A "secondary cost element" is created in CO to represent internal cost flows, such as those found in overhead allocations and settlement transactions. Secondary cost elements will be used to collect distributable expenses that need to be allocated to other cost centers or primary cost elements.

Secondary cost elements will be created internally in CO (by the CO Team) with a number range starting with a '9'. Depending upon volume of secondary elements, either manual entry or an automated conversion tool, such as Legacy System Migration Workbench (LSMW), will be used.

Activity Type

"Activity types" describe the output quantity of a cost center and are used for calculating operational costs to be charged to Cost Objects. Examples include: maintenance hours, project manager hours, etc.

Activity types will be used in the Plant Maintenance (PM) module to capture hours planned for each Work Order. In conjunction with the PM Team, the CO Team will create Activity type master data in SAP prior to Go-Live. A decision still needs to be made as to who will maintain Activity type Master Data as well as the related pricing (issue noted on the CO Team's Task List). An overview of the Plant Maintenance process as it relates to Controlling is provided below.

Plant Maintenance Work Order Costing Process

SAP's Plant Maintenance (PM) module provides functionality to manage maintenance activities through SAP objects called "Work Centers" and "Work Orders". The State of Louisiana will utilize PM for the maintenance of buildings and vehicles. When someone (a driver or office clerk) observes a problem with a vehicle or building, they will complete a maintenance notification and request service from the maintenance organization. A maintenance planner will screen this notification. Once the notification is approved, the planner will create a Work Order. A determination is then made whether internal or external resources are necessary for the job. The maintenance planner will identify the requirements for the job, which includes labor and parts. Where labor is performed by State employees, the appropriate Activity Type with the average loaded rate will be used to cost the Work Order for planning purposes. Planning will be purely a Plant Maintenance function and will have no impact on actual costs posted in the General Ledger. Actual payroll and benefit costs will be posted to the Work Order during the payroll process.

CO Activity Types will be associated with Work Centers in the PM module. A Work Center represents a group of one or more people (technicians) or equipment (such as dump trucks) used in completing a maintenance job. CO Activity Types will facilitate the posting of planned labor and benefit costs for hours spent in completing a maintenance order. An average blended labor rate will be associated with each Activity Type.

For the actual recording of labor costs, hours related to PM tasks will be input by Time Administrators using SAP Human Resources time entry functions (CATS or PA61). When the recurring payroll cycle occurs, the associated labor and benefit costs are posted to the work order. Additional costs, such as inventory used, will be posted to work orders via transactions in other modules.

When external labor resources are needed for the Work Order, they will be documented in the system via the Purchase Requisition/Purchase Order processes.

Upon completion of the Work Order, it is settled to an appropriate cost receiver object (such as asset or Cost Center) as specified in the Order's settlement rules. Further details on PM Work Orders can be obtained from "LOG-PM-PDD001, Maintenance Process".

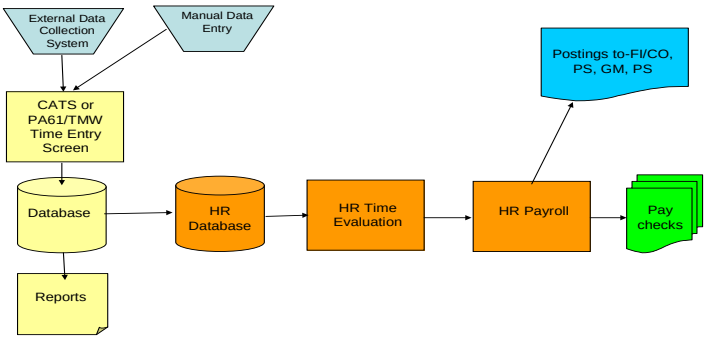
Note:

During the realization phase, the Finance Team will investigate whether it is possible to post actual hours to the PM Work Order and transfer to HR-Payroll (instead of separately entering the time in CATS).

To-Be Process Flow

Labor time will continue to be entered as it is currently; there will be no change in the process flow. The State has decided to continue the usage of CATS for DOTD and a few agencies that create Work Orders. All others will use PA61or TMW screens to enter time into the system (see the diagram below).

Labor Time Entry



Time entered is captured in the HR database tables and goes through HR Time Evaluation where it is approved. Approved time is used in HR for payroll calculation. In addition, based on the Infotypes set up, the FI/CO modules (GL, CO, PS and GM) are updated for expenditure postings using actual salary and benefit numbers. For costing the labor time, the decision was made to use actual salary and benefit numbers as is currently done by all agencies except DOTD. Currently, DOTD is using a payroll additive.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	**Labor Time Entry Mechanism**: The State has decided to continue using Cross Application Time Sheet (CATS) for DOTD and a few agencies creating Work Orders; others will use PA61/TMW.	Minimal	Minimal
2.	**Labor Time Costing method:** Use actual salary figures and benefit numbers for costing labor hours in all SAP modules.	Currently, all agencies use this with the exception of DOTD. DOTD is currently evaluating a process change to begin using actual benefits as opposed to Payroll Additives. A percentage of base salary, based on prior years' data, is used to compute benefits.	DOTD impacts from changing current payroll additive method to using actual benefit dollar figures.
3.	**Plant Maintenance (PM) Work Order Labor Time Planning:** The PM module will use Standard (loaded average) Activity Rates for costing labor hours for planning purposes only, not for recording "actual" expenses in the Finance and Controlling modules.	Activity Types need to be created and maintained in LaGov.	Before Go-Live, the FI-CO Team will create Activity Types Master Data. Going forward after Go-Live, State staff will be responsible for master data and pricing maintenance activities. The decision is pending as to who will be responsible for this function after Go-Live.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	Plant Maintenance will utilize CO Activity Types for Work Orders. Actual salary and benefit numbers are used for costing labor hours (Activity Types) for the purposes of charging the cost receiver. However, for planning purposes only, Work Orders will utilize an average blended rate for each Activity Type.	In the current environment there is no procedure for doing this; hence a new procedure will need to be established for maintaining Activity Types and planning labor rates on a periodic basis in the system.	

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>					
Type of Data	Use	Source	Destination	Justification	Approach	Comments
Activity Types master data	To load initial set of Activity Types master data into LaGov	Spreadsheets	SAP Master Data Tables	Provides a systematic approach to prepare and load data into the System; saves manual labor time; eliminates data entry errors.	SAP Tools will be used to automatically read the Input Spreadsheets	SAP Development

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None Identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None Identified		

Security & Enterprise Role Definitions

Provide a listing of the security roles defined to support the business processes as detailed in the previous Visio process flows. Also describe any unique security challenges presented and identify the preliminary strategy to address them.

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Time Entry Analyst	Enters labor time		
2.	Time Approver	Approves labor time entered		
3.	Master Data Maintenance Analyst	Maintains Activity Types master data and rates.		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	None Identified		

Training Impact

Minimal impact.

Appendix A

Not Applicable

Team:	Finance – Controlling
PDD Name:	Interagency Transfers
PDD Number:	FIN-CO-PDD040-Interagency Transfers
Business Process Owner:	Afranie Adomako
Functional Lead:	Linn McNary
Functional Consultant:	Abdulla Meer

Executive Summary

SAP's Controlling (CO) application component records and administers financial data for all management accounting purposes. The Controlling module assists management in internal cost accounting and reporting functions for revenues and expenses.

SAP records cost/expense transactions in the Financial Accounting (FI) and Controlling (CO) modules. All costs/expenses from transactions with external parties (supplies, telephone charges, insurance) are recorded in FI and simultaneously posted to CO under primary cost elements. Transactions posted in HR (payroll) are also integrated with the Controlling module.

Various state agencies have service agreements to provide goods and services to each other and bill and pay each other. The servicing agency receives payments from the receiving agency. Examples of services are: IT, Accounting, Legal, and printing and payments, such as: rents and insurance. These transactions which are known as Interagency Transfers (IATs) will be handled in the CO module as opposed to transactions with external entities which are processed in FI. For purposes of this document, IATs are defined as those transactions that record value flows throughout the year as a result of a LaGov state agency performing a service or providing non-inventory goods for another state agency. Interagency inventory transfers will be initiated and handled in Materials Management.

The IAT discussion in this document is limited to transactions between agencies falling within the LaGov SAP Controlling module. Transactions with agencies that are outside the scope of the LaGov project such as universities and hospitals are not included. This document also excludes all overhead cost allocations which are discussed in document "FIN-CO-PDD050-Cost Allocations.doc".

For IAT scenarios, three options were considered during Blueprint:

1. Option 1: Entering IAT's as Controlling transactions
2. Option 2: Entering IAT's as General Ledger transactions
3. Option 3: Handling IAT's as Accounts Payable and Accounts Receivable (AP-AR) transactions

After discussing the three options, it was determined that Option 1 will be used to handle IAT's. In addition to debiting and crediting the agencies (Cost Centers), SAP's integration with the configured Split Processor and other Finance module functionalities provides complete agency-level and fund-level accounting to facilitate interagency and interfund cash transfers.

To-Be Process Description

#	Process Terminology	Description
1.	Split Processor	SAP's internal tool that splits an accounting document that involves

#	Process Terminology	Description
		multiple business areas (agencies) and funds into multiple line items in order to facilitate complete business area and fund accounting.
2.	General Ledger	SAP Financial Accounting module that records financial transactions that are required to create financial statements for an enterprise.
3.	Accounts Payable (AP)	SAP's finance module that manages vendor accounts and vendor transactions
4.	Accounts Receivable (AR)	SAP's finance module that manages customer accounts and customer transactions
5.	Funds Management	SAP's finance module that manages budgets and provides budgetary controls and fund accounting

Interagency Transfers involve one entity providing goods or services to one or more entities. The one providing the goods and services is referred to as the "Sender" and the one receiving the goods or utilizing the services will be referred to as the "Receiver".

Options Considered for IATs:

The three options for processing Interagency Transfers in SAP are described below:

Option 1: Entering IAT's as Controlling (CO) Transactions

This option uses the Controlling module's "Manual Cost Allocation" transaction to record the transfer of costs between Senders and Receivers.

Manual cost allocations take expenses, which were collected temporarily on one cost object, and transfers them to one or more cost objects to more accurately show where the cost occurred. Using the CO manual cost allocation transaction, costs that are temporarily collected in one place, for example Cost Centers or Internal Orders, will be spread across those cost objects that were actually responsible for the cost.

In cost allocations, the agency (Cost Center) providing the service will be referred to as the "Sender" and the one utilizing the service will be referred to as the "Receiver". Expenses accumulated in the sender cost object are allocated to one or more receiver cost objects. The manual cost allocation transactions post a negative cost (credit) for the sender and a cost (debit) for the receiver.

In conjunction with the CO transaction, a posting in Finance (FI) will be recorded via SAP's "Substitution Rule" functionality. The Substitution Rule will be configured in FI-GL and will result in a credit to revenue for the Sender and a debit to expense for the Receiver

The Sender is responsible for entering IAT transactions in SAP. The Receiver is responsible for monitoring to ensure compliance with the agreed upon amounts. Details to support billings can be requested at anytime.

Examples

Attached below are slides (# 33-37 of the Blueprint Session) illustrating how costs are transferred from senders to receivers.

Option 1: CO Allocations

- Cost Center providing the service will be referred to as the "**Sender**" and the one utilizing the service will be referred to as the "**Receiver**". Expenses accumulated in the Sender Cost Center are allocated to one or more Receiver Cost Centers.
- Utilize Controlling (CO) functionality to represent this transaction as a negative cost (credit) for the sender and a cost (debit) for the receiver.
- Generally, senders are responsible for IAT postings in SAP.
- Receivers are responsible for monitoring periodically to ensure compliance with the agreed upon amounts. Any receiver can ask the sender for details to support the billing.

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CO Concept: Example

Cost Centers 1 & 2 are incurring expenses

- CCtr-1 **(2765103072)** and CCtr-2 **(2765103074)** provide services to CCtr-3 **(2745019008)** and CCtr-4 **(2745019012)**
- Through FI Postings, CCtr-1 and CCtr-2 are charged certain expenses:
  -- Repair Expenses – Object Code - 506200
  -- Utility Expenses – Object Code - 515000

FI Posting

GL Account	Description	Fund	Cost Center	Amount
506200	Repair Expenses	1001	2765103072	+$4,000

FI Posting

GL Account	Description	Fund	Cost Center	Amount
515000	Utility Expenses	1001	2765103074	+$3,000

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CO Concept: Example

Simultaneous Postings in CO

- Postings (FI-GL) will also result in a simultaneous posting to CCtr-1 and CCtr-2 -- in CO; Cost Center Reports will show this.
- All Account Code information is automatically carried through. Cost Element codes are same as Object Codes (GL Account Codes) used in original transaction.

CO Posting (Automatically done in the back ground)

Cost Element	Description	Fund	Cost center	Amount
506200	Repair Expenses	1001	2765103072	+$4,000
515000	Utility Expenses	1001	2765103074	+$3,000

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CO Concept: Example

Let us See How Costs are moved from Senders to Receivers

CO Posting – Allocate Repair Expense to Two Receiving Cost Centers

Cost Element	Description	Fund	Cost Center	Amount
906200	Alloc. Repair Exp.	1001	2765103072	-$4,000
906200	Alloc. Repair Exp.	1001	2745019008	+$2,500
906200	Alloc. Repair Exp.	1001	2745019012	+$1,500

CO Posting – Allocate Utility Expense to Two Receiving Cost Centers

Cost Element	Description	Fund	Cost Center	Amount
915000	Alloc. Utility Exp.	1001	2765103074	-$3,000
915000	Alloc. Utility Exp.	1001	2745019008	+$2,000
915000	Alloc. Utility Exp.	1001	2745019012	+$1,000

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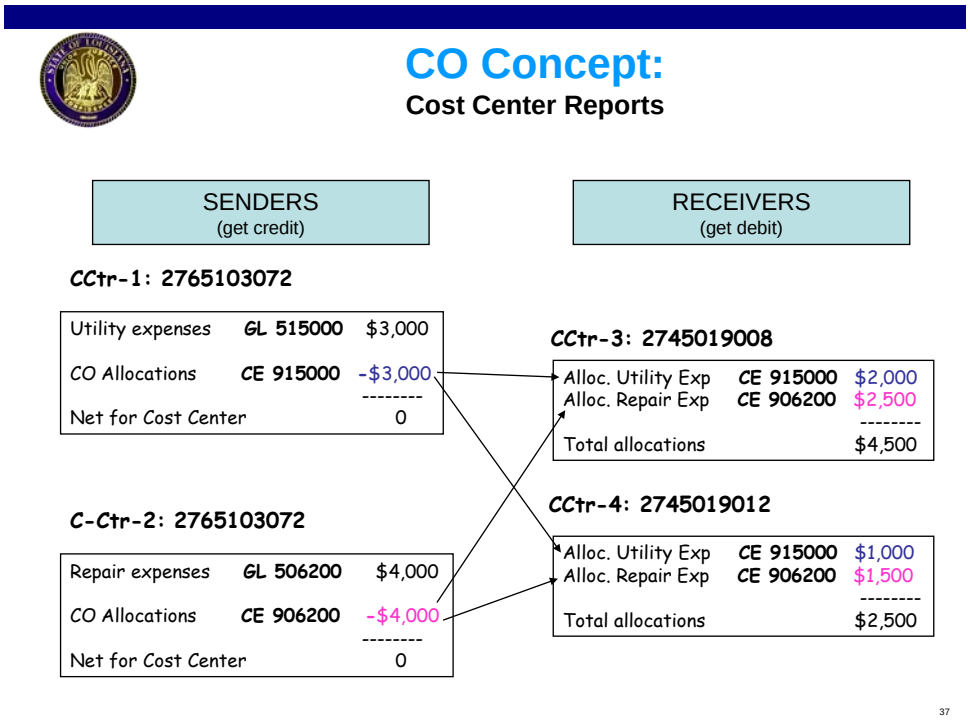


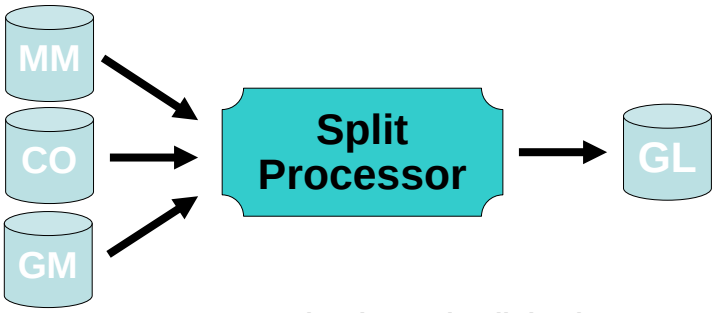
Split Processor

Controlling transactions, like other SAP transactions with financial impact, go through SAP's Split Processor functionality. The Split Processor functionality will provide complete interagency and interfund accounting facilitating cash transfers between agencies and/or funds; thus generating "DUE TO" and "DUE FROM" entries. Later when the actual cash transfer posting happens, a reversal posting for the DUE-TO and DUE-FROM accounts is recorded.

Split Processor, for fund accounting purposes, splits and balances an accounting document by business area (agency), fund, grant, or functional area and adds additional line item(s) to either split or balance an accounting transaction.

For a transaction that involves multiple agencies and/or funds, this enables complete interagency and interfund accounting. The Split Processor configuration is part of FI and begins with the assignment of the splitting method and the fields to be used for splitting. Split Processor functionality is shown below:

Split Processor



Balancing and Splitting by:

- Fund – (Operating fund, Capital fund, etc,)
- Business Area – (Agency)
- Grant – (Grant)
- Functional Area

Based on the rules defined in the configuration for various business transactions, documents will be balanced by business area and fund using one of the two methods: Splitting or Balancing. The splitting method will take the pre-determined split item category within an FI document and generate multiple lines for this item category. The balancing method will generate new lines within the document, balancing the results of the other item category lines using the configured clearing General Ledger account.
Document balancing or splitting by Split Processor thus creates additional line items that post debits and credits for each agency and fund. Cash will be posted as debits and credits to the respective agency in accordance with the pooled cash concept. Further detail on Split Processor is available in General Ledger document "FIN-GL-PDD020 Splitting Rules".

Option 2: Entering IAT's as a Finance General Ledger (FI-GL) Transaction

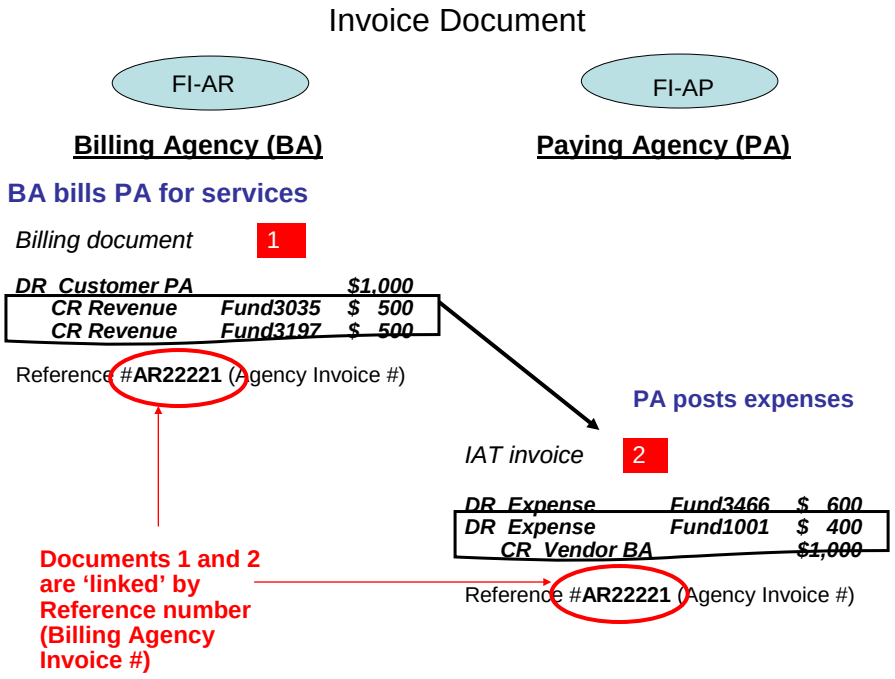
This option involves recording IAT's as a journal entry in the Finance General Ledger module. The agency receiving the goods or services will post an expense and the agency providing the goods or services will record revenue as shown below:

DR	**Exp**	**Acct**	**"Paying Agency Cost Center Code"**	**Fund A**
CR	**Rev**	**Acct**	**"Receiving Agency Cost Center Code"**	**Fund B**

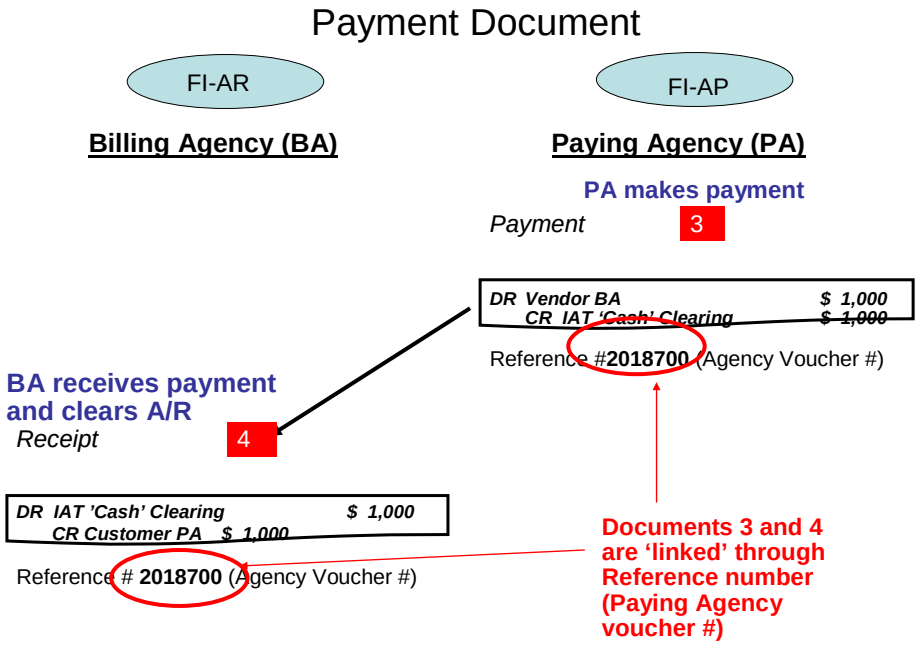
Once an IAT transaction is recorded as a journal entry, the Split Processor functionality discussed previously enables cash transfers between agencies and funds; there is no difference between Option 1 and Option 2 in that regard.

Option 3: Handling IAT as Accounts Payable and Accounts Receivable (AP & AR) Transactions

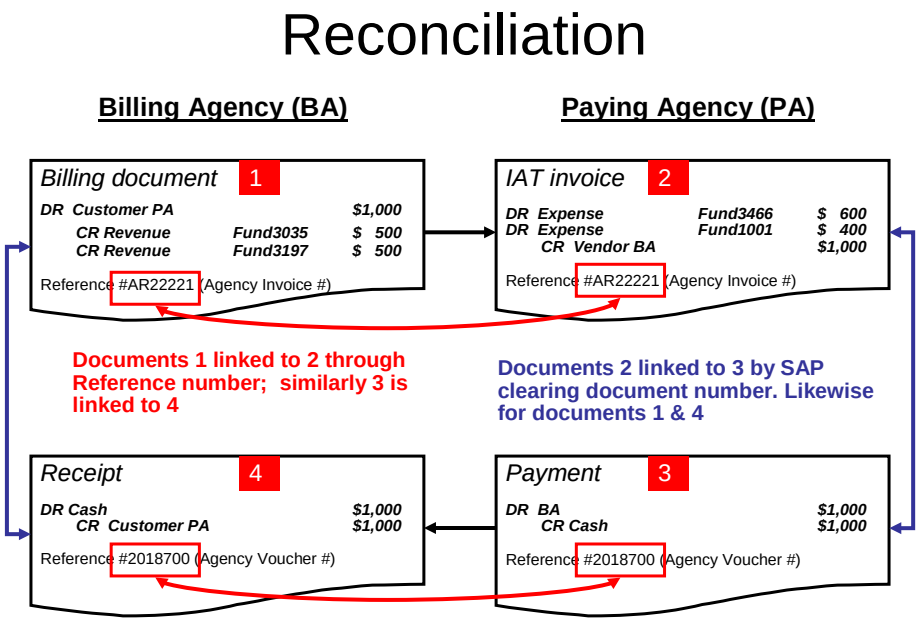
This option involves using the Accounts Payable and Accounts Receivable (AP & AR) modules of SAP to record IAT's and manage cash transfers. All State agencies will need to be set up as both vendors (in AP) and as customers (in AR). The agency providing goods and services is considered a vendor and the agency receiving goods and services is considered a customer. When a vendor agency provides goods and services, it creates an invoice in the system ("Bill") and sends it to the customer agency, as depicted below:



When customers make payments to clear the invoice, a SAP Payment document is created in the system. The Invoice and Payment documents are internally linked in the system (via Reference document #) and can be cleared periodically.



All AP and AR documents are linked making reconciliation easy, as shown below:

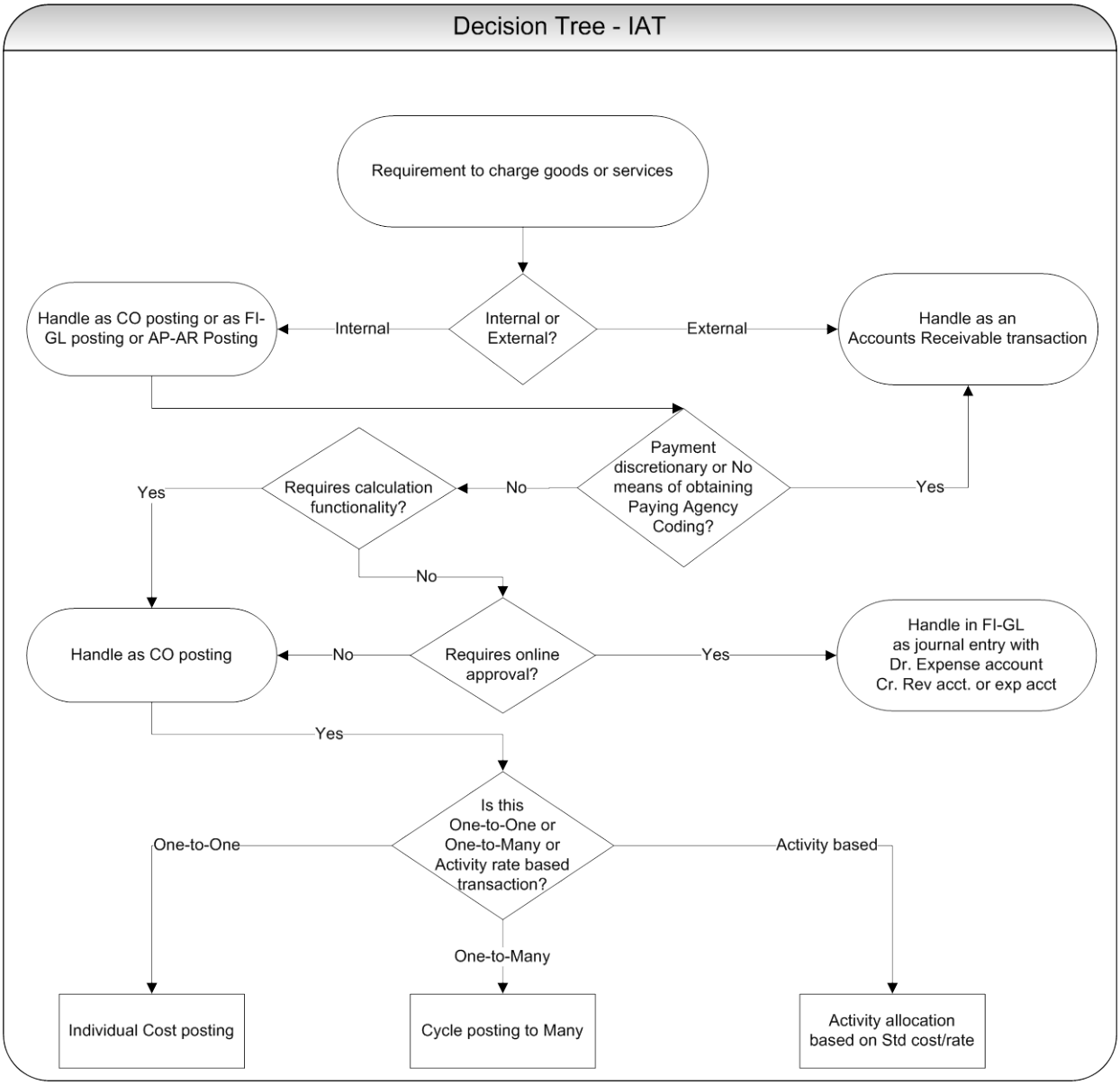


Decision Tree: How to Determine the Best Option for Handling IAT's?

The following key design factors should be considered when selecting the best option for handling IAT's:

- Best Practices and Industry Experience
- Other Module Impacts and On-going Maintenance of Effort
- Organizational Impacts and Change Management
- Transactional Volumes and Operational Efficiency
- Proper Accounting Treatment: "Revenue/Expenses" or as "Cost/Negative Cost":
- Reporting Needs: Mandatory and Management

In addition, the following Decision Tree is used to arrive at the best option:



Following are Key Decision Points that were evaluated when selecting the final solution for handing IATs:

1. **Receiver of Service: External vs. Internal (AP-AR or CO)**
   The first decision driver is to see if the transaction involves an internal state agency (agency using SAP) or an external entity (corporation or external state agency not using SAP). AP & AR are best suited for handling transactions involving external entities as they are true vendors or customers where as Controlling is better suited for handling interagency transactions. In addition, one argument against using the AP-AR option for IAT's is that Agencies will need to be created as vendors and customers (in addition to as Cost Centers) in the system, thereby increasing master data maintenance effort.

   For handling IAT transactions, this driver suggests that Controlling module is better suited.

2. **Payments are Discretionary or there is No Means to Obtain Paying Agency Code? (AP-AR or FI/CO)**
   If the receiver of the invoice has discretion to refuse to pay the invoice, the AP-AR option is more suitable than FI/CO; otherwise the FI/CO solution fits the scenario better.

3. **Approvals: Automated (System) vs. Off-line (FI/GL or FI/CO)**
   FI transactions provide automated approval capability via the SAP Workflow functionality as opposed to the Controlling module that does not. For this reason, if there is an overriding requirement to have an "automated" approval process, then FI/GL is better suited for handling IAT's. Conversely, if the approval requirement can be met through organizational procedures and other manual approval methods, FI/CO transactions can be utilized. Additionally, the cost of developing SAP Workflow-based approvals can be prohibitive; therefore, alternate processes such as non-automated approval procedures may need to be considered.

   Keeping this in mind, for LaGov, there is an argument to accept the limitations the Controlling module has with regard to Workflow-based approvals and select it as the preferred method for handling IAT's.

To-Be Design Option Selected for Entering IATs in LaGov: Option 1 - CO

Using the Decision tree and the Key Decision Points discussed above, the Controlling option will be used for handling IAT's for the State.

Many IAT's involve an actual transfer of cash between agencies. The agency being billed for goods and services actually pays (or "transfers" cash to) the agency performing the service. This requirement will be met using the "Pooled Cash Concept" discussed in the FI General Ledger session, "FI-GL-005-Splitting Rules".

In summary, the Controlling module is chosen for IAT's due to the following:

1. SAP provided the Controlling module functionality to meet the requirements of internal value exchange, such as IAT's, as opposed to FI AP-AR and FI/GL which are better suited for value exchange with external entities.

2. SAP Public Sector Best Practices are consistent with the selection of Controlling, application of Split Processor functionality and implementation of the Pooled Cash concept for recording IAT's and handling cash transfers between agencies and funds.

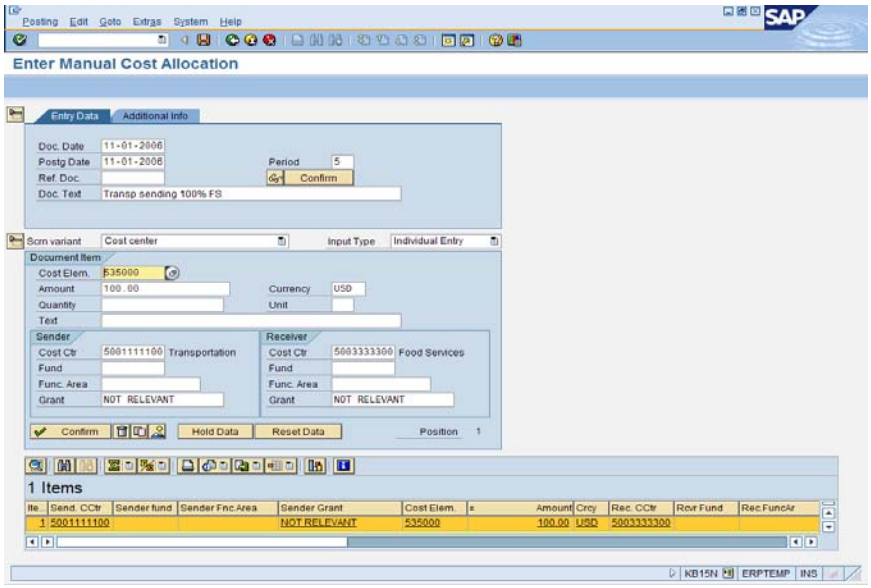
Within Controlling, a SAP transaction called "Manual Cost Allocation" is used to record IAT's. Manual cost allocation can be executed in two different ways:

One-to-One Manual Cost Allocation - Individual

The One-to-One method is a simple transaction that can be used to transfer cost from one sender cost object to another, using SAP Transaction "KB15N" as shown below:

Interagency Transfer Transaction Entry Screen

CO Manual Cost Allocation-One-to-One (individual)



The transaction screen provides the following key fields for IAT data entry:

a) Entry Data

- Document date – Typically used to enter the date the transaction was entered in the system
- Posting date – Accounting date
- Reference Document # -- Any identification for the transaction as a whole
- Document text – Free format text field for any comments

b) Document Item Info

- Cost Element – Object code
- Amount ($) – Dollar amount charged
- Quantity – If required

c) Sender Info

- Cost center
- Fund
- Functional area
- Grant

d) Receiver Info

- Cost center
- Fund
- Functional area
- Grant

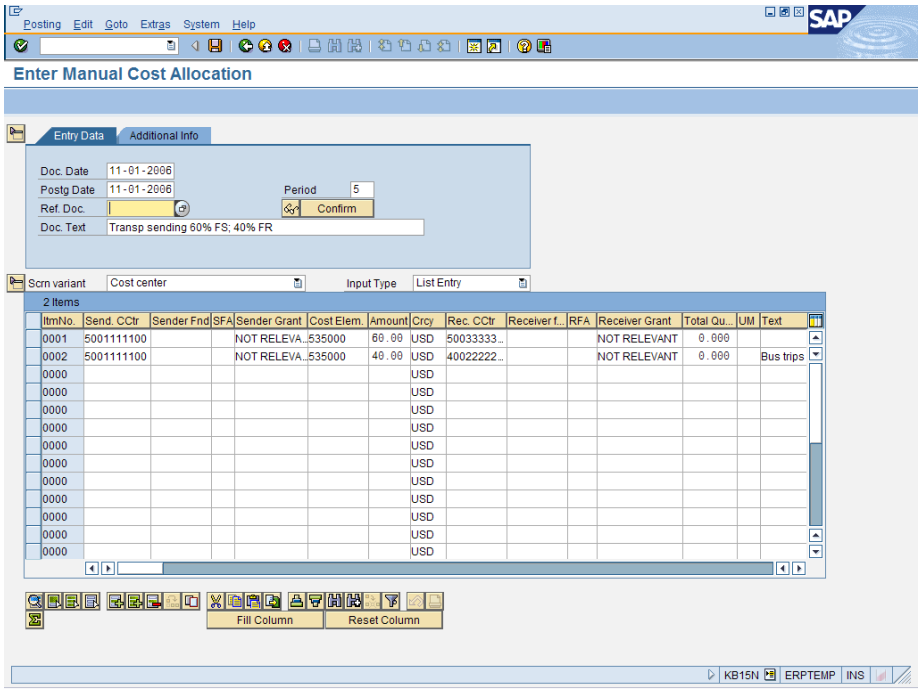
One-to-One Manual Cost Allocation - List

In situations where there are multiple receivers, the list screen can be used to enter IAT transactions. This is the same SAP transaction ("KB15N") as the individual screen and has the same key fields for data

input except that there is a provision to enter multiple sender and receiver objects: Cost Center, Fund, Functional Area, and Grant.

Interagency Transfer Transaction Entry Screen

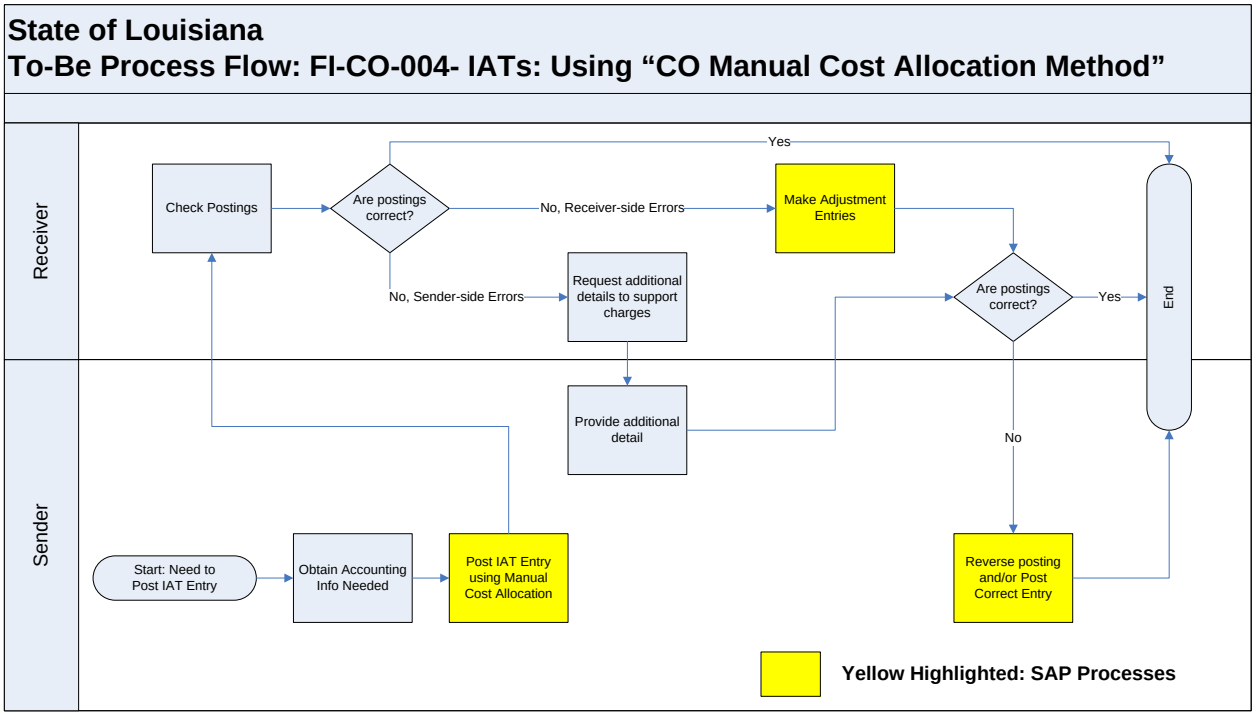
CO Manual Cost Allocation-One-to-One (List)



1

To-Be Process Flows

The process flow diagram depicting the process description steps is below:



To-Be Process Description for IAT Transaction Entry

The SAP Business process for handling IAT's will be very similar to the current process in AFS. Process steps are as described below:

When there is a need to enter an IAT transaction into the system, the sender agency (agency providing goods and/or service) will obtain the necessary accounting information (cost center, fund, functional area, grant, etc.) and input the transaction using "KB15N" in SAP. Depending on the situation, the individual screen or list screen will be used. The receiver agency checks the postings for correctness (amounts, and accounting codes). If corrections are needed on the receiver side, the receiving agency corrects the entries. If additional information is needed to support the entry, the receiver contacts the sender. If the postings are incorrect, the transaction is reversed. If the postings are correct, the process ends.

Key Business Process Decisions

A guiding principle for the project is to adapt to a common system-enabled business process design as provided by the best business practices inherent in the SAP and Agile applications. This section is used to document the key decisions that will impact existing business processes that may or may not affect the ultimate configuration. Information in this section is shared with the key external support groups including the Executive Steering Committee.

#	Decision	Process Impact	Organizational Impact
1.	Interagency Transfer (IAT) transactions will be entered as CO Transactions in LaGov.	Currently IAT's are entered as journal entries in AFS. The proposed To-Be process takes advantage of SAP's Controlling (CO) module.	See Training Impacts.

#	Decision	Process Impact	Organizational Impact
2.	SAP Controlling's "Manual Cost Allocation" transactions – also known as "One-to-One: Individual" and "One-to-One: List" will be used to record IAT's in LaGov.		Positive impact as IAT's can be easily reversed (as opposed to the difficult / cumbersome current practice).
3.	IAT's will continue to be entered by Sending agencies as they are currently done.	Minimal	Minimal

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	None Identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None Identified						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None Identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None Identified		

Security & Enterprise Role Definitions

Given below is a listing of security roles defined to support the business processes as detailed in the previous Visio process flows. During Realization, additional Security Roles and Authorizations may be developed. NOTE: These are not actual positions, but are just noting that these tasks will be performed by someone.

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	IAT Agency Analyst	Records IAT transactions in LaGov		
2.	IAT Manager	Reverses IAT transactions in LaGov		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Enter IAT transaction	No change in concept compared to the current situation; only new software transaction, Controlling's Manual Cost Allocation transaction is used.	See Training Impacts

Training Impact

The agency Finance staff responsible for entering IAT's in the system will need to be trained in:

- Executing the manual cost allocation transactions in SAP;
- Running appropriate manual allocation reports;
- Reviewing the results of manual cost allocation transactions and validate them.

Appendix A

Not Applicable

Team:	Finance - Controlling
PDD Name:	Cost Allocations
PDD Number:	FIN-CO-PDD050-Cost Allocations
Business Process Owner:	Afranie Adomako
Functional Lead:	Linn McNary
Functional Consultant:	Abdulla Meer

Executive Summary

SAP's Controlling (CO) application component records and administers financial data for all management accounting purposes. The CO module is used to assist management in their internal cost accounting and reporting functions for revenues and expenses.

After Go-Live, expenditure postings will be made in LaGov against cost objects, such as: Cost Centers and Internal Orders, via journal postings (in General Ledger), vendor invoices (in Accounts Payable), Purchase Orders (in Logistics) and other such transactions. Once posted, Controlling will be used to transfer all or part of the posted expenses from one cost object to one or more cost objects using Controlling's Cost Allocation transactions. This document describes the processes and decisions related to cost allocations.

As a Best Practice, it is recommended that the Cost Allocation process be performed once a month. In addition, it is recommended that SAP's automated cost allocation method called "Distribution" be used for allocating costs in LaGov. A key feature of the Distribution method is that it retains the original object code (Cost Element that carried the expense from the original posting) even after the allocation. This will provide clarity around the types of costs that are being allocated.

Currently, the Statewide Cost Allocation Plan (SWCAP) is handled outside of AFS; hence the State has made a decision to exclude the legacy SWCAP process from the scope of the LaGov ERP project in the initial release. Cost allocations will only be performed for those agencies that are currently using AFS which are: DOL, DSS, and DHH (including OPH).

To-Be Process Description

#	Process Terminology	Description
1.	Cost Allocations	The process of distributing as amounts and quantities from one sender cost object to one or more receiver cost objects.
2.	Distribution	Transaction that allocates primary costs in Controlling; the original cost element is retained in the receiver cost object.
3.	Assessment	A method of allocating amounts and quantities from one sender object to one or more receiver objects. Different from "Distribution" method in that visibility of the original object code (Cost Element that carried the expense from the original posting) is lost after allocation is complete.
4.	Statistical Key Figure	Measurable values such as number of employees or square footage used as a basis in allocating costs.
5.	Tracing Factor	Non-Financial values that establish the basis for allocation in CO.

#	Process Terminology	Description
6.	Primary Cost Element	A cost element whose costs originate outside of CO. One to one relationship with general ledger P/L accounts.
7.	Secondary Cost Element	Used to portray internal value flows, such as internal activity allocation or overhead calculations.

The SAP R/3 system records expense transactions in the Financial Accounting (FI) and Controlling (CO) modules. All expenses that arise from transactions with external parties (purchases of supplies, payment of telephone charges, purchase of insurance) are recorded in FI and simultaneously posted to CO under primary cost elements. Transactions posted in HR (payroll) are also integrated with the Controlling module.

Cost Allocations: Overview

Cost Allocation involves transferring posted expenses (costs) from one sender cost object, such as a Cost Center, to one or more receiver cost objects. Allocable expenses collected in a cost object through postings from other SAP modules (such as FI General Ledger) are transferred to appropriate receiver objects using Statistical Key Figures (discussed below) as a basis for the allocation.

During the cost allocation process sender cost objects are credited and receivers are debited. There are two different types of cost allocation transactions in SAP:

1. ***Transaction-based Methods***, also known as "Manual Cost Allocation" methods, will be used for recording Interagency Transfer (IAT) postings throughout the month. For additional detail on these and IATs, please refer to Process Description Document (PDD) "FIN-CO-PDD040-Interagency Transfers".
2. ***Periodic Methods***, also known as "Automated Cost Allocation" methods or cycles, will be used for performing cost allocations at the end of the month. These are used to transfer allocable costs (such as overhead) among receiver cost objects. The sections below discuss various aspects related to cost allocations using periodic methods.

Periodic Methods - Automated Cost Allocation Methods

Sometimes referred to as "Cycle Postings", CO provides two distinctly different automated cost allocation methods. Those two methods are known as the "Distribution" method and "Assessment" method. While both are used to allocate expenses, they differ in the way the expenses are allocated; hence used for different types of allocation scenarios as discussed below.

Based upon discussions the CO Team had with Agency personnel during Business Blueprint phase, it was determined that the Assessment method will not be used in the LaGov project. The Distribution method will be used for all Cost Allocations for the State. However, both methods are discussed below. During Realization, discovery of additional information could warrant use of the Assessment method (in addition to Distribution) in some situations.

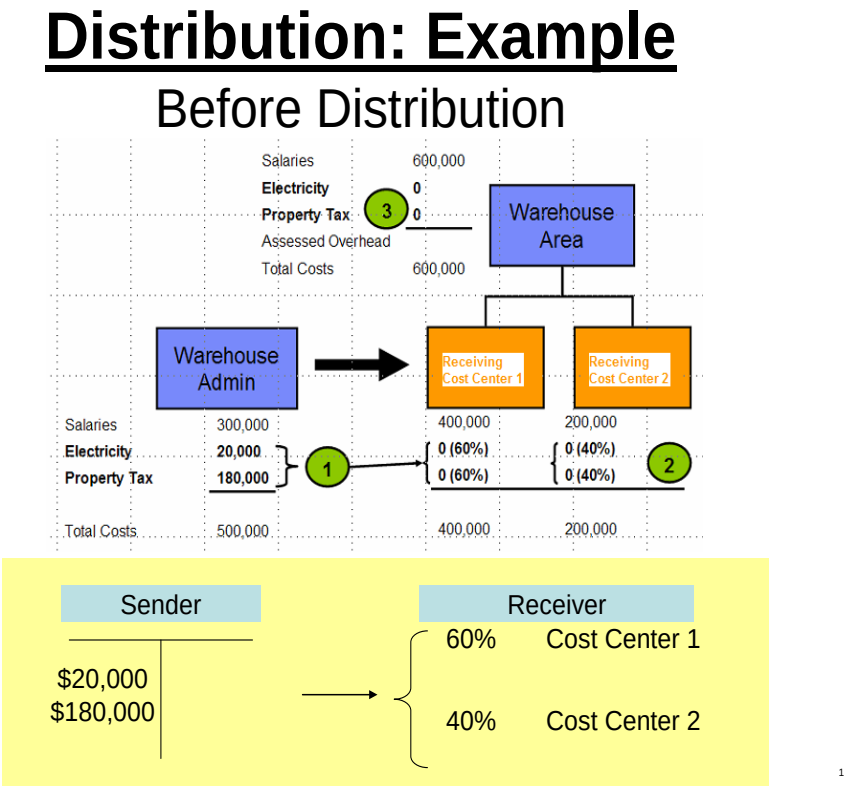
Distribution Method

Distribution is an automated cost allocation method in which the original object code (cost element) that carried the expense is retained even after the allocation is complete. During the Distribution cycle process, costs are moved from one sender cost object to one or more receiver cost objects. In the posting, the sender is credited (negative cost) and the receiver is debited (cost).

Distribution uses Primary Cost Elements, which are the same as General Ledger (G/L) accounts; numbers for these start with a "5".

Example: Allocation by Distribution Method

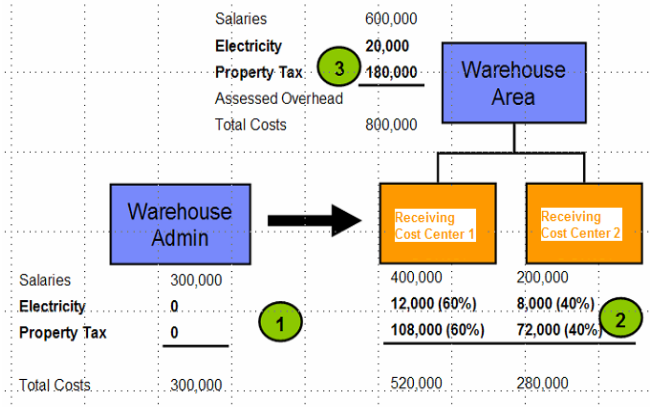
An example is provided to show how the Distribution method works as an allocation tool. In this example, titled "*Distribution: Example – Before Distribution*", expenses posted for Electricity ($20,000) and Property Tax ($180,000) in Warehouse Admin (Cost Center) need to be allocated to two receiving Cost Centers (under Cost Center Group "Warehouse Area"), with 60% going to Cost Center 1 and 40% going to Cost Center 2.

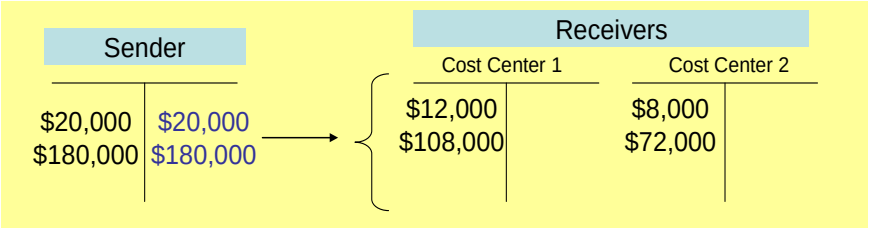


The Graphic below, titled "*Distribution: Example – After Distribution*", indicates how the postings would look after completing the allocation transaction using the Distribution method. Cost Centers 1 and 2 receive debits of $12,000 and $8,000 for Electricity and $108,000 and $72,000 for Property Tax respectively. Note that the allocated expenses keep their original identities, which were Electricity and Property Tax, even after allocation. Also, the roll-up of the individual expenses for Cost Centers 1 and 2 into Cost Center group Warehouse Area can be seen.

Distribution: Example

After Distribution





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Assessment Method

Assessment is an automated cost allocation method in which the original object code (cost element) that carried the expense is ***not*** retained after the allocation is complete. In situations where several types of expenses (object codes) can be bundled together and the identity of the original cost element is not needed by the receivers after the allocation, the Assessment method is used. In Assessment, all expenses are accumulated and transferred to the receiver on a single cost element (known as a Secondary Cost Element).

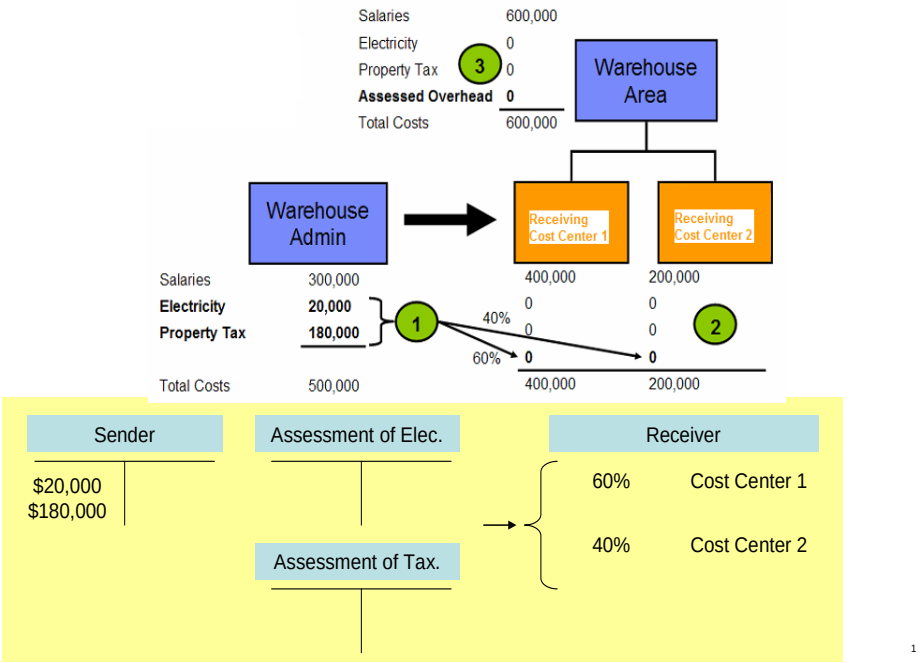
As with the Distribution method, costs are moved from a sender cost object to one or more receiver cost objects; the sender is credited (negative cost) and the receiver(s) debited (cost). However, the Assessment method uses Secondary Cost Elements for carrying expenses. Allocated costs are posted to secondary cost elements that will have a number range that starts "9". This allows them to be readily distinguished from Primary Cost Elements. Secondary Cost Elements are internal to CO and are not defined in FI-GL.

Example: Allocation by Assessment Method

An example is provided to show how the Assessment method works as an allocation tool. In this example, titled "*Assessment: Example – Before Assessment*", expenses posted for Electricity ($20,000) and Property Tax ($180,000) in Warehouse Admin (cost center) need to be allocated to two receiving Cost Centers (under Cost Center Group "Warehouse Area"), with 60% going to Cost Center 1 and 40% going to Cost Center 2.

Assessment: Example

Before Assessment



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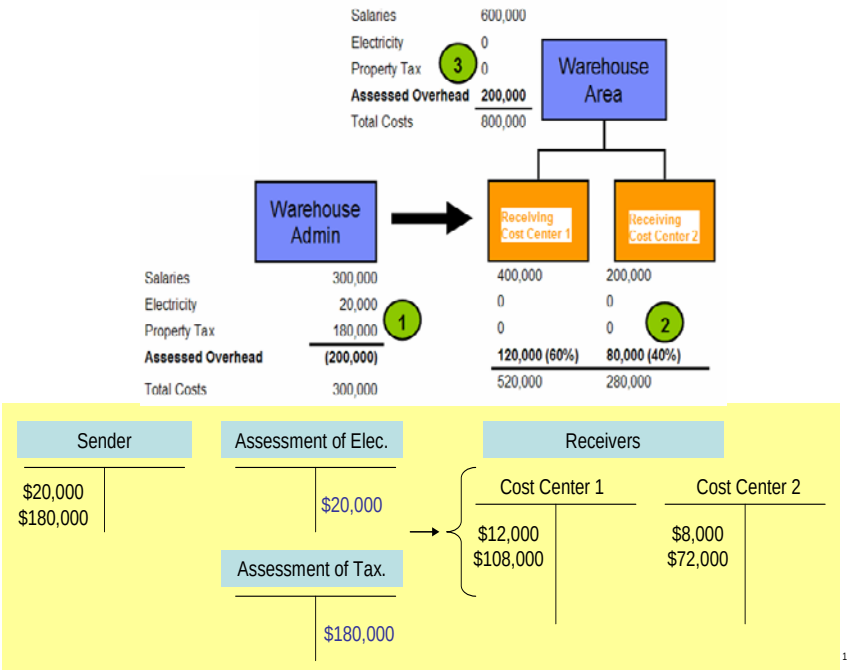
The graphic below, titled "*Assessment: Example – After Assessment*", shows how the postings would look after completing the allocation transaction using the Assessment method. During the allocation process, note how Electricity and Property Tax are bundled and transferred to Cost Centers 1 and 2 as "Assessed Overhead", not separately as Electricity and Property Tax. In this example, Cost Centers 1 and 2 now receive debits of $120,000 and $80,000 for "Assessed Overhead", which is a Secondary Cost Element. Also note how the postings for Electricity and Property Tax lost their identity after allocation.

Assessment: Example

After Assessment



Statistical Key Figures

A Statistical Key Figure (SKF) is a master data object used to compute the basis (tracing factor in SAP) for cost allocations in Controlling. Master records are first created to establish the unit of measure needed for cost allocations. Examples of SKFs are: hours, number of employees, area (square footage), etc.

Before Go-Live, the CO Team will create SKF master data needed in the system. SKF's can have a fixed value; no change from past period to current period, such as area in square feet. SKFs can also be variable to capture the change from one period to another such as number of calls made.

SKF values are used to compute the basis for distributing the expense from senders to receivers. Before a cost allocation run, values are posted as quantity postings in SAP by the end-user department or agency. During the cost allocation run, actual dollars are posted to receivers based on SKF values previously posted against the cost centers.

In addition to SKF values, Cost Allocations can be processed based on other criteria such as: fixed percentages, fixed amounts, activity types, etc., if needed. However, the CO Team has not identified situations that currently employ these criteria.

To-Be Process Steps: LaGov Cost Allocations

LaGov will use the Controlling module's Distribution functionality for performing cost allocations. Before Go-Live, the CO team will work with individual agencies, OSRAP and OIS to set up and test distribution cycle structures.

After Go-live, the To-Be process for Cost Allocations will involve the following steps:

1. OIS will create, maintain and distribute a master period-close calendar which will contain period-end tasks for all modules. CO period-end tasks will be imbedded in proper sequence in the master calendar.

2. Department/Agency Cost Accounting staff will continue to post values for Statistical Key Figures that are being used for the Distribution cycles; and then check the interim reports for actual costs as well as SKF values posted in the system. An automated interface that uploads SKF values into SAP is proposed (included as an Interface in Section 6.0).

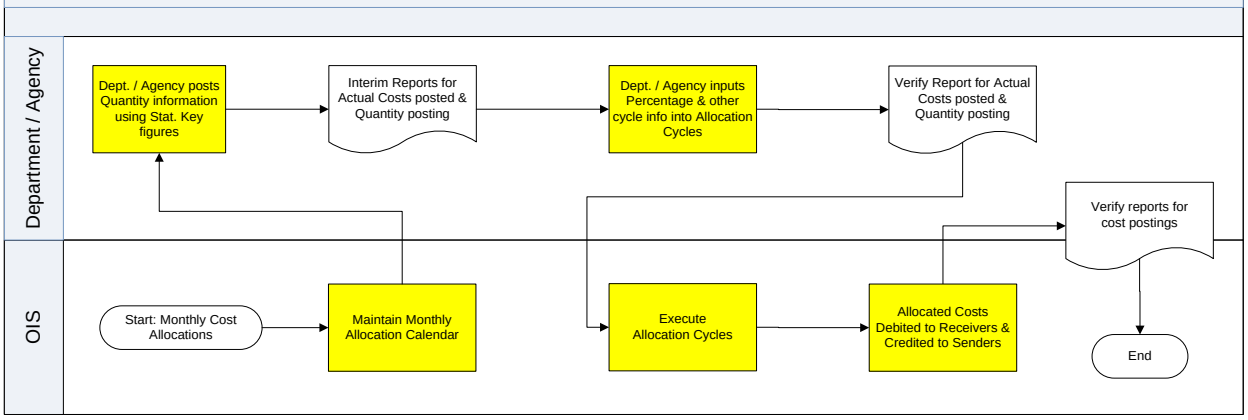
3. OIS will execute the Distribution cycles as per the schedule.

4. Department/Agency Cost Accounting staff will review allocation reports and validate the postings.

To-Be Process Flows

The To-Be Process Flow diagram below depicts the steps discussed above.

State of Louisiana
To-Be Process Flow: FI-CO-005- Cost Allocations: SAP-CO Distribution Cycles



Yellow Highlighted: SAP Processes

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	SWCAP is not included in the scope of the current LaGov project.	SWCAP will continue to be outsourced and results will be manually entered by Agencies.	
2.	Only agencies currently using the AFS system for cost allocations are in the scope of the ERP project. These include DOL, DSS, DHH, and OHP.	Due to the time and effort required only these Agencies will be included at this time. Additional agencies will be considered for inclusion after go-live. Until then, manually entering summarized results from the external cost allocation process into CO needs to be explored to complete the LaGov cost accounting numbers.	
3.	OIS will continue to coordinate the month-end cost allocations.	None, same as current process.	

#	Decision	Process Impact	Organizational Impact
4.	Agencies will continue to input SKF values needed for the allocation runs.	None, same as current process.	
5.	Cost Allocations will continue to be performed on a monthly basis.	None, same as current process.	
6.	Utilize distribution method for Cost Allocations	None.	

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	In AFS there is a one month delay for allocating administrative costs to another agency within a Department. In SAP, since Intra-Departmental allocations can occur within the same allocation cycle, this will no longer be necessary	The process will no longer involve a one month delay	Individual Agencies

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Allocation Stat Upload	To upload agency statistics used for cost allocations	X	X	Minimize manual data entry effort as well as data entry errors		SAP development

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None Identified						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None Identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None Identified		

Security & Enterprise Role Definitions

A list of the security roles defined to support the business processes as detailed in the previous Visio process flows. This will revisited during Realization phase for any modifications.

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	OIS Allocations Analyst	Role is responsible for performing cost allocations activities assigned to OIS		
2.	OSRAP Allocations Analyst	Role is responsible for performing cost allocations activities assigned to OSRAP		
3.	Agency Allocations Analyst	Role is responsible for performing cost allocations activities assigned to agency finance staff		
4.	State-level Allocations Analyst	Role is responsible for performing cost allocations activities at State level		
5.	OIS Allocations Supervisor	Role is responsible for reversing cost allocations activities assigned to OIS		
6.	OSRAP Allocations	Role is responsible for reversing cost		

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
	Supervisor	allocations activities assigned to OSRAP		
7.	Agency Allocations Analyst	Role is responsible for reversing cost allocations activities assigned to agency finance staff		
8.	State-level Allocations Supervisor	Role is responsible for reversing cost allocations activities at State level		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	OIS	None	Work with ERP team, OSRAP and agency finance staff to set up Distribution cycles initially
2.	OSRAP	Unknown	Work with ERP team, OIS and agency finance staff to set up Distribution cycles initially
3.	Agencies slated to use LaGov cost allocations	None	Work with ERP team, OIS and OSRAP to set up Distribution cycles initially

Training Impact

OIS, OSRAP and Agencies using LaGov Cost Allocation will need to be trained in the Cost Allocations (Distribution cycles) process in general as well as in the specific steps that they will be performing on a monthly basis.

Appendix A

Not Applicable

Team:	Finance - Controlling
PDD Name:	CO Periodic Processing
PDD Number:	FIN-CO-PDD060-CO Periodic Processing
Business Process Owner:	Afranie Adomako
Functional Lead:	Linn McNary
Functional Consultant:	Abdulla Meer

Executive Summary

SAP's Controlling (CO) application component records and administers financial data for internal cost accounting and reporting purposes for revenues and expenses. It provides functionality needed for collection and reporting of actual costs incurred and costs allocated between cost objects such as Cost Centers.

This document describes, at a high level, tasks that need to be carried out in the Controlling module at month-end and year-end. Examples of period-end tasks in CO are: Cost Allocations, Settlements, Adjustments, and CO posting period open/close.

Cost Allocations transfer expenses accumulated in one Cost Center to one or more cost objects, such as: Cost Center, Grant, Internal Order, etc. Settlements refer to period-end transactions that are used to transfer expenses accumulated in a real Internal Order to other cost objects. Adjustments refer to transactions that are posted to rectify incorrect entries.

During Realization, the ERP Finance Team will facilitate a discussion of this topic to develop a list of period-end activities. CO period-end activities will be integrated into the period-end activity sequence that will include period-end activities associated with the rest of the SAP modules, including General Ledger, Funds Management and Materials Management.

To-Be Process Description

#	Process Terminology	Description
1.	Periodic Processing	Activities that need to be carried out at the end of a posting period.
2.	Cost Allocations	The process of distributing amounts and quantities, from one sender cost object to one or more receiver objects.
3.	Settlements	The process in which costs that have been accumulated on "real" Internal Orders are moved (settled) to another cost object.
4.	Repostings	The method used to make adjusting entries in Controlling.

Throughout the posting period, the LaGov system records expense transactions in the Financial Accounting (FI) and Controlling (CO) modules. All expenses that arise from transactions with external parties (supplies, telephone charges, insurance) are recorded in FI and simultaneously posted to CO under primary cost elements. Transactions posted in Human Resources, such as payroll, are also integrated with the Controlling module.

An integrated and comprehensive Period Processing calendar for LaGov will be developed during the Realization phase of the project. CO periodic processing activities will be aligned with this schedule. CO

postings that cross fund, business area, functional area, or grant are relevant to Financial Accounting (FI) and are affected by the FI period control as well; therefore, the FI and CO period open and close will be coordinated carefully.

As part of the period-end processing, the following tasks will be performed in CO: Cost Allocations, Settlements, Adjustments and CO Period Open and Close as discussed below:

Cost Allocations

Allocable costs, such as administrative costs, incurred in each period are transferred from one cost object to one or more costs objects using an automated cost allocation method known as Distribution. This is described in detail in "FIN-CO-PDD050-Cost Allocations".

Settlements

CO Internal orders are generally used to plan and collect the costs (and revenues if necessary) of internal jobs and tasks. Internal orders are usually used for short-term projects or programs but can be used for long term projects as well. Expenditure postings are made against an Internal Order via General Ledger (GL) journal postings, Accounts Payable (AP) documents, and other processes from external activities

Real Internal Orders (as opposed to Statistical Internal Orders) are only temporary collectors of costs and are used for management and control purposes. Costs collected in real Internal Orders need to be periodically transferred to a permanent cost collector. This transfer process is known as Settlement. Examples of permanent collectors include Cost Centers, General Ledger accounts, and Fixed Assets.

Statistical Orders do not need to be settled, as the original transactions are simultaneously posted to a permanent cost object.

Adjustments

Adjusting entries will be processed in Controlling using "Periodic Reposting" transactions. Periodic Repostings enable users to adjust postings made to Cost Centers, Internal Orders, or WBS Elements

CO Period Open and Close

In SAP, "Posting Period" functionality is used to control postings throughout the fiscal year as defined in the "Posting Period Variant". For LaGov, a Posting Period Variant that contains 12 regular posting periods (one for each calendar month) and 4 special periods will be used. Special periods are used for postings which are not assigned to time periods but rather to the process of year-end closing. In total 16 periods can be used.

The 12 postings periods will be used to record financial (and controlling) transactions as they occur during the appropriate posting periods; and the 4 special periods will be used to record period-end related transactions. To prevent documents from being posted to an incorrect posting period in CO (and also in FI), deadlines will be established for the previous period to be closed and the current period to be opened.

During normal processing, only the current posting period is open for posting. Where multiple periods are required to be open at once (for instance in prior period closing) SAP will allow this. As part of the Period-End activities, CO posting periods are closed and opened to enable appropriate posting control. Posting access to these periods should be limited to key Finance/Costing staff.

Section 3.0 below depicts the To-Be Process Flow diagram for CO period-end activities.

As shown, the first step is preparation of the period-end calendar by OIS which is distributed to OSRAP as well as all agency finance accounting teams. OIS will maintain, execute and coordinate period-end activities across the State. OSRAP, being a key stakeholder and owner of reporting and analysis functions, will guide OIS in performing period-end activities to ensure the correct sequence and manner is followed. Individual Departments and Agencies will perform period-end activities which impact ONLY their agency (within the overall framework acceptable to OIS and OSRAP). OSRAP will own the period-end activities that impact the State as a whole as well as those that impact multiple agencies.

Based on the processes discussed above, the following tasks will be performed by OIS:

1. Maintain and distribute (to OSRAP and agencies) a Periodic Processing Calendar, which includes FI, CO, AP, AR, MM, and HR period-end activities.
2. Create and maintain Periodic Cost Allocation Jobs – Work with OSRAP to set up Cost Allocation cycle postings that impact multiple agencies and/or the entire State; and work with departments/agencies to set up Cost Allocation jobs with limited impact.
3. Execute Periodic Cost Allocation Jobs.

Based on the processes discussed above, the following tasks will be performed by OSRAP:

1. Receive the Periodic Processing Calendar and own and be responsible for Periodic Processing.
2. Provide input to OIS in setting up “non-agency specific” cost allocation jobs, meaning those allocation jobs that impact multiple agencies and/or the State as a whole.
3. Perform non-agency specific Periodic Settlements (such as Internal Orders).
4. Post non-agency specific Periodic Adjustment entries.

Based on the processes discussed above, the following tasks will be performed by Department/agency finance/cost accounting staff:

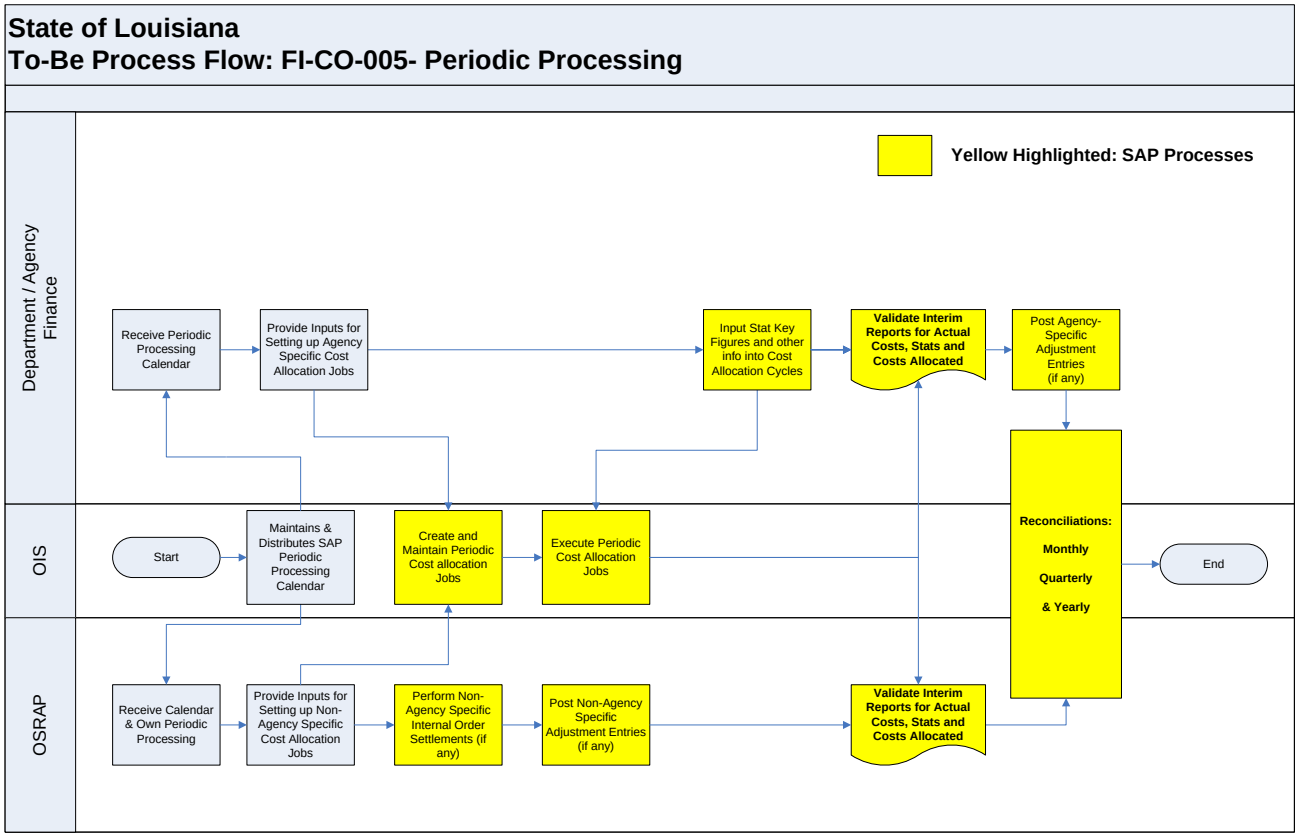
1. Receive the Periodic Processing Calendar from OIS and provide input as necessary.
2. Provide input to OIS in setting up “agency specific” cost allocation jobs, meaning those allocation jobs that primarily impact their agency or department; not the State as a whole.
3. Perform agency specific Periodic Settlements (such as Internal Orders).
4. Post agency specific Periodic Adjustment entries.
5. Validate interim reports obtained for actual costs, stats entered (Statistical Key Figures) and costs allocated for the postings that involve their agency or department. Work with OIS, OSRAP and/or other Department and agency finance/cost accounting staff as required in resolving material issues.

The tasks listed above are presented here to facilitate discussion among stakeholders of this process. These are based on Best Practices as well as discussions the CO Team had with SME’s during the Business Blueprint phase. However, it should be noted that this is a work in progress; during the Realization phase, the LaGov ERP Finance Team will facilitate a discussion of this topic to develop it in much greater detail. A project-wide periodic processing activity sequence with agreed upon responsibilities by all stakeholders will be developed.

These tasks are inter-dependent; hence they cannot be performed in a strictly linear fashion. However, a typical process flow between these tasks is presented in the Visio diagram included below in section 3.0.

To-Be Process Flows

CO Periodic Processing activities will be integrated with period-end activities across other SAP modules. However, the To-Be Process flow diagram provided below shows period-end activities that will be performed in CO.



During Realization, the CO Team will work with other ERP Teams, Agency Finance Staff, OIS and OSRAP in developing an integrated Period-End activity list.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	To allocate overhead costs to receiving Agencies, CO's automated cost allocation method called "Distribution" will be used.	Standardization and consistency achieved throughout the system, and original cost element retained after allocation.	Agencies need to work with OSRAP and OIS in setting up and maintaining distribution cycles.
2.	OIS will be the central point of contact for coordinating the Periodic Processing activities in conjunction with OSRAP.	Standardization and consistency achieved throughout the system. Establishing central points of contact (OIS and OSRAP) for periodic processing will help to bring about an efficient period close.	Minimal impact as OIS is currently performing this function. However, need to have agencies work with OIS and OSRAP in maintaining Period-End activities.
3.	To make adjustment entries or rectify incorrect postings	Allows for discreet and efficient way of handling errors and necessary adjustments.	

#	Decision	Process Impact	Organizational Impact
	during period-end, "Periodic Reposting" transaction will be used.		

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	Internal Order Settlements – In the current environment, there is no concept of settling (or transferring) costs from a temporary cost bucket to a final bucket. Where "real" Internal Orders are utilized in SAP, costs will need to be settled to permanent objects on a periodic basis. Accordingly, procedures will need to be established for this. Individual Agencies, OIS, & OSRAP are all potentially affected by this.		Individual Agencies/OIS/OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None Identified						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None Identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None Identified		

Security & Enterprise Role Definitions

A list of the security roles defined to support the business processes as detailed in the previous Visio process flows. This will be modified as more information is available during Realization.

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	CO Periodic Processing Analyst	Performs all Controlling Period-End activities and will open/close CO periods at period-end.		
2.	CO Periodic Processing Manager	Performs all Controlling Period-End activities and has the authority to open CO periods that were closed.		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	OIS – Central coordination for Periodic Processing activities	Change is not significant as OIS is currently in this role from a high-level process perspective.	OIS staff responsible for this process will need to be trained, see training impacts (section 9.0)
2.	OSRAP – Key stakeholder and owner of LaGov State-wide processing and	During Realization it will be determined how significant of a role OSRAP will perform.	OSRAP staff responsible for this process will need to be trained, see training impacts (section 9.0)

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	reporting functions		
3.	Department/Agency Finance/Cost Accounting Staff – owner of Agency specific periodic processing	Change is not significant as Agencies perform this role today.	Department/Agency Finance/Cost Accounting Staff responsible for this process will need to be trained, see training impacts (section 9.0)

Training Impact

Once the Periodic Processing flow and sequence of activities (for month-end as well as year-end) is finalized and agreed to by all process stakeholders, training will need to be provided to OSRAP, OIS and Department/Agency staff performing these tasks on the following:

1. Overall process flow and their role in the process;
2. List of activities each staff is expected to perform and the sequence in which they should be performed;
3. How to execute the individual transactions that are a part of the period-end activities; and
4. Inter-dependency between the transactions.

Appendix A

Not Applicable

Team:	Finance - Controlling
PDD Name:	Management Reporting
PDD Number:	FIN-CO-PDD070-Management Reporting
Business Process Owner:	Afranie Adomako
Functional Lead:	Linn McNary
Functional Consultant:	Abdulla Meer

Executive Summary

SAP's Controlling (CO) application component records and administers financial data for internal cost accounting and management reporting purposes for revenues and expenses. It provides functionality needed for collecting and reporting of actual costs incurred and costs allocated between Cost Objects such as: Cost Centers, Internal Orders, Projects, etc.

Management Reporting differs from Financial Reporting in several ways. Financial reporting, available mainly from SAP's Financial Accounting (FI) modules, such as: General Ledger, Accounts Payable, Accounts Receivable, Asset Accounting, etc., provides information predominantly on financial transactions that occurred between the State and other external entities, such as vendors, customers, etc. FI Reports are typically generated to meet reporting requirements set forth by organizations external to the State.

Management Reporting, in contrast, deals with reports available from SAP's Cost Accounting module, known as Controlling (CO). While FI provides information on how much money is spent on ***what*** type of expense (Object Code), CO provides information on ***where*** the costs should be charged (Org unit, Grant, Project, etc.). CO provides an internal view of financial transactions necessary for charging the appropriate Cost Object.

Relevant postings made in other SAP modules, such as Finance (FI), are simultaneously recorded in CO and charged to the appropriate Cost Object. Some examples are invoice receipts and vendor payments.

Postings that impact only cost accounting are posted directly in CO. These include: Interagency Transfers (IAT), Cost Allocations and CO adjustment entries. Management reporting refers to the functionality that provides reports predominantly from CO transaction tables.

SAP's application modules, such as FI, CO, etc., are a part of SAP's Enterprise Resource Planning (ERP) Central Component (known as ECC), where all financial transactions are recorded. Therefore, standard "out-of-the-box" reports available from SAP ECC will be considered first in meeting the State's reporting requirements.

The LaGov environment will also provide another reporting capability called Business Intelligence (BI) that can be used to address the State's reporting needs. BI is a data warehouse environment that provides a set of tools to extract transactional data from SAP ECC on a regular basis and load in a separate database outside of SAP ECC. Certain types of cost accounting or management accounting reports not easily available from SAP ECC's Controlling module may easily be produced from the BI reporting environment. The approach for management reporting will take advantage of both SAP ECC and BI reporting capabilities. This document describes how cost accounting or management reporting requirements will be addressed using the tools available in the LaGov environment.

To-Be Process Description

#	Process Terminology	Description
1.	ERP - Enterprise Resource Planning	ERP refers to a class of software systems that maintain in a single database the data needed for a variety of business functions such as Manufacturing, Supply Chain Management, Financials, Projects, Human Resources and Customer Relationship Management. SAP is an ERP system.
2.	ECC – ERP Central Component	ECC refers to SAP's core application components, such as Finance, Controlling, Human Resources, etc.
3.	Business Intelligence (BI)	Online analytical data processing and presentation tool used for reporting. BI extracts transactional data from the SAP ECC system, transforms, loads and organizes it for efficient and flexible reporting. BI is a data warehouse environment that resides outside of ECC.
4.	Data Mart	A subset of an organizational data store usually oriented to a specific purpose or major data subject.
5.	Info Cube or Cube	An SAP BI system that consists of a quantity of relational tables created according to the star schema: a large fact table in the center, with several dimension tables surrounding it. It provides a self-contained dataset which can be used for analysis and reporting.
6.	OLTP	**Online transaction processing** or **OLTP** refers to a class of systems that facilitate and manage transaction-oriented applications, typically for data entry and retrieval transaction processing. SAP ECC is an example of an OLTP system.
7.	OLAP	**On-line Analytical Processing** or **OLAP** refers to a class of systems that enable analysis of large sets of data by providing quick, consistent, interactive access to various views of the data. This is as opposed to an OLTP or on-line TRANSACTION processing such as SAP ERP. SAP BI is an example of OLAP system.
8.	ETL	Extract, Transform, and Load refers to moving data from one system, and converting, and loading it to a target system.

Before addressing reporting requirements for the State, it is helpful to analyze them in terms of the following "Key Reporting Characteristics":

- Module: What is the primary module the report should come from?
  - Financial accounting reports are generated from FI modules, such as General Ledger, Accounts Payable, Accounts Receivable, Asset Accounting, etc... However, management accounting reports will be generated from SAP's Cost Accounting module, CO.
- Complexity: How complex is the data that is needed to make up the report?
  - While some reports are simple in that the key data needed comes from one module, others are more complex and contain data from multiple modules. Example: A cost allocation report can be considered simple if it is generated from the CO module. In contrast, a report that compares budgeted dollar amounts and actual expenses incurred in a Cost Center by month can be considered complex as it will require data from both the CO and Funds Management (FM) modules.
- Usage: Mandatory vs. Non-Mandatory Reports
- Organizational Level: State-wide vs. Dept/Agency level
- Criticality: High, Medium & Low
- Data Level: Summary vs. Transactional

- Nature: On-line vs. Analytical
- Available From: SAP ECC vs. Business Intelligence (BI)
- Level of Effort: Standard ("out-of-the box") vs. Custom Reports
- Data Access: Yes or No
- Roles & Authorizations: Execute, Build, Maintain
- Presentation: In SAP-Delivered Standard Format vs. Custom Format.

The following sections describe how the Finance Team plans to address management reporting requirements.

General Information: SAP ECC Reporting

Listed below are some key aspects of SAP ECC Reporting in general:

- Available for authorized users to run; no additional programming needed.
- Report is a result of a query executed against SAP tables.
- Numerous reports – must sort through and understand what is needed to run on a regular basis, as SAP has many standard queries that provide reports.
- Data selection is available through input parameters on the query screen.
- Once executed, the output of a query can be viewed, printed, or downloaded to an Excel file and saved for later use.
- Drill down capabilities take user from display summary report to transaction level, if needed.

SAP ECC Reports: Standard Functions Available

In addition to providing a vast number of standard reports, SAP Reporting delivers multiple standard functions that can be used to customize the standard reports to better meet the State's requirements:

- SAP Reporting Tree: SAP provides standard reports in an organized fashion using folders in a tree structure. As an example, all reports are organized by module; within a module, all master data reports are delivered in a separate folder for each module.
    - Selection Screen & Criteria: Users can filter data by specifying values for which the query should run in multiple ways:
        - Single value, list of values, range of values
        - Series of complex selection criteria
        - Selection options: equal to, less than or greater than, not equal to, include/exclude
- Get Variant: Allows users to store and reuse their data selection and other parameters used for running the reports.
- Dynamic Selections: Allows users to add additional data fields (not provided in the standard selection screen) to the query itself.
- User Settings: Allow users to specify which values certain fields on the selection screens are to contain when reports are executed. Examples are Cost Center (s) and Reporting Period. These are known as "Parameter ID values". User settings are not report-specific, so if a user is running reports for the same data range every time a report is run, Parameter ID values can be set to minimize data entry.
- Standard Report Functions, such as: Print, Sort, Total, Sub-total, Filter, Download to Excel, etc. are available for all reports.
- Report Layouts: Functionality is available for configurers to modify to some extent the SAP-delivered standard report layouts. Newly configured report layouts can be stored and made available to other users.
- Favorites Folders: Available on the SAP menu tree for users to keep their frequently executed reports in an organized fashion.

Standard SAP ECC Controlling Reports

LaGov will take advantage of the many "out-of-the-box" standard reports SAP ECC provides. The CO module is delivered with an information system that offers the following standard reports:

- Master Data Index Reports: provide lists of CO Master Data Elements, such as: Cost Centers, Cost Elements, Internal Orders, etc. Reports are generated based on the criteria specified by the user.
- Cost Center Reports: display summary and details pertaining to postings received by one or more cost centers or cost center groups specified by the user for a given period of time. Cost Center reports can be run during the month, or at month-end to report the actual expenditures for a given department. Most reports are available online, so printing may not be necessary.
- Cost Element Reports: provide summary and detail of all postings at Cost Element or Cost Element group level for one or a group of Cost Centers.
- Internal Order Reports: provide details of transactions posted to the Internal Orders for specified posting periods.
- Line Item Reports: provide lists of all CO postings by line item based on the selection criteria.
- Document Display Reports: provide display of documents selected.
- Statistical Key Figures Reports: used to obtain SKF values used.
- Cost Flow Overview Reports: provide an overview of the allocated costs by period.
- Cost Flow Reports: provide detailed costs passed between business areas (allocation)
- Reconciliation Reports: used to reconcile Controlling with Finance

Each report is accompanied by detailed online information on its use and the data it contains. It includes instructions on how to alter the report data layout by inserting or deleting desired data elements, and on how to save the resulting report data layout using report layout variants.

Business Intelligence Reporting

SAP's Business Intelligence (BI) Reporting provides additional capabilities for obtaining Management (or Cost Accounting) reporting for LaGov. The BI environment includes database and application technology tools that extract master and transactional data from SAP ECC on a regular basis (as specified), and transform and load the data in the BI operational environment. This data is summarized and is organized into a few standard Data Marts. BI's reporting capabilities then access this data to generate specified reports. External reporting tools such as Business Objects, Crystal Reports, etc. also can be used to generate reports from the Data Marts.

Throughout the Realization phase, the CO Team will be working with the BI Team to optimally meet the State's Management Reporting requirements.

Reporting Strategy

The LaGov project reporting strategy needs to be developed and communicated to set the direction for the report development effort in the State. The reporting strategy will address the following:

a) What types of reports/queries will be made available?
b) How will new reporting requirements be met?
c) What criteria will be used to prioritize new reporting requirements?
d) Who will ensure that standards are maintained?
e) What tools are used to deliver the information?
f) What are the Roles and Responsibilities?
g) What reports will be set up for the agencies by the ERP team and what will be the responsibility of the agencies?

Approach to Develop Management Reports

The approach to developing management reports is as follows:

a) Identify reporting characteristics and prioritize reports for the State as well as by agency.
b) Determine if requirement can be met by standard ("out-of-the-box") **"SAP ECC Reports"** available. Select the actual standard report that meets the requirement, and use SAP standard reporting functions (totaling, sub-totaling, etc.), and other reporting capabilities, such as variants, dynamic selections, etc, to satisfy the need.

c) If not: use the standard **"BI Reports"** (Standard Business Content)
d) If not: build **"Custom BI Reports"**
e) If not: develop "**Custom Adhoc Reports"** – using other development tools, such as: ABAP, Report Painter, Smart Forms, Crystal Reports, etc.

To-Be Process Flows

Not applicable.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	None Identified		

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	None Identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

Note: *Some reporting needs have been identified. As a general strategy, SAP ECC standard reports or SAP BI standard business content reports will be considered as a first step for addressing reporting needs before considering development of custom reports. During the Realization phase, the State and/or Agency reporting requirements for custom reports may be discovered.*

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None Identified						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None Identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None Identified		

Security & Enterprise Role Definition

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	None Identified			

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Training Strategy	SAP ECC and SAP BI are new reporting environments.	LaGov-wide approach to address the report development and overall reporting strategy, once finalized, needs to be communicated to the State and Agency users.

Training Impact

Two types of training courses can be considered:

a) **End-users** will need to be trained in basic SAP Reporting. This training should include how to run reports, perform simple report functions, download output to Excel, and run simple Business Intelligence reports, etc.

b) **Super users** should be trained how to modify reports for others by using advanced SAP reporting capabilities, such as: dynamic selections, new report layout development, setting up new Business Intelligence reports, etc.

Appendix A

Not Applicable

3. Funds Management

Team:	Finance - Funds Management
PDD Name:	FM Master Data
PDD Number:	FIN-FM-PDD010-FM Master Data
Business Process Owner:	Afranie Adomako
Functional Lead:	Lucie Hidalgo
Functional Consultant:	Fernando Figueroa

Executive Summary

This PDD will cover the process design and key decisions made during the following FM Blueprint Workshops:

1. FI-FM-001 FM Master Data
2. FI-FM-Validation Session
3. Addition meetings and discussions throughout the Blueprint Phase

Specifically…

- **Funds Management Master Data** elements are maintained to allow budgeting, purchasing, and other financial transactions, budget control, and reporting by organization. FM master data includes Fund, Fund Center, Funded Program, Functional Area, and Commitment Items. The combination of FM master data used in budgeting or actual transactions is called an FM Account Assignment.
- The **Fund** is a fiscal and accounting entity having a self-balancing set of accounts, recording cash and other financial resources together with all related liabilities and residual equities or balances, or changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. A Fund will be nine digits long.
    - Agency operating funds will have multiple funds to capture Means of Financing. A higher level, general fund will be used to record all revenues and cash receipts which are not restricted for a specific purpose (general fund, IAT, etc.) The fund will incorporate the agency number (business area) in the first three digits with trailing zeros. Revenue accounts will be used in conjunction with this fund to account for the unrestricted MOF.
    - Restricted revenues and receipts will be set up as lower level revenues funds. Digits 6-8 will be used to specify the specific MOF, with a general MOF revenue account.
    - Non-Agency operating funds will incorporate the fund number in the first three digits with trailing zeros for the remainder of the fund number.
    - Capital Outlay funds will incorporate the agency (business area), appropriation year, type of financing (LOC, bonds, other) and a unique financing source number for each financing type. For bonds, the financing source number will be the bond year and series. For LOC, LOC year and the number of LOC for that year will be used.
- The **Fund Center** will represent organizational areas of financial and budgetary responsibility in SAP. They are generally hierarchical in nature, creating a standard hierarchy that represents the

organization's main reporting structure. Alternative hierarchies may be created to show various views of the organization's financial situation. Fund Centers will be created to represent each organizational element. They will have a one-to-one relationship with Cost Centers in the CO module, sharing the same numbering scheme. Per the CO Cost Center design:

- DOTD Cost Centers / Fund Centers: will incorporate the agency number, appropriated program, program activity (sub-program), district or section, and administrative unit.
- Non-DOTD Cost Centers / Fund Centers: will incorporate the agency number, appropriated program, program activity (sub-program), Division, Section and unit (zero filled at this time)

- **Funded programs** are programs within Funds Management (FM) with an operational purpose and defined time frame, unlike Fund Centers. They can range from simple activities to complex projects and may cross fiscal years, funding sources, and organizational units. Funded Programs enable you to record budget, enact budgetary control, and monitor the performance of temporary, discrete activities.

  The State will use funded programs to budget and budget control for Capital Projects (at the phase level), Grantee and Grantor Grants (at the program level) and CO Internal orders. Funded programs will have a one-to-one relationship with the corresponding CO object (WBS elements or internal orders). A high-level funded program at the agency level will be used to segregate work order costs (Plant Maintenance) from other operational costs. No budgeting or budget control will be performed for work orders as the budget is consumed from the Fund Center or capital project that requested the work order.

- **Functional Areas** are used to record costs (and budget if necessary) related to cross functional activities or functions aimed at accomplishing a major service or program. They may also be used as a cost collector across an organization. The functional area will be used to collect costs related to disasters and parishes.

- **Commitment Items** represent the categories or classifications of fund equity, revenues, expenses, and encumbrances at the lowest level of detail necessary for internal and external reporting. They are the equivalent of GL accounts in FI and cost elements in CO. They cut across organizational units, funds, and/or functional areas. Commitment Items will be created with a one-to-one relationship to GL Accounts and Cost Elements.

- The **FM Account Assignment Derivation tool** automatically integrates posting data from all other modules with FM for updates to the FM ledgers. It automatically converts master data used in FI, CO, MM, and PM Actuals to equivalent FM master data and can be used to infer FM master data to such postings. The tool will be used to derive the Fund Center, Funded Program, and Commitment Items. Fund and Functional Area will be manually entered, with some exceptions (e.g., External grant funds can be derived from the grant number).

All FM master data will be created and maintained by the OSRAP Master Data Specialist in charge of master data maintenance. This includes Fund, Fund Center, Commitment Item, Functional Area, and Funded Program (non-capital, non-grant). The only exceptions are Funded Programs linked to WBS elements for Capital Projects or Grantee grants, which will be created by the agency users responsible for setting up the projects or grants. Requests for new or changes to FM master data will come from the various agencies and departments. Non-SAP forms will need to be defined for users to request changes to or create new FM master data.

To-Be Process Description

FM AREA

An FM area is an organization unit that defines boundaries for budget control and FM reporting. Consistent with best practice, the State will use one FM area, called STLA. All FM activities will be contained within it. STLA will be used for CO Controlling Area and for the Chart of Accounts as well.

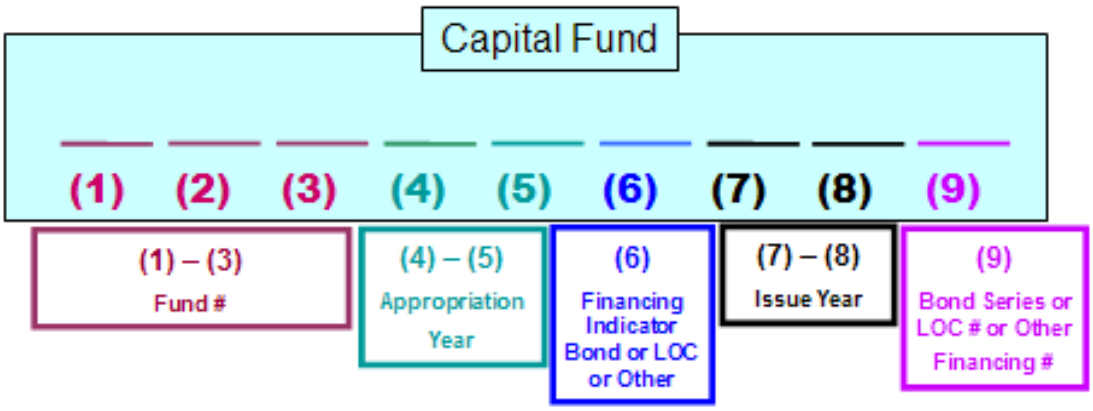
Fund

The FM Fund master record will be used to capture the Fund information. At the time of this writing, funds will be a nine-digit number for reasons outlined below in the discussion of the funds versions.

Fund Structure will continue to be reviewed during Realization and maybe revised based on demonstrated requirements.

Note: Refer to FIN-FM/CO- History of Fund, Cost Center/Fund Center, and Functional Area Naming Convention for the development and business reasons of the Fund numbering convention.

Capital Funds

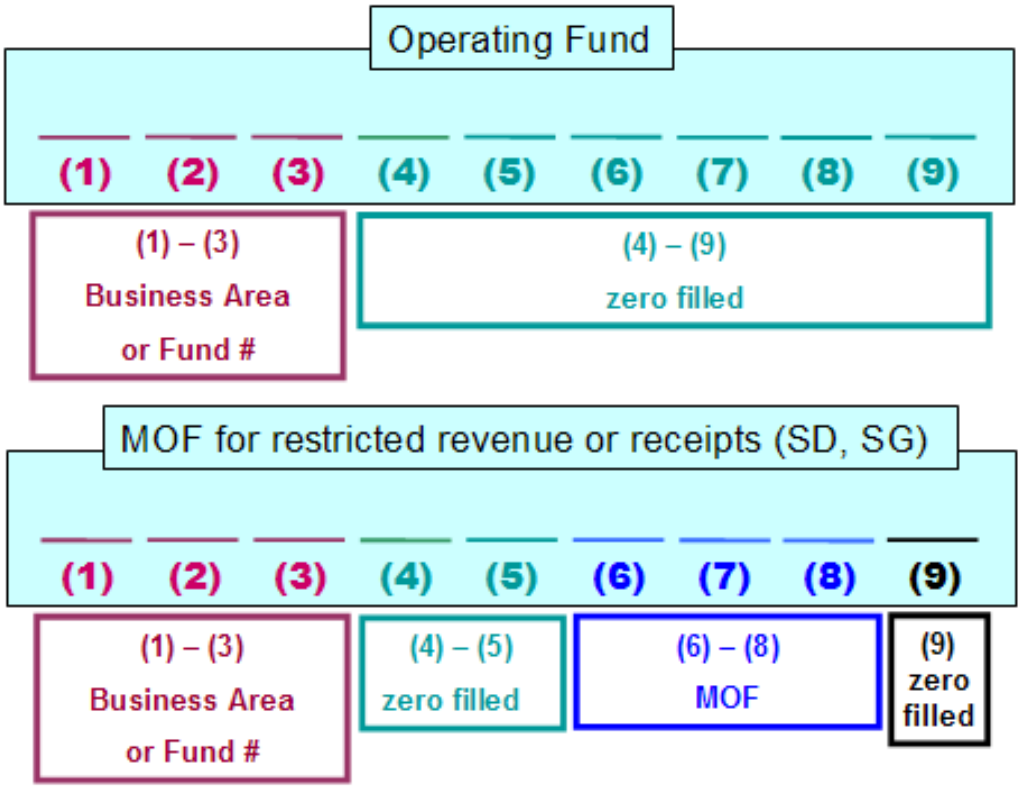


- **Fund digits 1-3** will represent the actual capital outlay fund number. Since the fund number is now leading the master data numbering convention, current capital outlay fund numbers that start with zero (e.g. 075, 055) will need to be renumbered.
- **Fund digits 4-5** will contain the budget appropriation year for all financing types (lines of credit (LOC), bonds and other). In the case of LOC and Other financing sources, the appropriation year will typically correspond to the year in which the funding type is received. In the case of bonds, the appropriation year may differ from the bond year, which is built into digits 7-8.
- **Fund digit 6** will be used to record the type of capital outlay financing as follows:
  - Line of Credit
  - Bonds
  - Other (e.g. Self-Generating, IAT, etc for some Facilities Capital Projects)
- **Fund digits 7-8** will be used as follows:
  - Line of Credit: Fiscal Year that the line of credit is received (not appropriated). For example, "08" for 2008.
    Note: Different LOC will be captured by assigning a sequential number in digit 9 allowing up to nine LOC for a given year and capital outlay funds (e.g. 1 for the first LOC in a given fiscal year, 2 for the second LOC, etc)
  - Bonds: Year of the Bond Issue. For example, a bond issued in the fiscal year 1998 would be use 98, 2008 would use 08, etc). Note that the appropriation year and bond year may differ. The bond series will be captured in digit 9.

- Other Funding Sources: To be consistent with LOC, this will be the year that the funding source is received. For the most part, this will equal the appropriation year. The specific type of other funding sources will be given a number between1-9 (e.g. 1 = General Fund, 2 = IAT, etc) in digit 9.

- **Fund digit 9** will be used as follows:
  - Line of Credit: As noted above, different LOC will be represented by assigning a sequential number in digit 9 allowing up to nine LOC for a given year and capital outlay funds (e.g. 1 for the first LOC in a given fiscal year, 2 for the second LOC, etc)
  - Bonds: The bond series will be captured here. Note that bond series A will become a 1 in the bond number, B=2, C=3, etc as the fund number will strictly be numerical in nature as per best business practice.
  - Other Funding Sources: The specific type of other funding sources will be given a number between 1-9 (e.g. 1 = General Fund, 2 = IAT, etc) in digit 9.

CAFR / Operating Funds:



- **Fund digits 1-3** will capture the agency business area or if it is not an agency operating fund, it will capture the CAFR fund number (i.e. Capital Outlay Fund, General Fund). There was talk of building logic into the new fund numbers, for example, that all agency funds would be in the 500-999 range, capital funds in the 200-299 range, etc. However, during the business area design, it was decided that the business areas would be numbered the same as the legacy agency number. Since the legacy agency number are within a range, that is, they run from 000-999 and are mixed with other funds, the use of logical numbering for funds is now limited. Any fund numbers that start with an alpha in legacy system will be renumbered.

- **Fund digits 4-5** will be zero filled. This is where capital funds record the appropriation year. Since operating funds are annual funds that do not require tracking by appropriation year, the fields are zero filled to be consistent with the Capital Fund numbering convention.
- For non-agency operating funds and for all agencies, **digits 6-9** will be zero filled. Agencies will use this higher-level fund when recording revenues or MOF that are not restricted (e.g. general, self-generated, IAT) and thus, represented by revenue accounts instead of lower level funds as outlined below.
- In the case of MOF revenues and cash receipts are restricted for a specific purpose; the MOF will be built into the fund using **digits 6-8**. For example, Statutory Dedication Funds will be numbered 100-699, Self-Generated Restricted 700-799, Other Restricted 800-899. The same MOF number will be used by different agencies to promote consistency and ease of reporting on a total Statutory Dedication MOF. Fund digit 9 is not required but will be zero filled to be consistent with Capital Outlay fund number length. It may be used for future growth if necessary.

Note: *At the time of this writing, there is an action to determine whether there is a 'legal' requirement to track capital outlay budget by appropriation year as has been done in the past. If deemed not necessary by the Commissioner, the appropriation year will be removed from the fund number and all funds will be two digits shorter. In SAP, Capital funds will be treated as 'overall' funds (instead of annual funds like operating funds), meaning that budget entered in any given budget fiscal year can be used in the future without the need to carryover the budget. 'Annual' operating funds cannot use unused budget from a given budget year.*

The following additional decisions were made during blueprinting:

- Separate 'trust" funds will be set up for Payroll and if necessary, Travel. The use of a payroll trust fund to record payroll related withholdings liabilities (until paid) is a Public Sector best business practice.
- Component Unit Funds (e.g., the 43 Legacy College and University Funds) will be eliminated and will be represented by Business Area(s) and Cost Center / Fund Centers. The only exception will be Board of Supervisors funds, which will continue to be set up as separate funds since the State budgets and funds the operations
- Federal MOFs (such as for grants) will be set up not as a lower level agency fund, but as separate and unique funds to be used by all agencies (with their related Cost Center / Fund Center).
- Two external Grant Funds will be created per the GM Blueprinting by source of funds: Federal and Other.
- Only Active Funds and MOF will be set up in SAP
- Funds will be setup and maintained by the OSRAP Master Data Specialist

For reporting purposes, each Fund will be assigned to a Fund Type and perhaps a Fund Application, if required. Fund Type and Fund Application are two fields in the fund master record that can be used as grouping criteria.

The Fund Type will be used as the grouping criteria and will be set up as follows (as required):

- 100 - Governmental – General
- 105 - Governmental – Special Revenue
- 110 - Governmental – Debt Service
- 115 – Governmental – Capital
- 120 – Governmental – Permanent
- 125 – Governmental – Grants
- 200 – Proprietary Funds – Enterprise
- 205 – Proprietary Funds – Internal Service

- 300 – Fiduciary Funds – Expendable Trust
- 305 – Fiduciary Funds – Non-Expendable Trust
- 310 – Fiduciary Funds – Pension
- 320 – Fiduciary Funds – Agency

The Fund Application is a freely definable field in the Fund Master record that can be used for sorting/reporting. No use has been determined for this field at this time.

Fund Groups will be created for aggregate reporting, such as for CAFR reporting purposes to capture legacy Fund Group, Fund Type, Fund Category and Fund Class characteristics. All centralized fund groups will begin with the letter "Z." Since most end-users operate under one fund, only the Fund group display transaction will be made available to most agency users. All central, controlling agencies will have access to all Fund group transactions (create, change, and display). This will prevent the creation of large number of unnecessary fund groups.

Fund Master Data Maintenance Process

The follow description refers to the Visio flow Fund Maintenance, found in section 3 below.

The maintenance of Funds (creation, change, deletion) will be a central function housed in OSRAP, based on standard functionality around master data creation. The request for a new fund or changes to an existing fund will typically come from Treasury. A standard master data request form will be filled out (this form will be developed during realization) and sent via email to the OSRAP Master Data Specialist. He/she will ensure that the naming convention used for the new fund is consistent with the design decisions stated here. Once the OSRAP Master Data Specialist creates or updates the fund, he/she will determine whether an update is required to the FM Account Assignment Derivation rules (FMDERIVE). If so, he/she will coordinate with the OIS Configurer who will make the necessary update in the system and transport it to all clients from DEV. Any rule changes requiring configuration and transport will require that OSRAP submit a change request to OIS. OIS will follow the existing procedures for change requests which provides for necessary approvals, testing, transport process, audit trails, online help updates, etc. *If* a change is necessary to the FM Derivation values only (FMDERIVER), the OSRAP Master Data Specialist will make these changes directly (as this is not configuration based). Once this is done, OSRAP Master Data Specialist will update any necessary fund groupings for the new fund, if necessary. A notice will then be sent via email indicating that the new fund or fund changes have been made, both to Treasury and OPB. The appropriate controlling agency(ies) can email all relevant parties. Changes to fund groupings, as required, can also be made by these agencies.

Fund Center

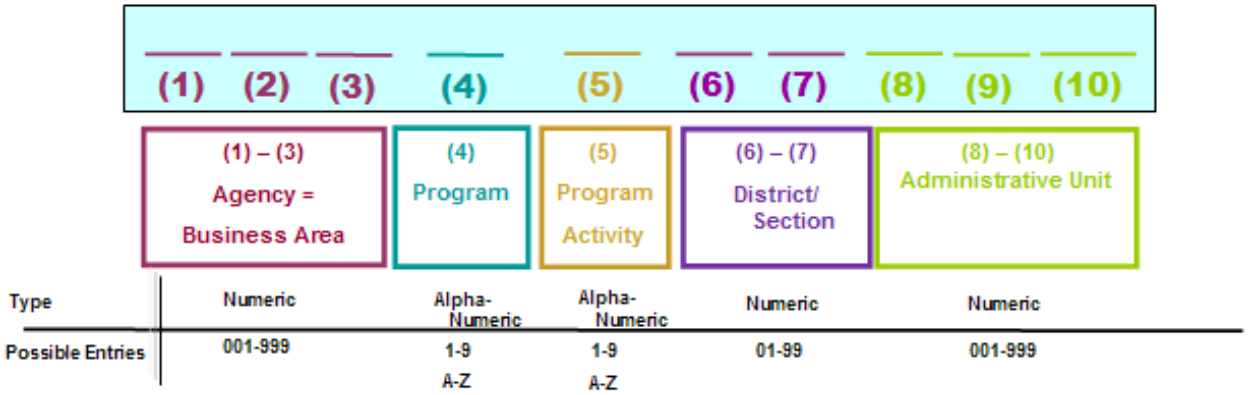
The Fund Center number will have a one-to-one relationship with the corresponding CO Cost Center to facilitate derivation of the correct "appropriation unit" for budget consumption when the Cost Center is referenced in posting. In other words, there will be a Fund Center created for every Cost Center, with the same number. Fund Center will include the Business Area number within the Fund Center number to allow 'agency' (and Division view via groupings) view in Financial Accounting as well as for budget to actual reporting.

The Fund Center is only entered directly on budgetary transactions. In all actual postings, Fund Center is derived. Cost center is a commonly entered field in many SAP revenue and expense postings. Revenue will generally be posted to a higher-level Cost Center (and thus Fund Center), since MOF cannot be attributed to specific programs and activities. Use of Fund Center / Cost Center replaces the current use of organizations. The Cost Center will not be required for entry if an alternate cost object, such as a project, is entered. When an alternate cost object is used, the Fund Center is derived from the master data of that object.

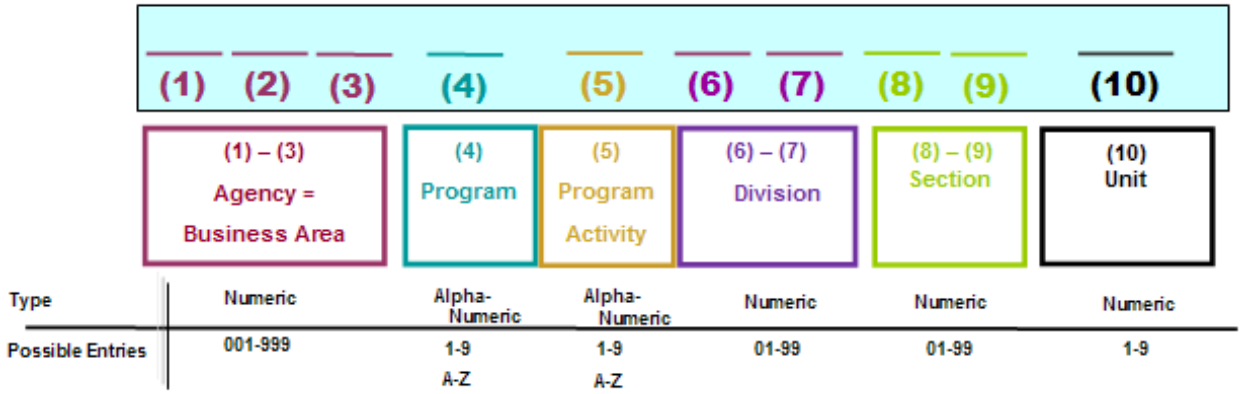
The CO team will be responsible for identifying all of the Cost Centers required in SAP. Once this list is prepared, the FM team will create the corresponding Fund Centers.

At the time of this writing, the following Fund Center numbering scheme will be used (aligned with and driven by the Cost Center numbering scheme):

DOTD Agencies



Non-DOTD (AFS) Agencies:



NOTE: *For a full discussion on the development of the Cost Center numbering logic (and thus Fund Center numbering scheme), refer to PDD FIN-FM/CO-History of Fund, Cost Center/Fund Center and Functional Area Naming Convention.*

In addition, higher-level Fund Centers will be created in FM to support the DOTD budgeting process. While actual expense and encumbrance postings will flow into FM to the Fund Center budgeting will not occur to the same lower level Fund Centers for DOTD. In the case of DOTD, budgeting occurs only to the first seven (7) digits of the Fund Center, thus higher-level Fund Centers (with the eight to tenth digit zero filled) will be created and used for budgeting purposes. The eighth to ninth digit for DOTD Cost Centers represents the administrative unit, which at this time is not budgeted for. In the case of AFS agency Fund Centers, the tenth digit is currently not used (thus, zero filled) so no higher-level Fund Centers are required as budgeting is also carried out to the ninth digit.

Fund Center groups will be available to all SAP users to group Fund Centers together as required for reporting and analysis purposes.

Fund Center Master Data Maintenance Process

The follow description refers to the Visio flow Cost Center / Fund Center Maintenance, found in section 3 below. These flows were created by the CO team.

Creating a New Cost Center / Fund Center:

Note: Refer to Tab 1 of Visio 08-FIN-FM-PDD010 – Cost Center / Fund Center Maintenance in Section 3 below.

The To-Be Process for creating a Cost Center starts with a request from an agency or department that needs to create a new organizational unit as a Cost Center in LaGov. The requesting agency will complete a "Master Data Request Form" and sends it to a designated e-mail to a "Cost Center Creation Mailbox," which will be accessed by OSRAP's Master Data Specialist. He/she will review the form and decide if the request to create a new Cost Center is valid and if all information necessary is provided on the form.

If the request is valid and necessary detail is provided on the form, the OSRAP Master Data Specialist will create a new Cost Center. In addition, it will also create a corresponding Fund Center in Funds Management (FM).

IMPORTANT NOTE: *In addition to creating the new Fund Center to match the Cost Center, the OSRAP Master Data Specialist will review whether a higher-level Fund Center for budgeting purposes will be required to be set up (e.g. in the case of DOTD) to support budgeting a higher level.*

The Office of Information System (OIS) will update the FM Derivation rules, **if necessary (not likely),** linking the Cost Center to Fund Center for deriving Fund Center when a Cost Center is entered on a transaction.

Once the Cost Center and the Fund Center master data objects are created, the requesting agency will create budget for the Fund Center in FM. After entering budget for the Fund Center, the requesting agency can begin posting expenses to the new Cost Center created.

Delimiting or Changing an Existing Cost Center:

Note: Refer to Tab 2 of Visio_08-FIN-FM-PDD010 – Cost Center / Fund Center Maintenance in Section 3 below.

Before Go-live, the ERP Team will use conversion program to create the initial set of Cost Centers / Fund Centers.

A department or agency requesting changes to an existing Cost Center will complete a "Cost Center Master Data Change Request Form", which has all detail needed for the task. The completed form is sent via e-mail to a 'Cost Center Maintenance Mailbox", which is received by the OSRAP Master Data Specialist.

The OSRAP Master Data Specialist will review the request, and if additional information is needed to complete the task, will return the request with comments or questions. Upon obtaining all the information needed to complete the task, he/she will determine the validity of the request. If the request is deemed valid, the request will be completed.

If the request is to change certain elements of the Cost Center master data object, the OSRAP Master Data Specialist will complete the changes via SAP transaction code: KS02 – Change Cost Center.

If the request is to delimit the existing Cost Center, the Master Data Specialist will work with the appropriate department or agency to close any open items before proceeding to delimit the Cost Center via SAP transaction code: KS04 – Delete Cost Center. The Agency Finance staffs are mainly responsible for closing out any open items against the Cost Center.

After making the changes to the Cost Center, the Master Data Specialist will proceed to perform corresponding changes to Fund Center notifying requesting department/agency and OPB of the changes made to the Cost Center.

IMPORTANT NOTE: *In addition to changing or delimiting the Fund Center to match the Cost Center, the OSRAP Master Data Specialist will review whether the higher-level Fund Center for budgeting purposes will be changed or delimited as well (e.g. in the case of DOTD). The higher-level Fund Center, as noted above, is used to support budgeting at a higher level.*

As a next step, the OIS Configurer will, **if necessary (not likely),** update FM Derivation tables to make appropriate changes necessary to keep the linkage between Cost Center and Fund Center correct.

After changes to the Cost Center and the Fund Center master data are complete, agencies will review if there are any budget impacts. Agencies will make any budget adjustments required in the system and will follow the Budget Approval process to get the budget changes approved.

At the end of this process, changes made to the Cost Center are in effect and expense postings can be made. If the Cost Center is delimited, the system will not allow any further expense postings.

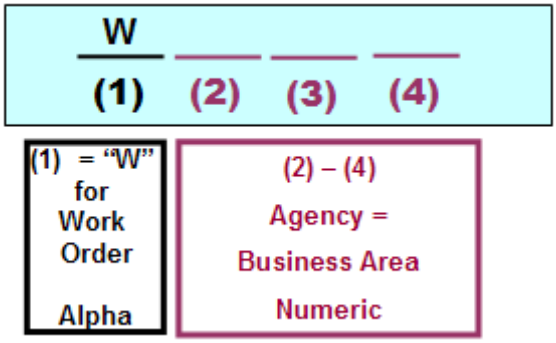
Funded Program

In SAP Funds Management, funded programs are used to budget for discrete, time-limited expenditures outside of regular ongoing operating expenditures, which are budgeted to Fund Centers. Funded Program has been designed to capture profit and loss information (revenue and expenses) only. The funded program must be derived in FM from other cost objects; it is not available on the coding block for direct posting.

The Funded Program will have a one-to-one relationship (one funded program will be created for each cost object with the same numbering scheme) as follows:

- GM - Grant Sponsored Programs: Budget and costs posted to grant sponsored programs will flow into FM using Funded Program with the same number. Refer to FIN-GM-PDD010 for the numbering convention of GM Sponsored Program, and hence the related funded programs.
- PS – Capital Project and Capital Project Phases: Budget and costs will be posted to the level that budget is entered for Capital Projects. A Funded Program will be created for each WBS element that represents the Capital Project Phase where budget is entered. Note that budget may be entered to an individual funded program, but may be controlled by a group of funded programs or at a higher level (e.g. overall capital project level, which will also be represented by a funded program). Refer to FIN-PS-PDD010 for the numbering convention of PS WBS Elements for Capital Project and Capital Project Phases, and hence the related funded programs.
- CO Real Internal Orders: CO Real Internal Order will be used to record discrete programs that require cost tracking and budget control. If only discrete cost tracking is required, then a Statistical Internal Order will be established with no related Funded Program for budgeting and budget controlling. Refer to FIN-PS-PDD010 for the numbering convention of CO Real (True) Internal Orders, and hence the related funded programs.

In addition, one high-level funded program will be used for each agency to capture actual expenses related to all of the agencies Plant Maintenance (PM) Work Order costs. Even though PM work orders will not be budgeted or budgeted controlled separately or as a group, it was decided that one-high level funded program for each agency would enable the easy segregation of costs related to work order from non-work order costs. The costs posted to any and all work order for an agency would be updated to this high-level funded program in addition to the agencies Fund Center or Capital project. The following numbering scheme will be utilized:



All PM related Funded Programs will start with "W" for work order to segregate it from the other funded programs for Grants, Capital Project, and Internal Orders. All of the required PM high level funded programs will be created prior to go-live. Additional funded programs or changes to these funded programs will be maintained by OSRAP Master Data Specialist.

Similar to other FM master data, Funded Program Groups can be created to group funded programs as needed by all users.

Note: *When a funded program is not relevant to the posting (both budget and actual), the value 'NOT RELEVANT' will be used (entered in budgeting and defaulted for actual postings). This is in line with SAP's best business practice of not leaving FM master data fields blank.*

Funded Program Master Data Maintenance Process

The responsibility for creating and changing the FM Funded Program will depend on the type of funded program.

In the case of GM, the funded program will be maintained by the Departmental Grant Administrator (DGAs) when creating or changing the related GM Sponsored Programs. For more information on the maintenance process, refer to PDD FIN-GM-PDD010.

Similarly, PS related funded programs will be created by Project Budget Analysts when creating or changing the related GM WBS Elements. For more information on the maintenance process, refer to PDD FIN-PS-PDD010.

In the case of CO, the funded programs for real internal orders will be created at the same time of the creation of the order. The OSRAP Master Data Specialist will be responsible for creating the Internal Order and the related funded program. For more information on the maintenance process, refer to PDD FIN-CO-PDD020.

In the rare occasion that a new high-level PM work order funded program must be created or changed (e.g. new agency or changed agency number), the PM Work Order Administrator will fill out the FM Master Data request form and forward it to OSRAP. The OSRAP Master Data Specialist will review the request and if applicable, create or change the necessary high level "W" funded program. He/she will then work with the OIS Configurer if updates to the FM Derivation rules are required. He/she will update any FM Derivation values themselves if required, prior to sending notification back to the Agency PM Work Order Administrator (via email), who will then be able to code work order to the new agency. Note that no budgeting will be performed against these funded programs as the budget for work orders already exists with the Fund Center or Capital Project who requested the work order. Refer to the Visio Funded Program Maintenance below for a visual display of this process.

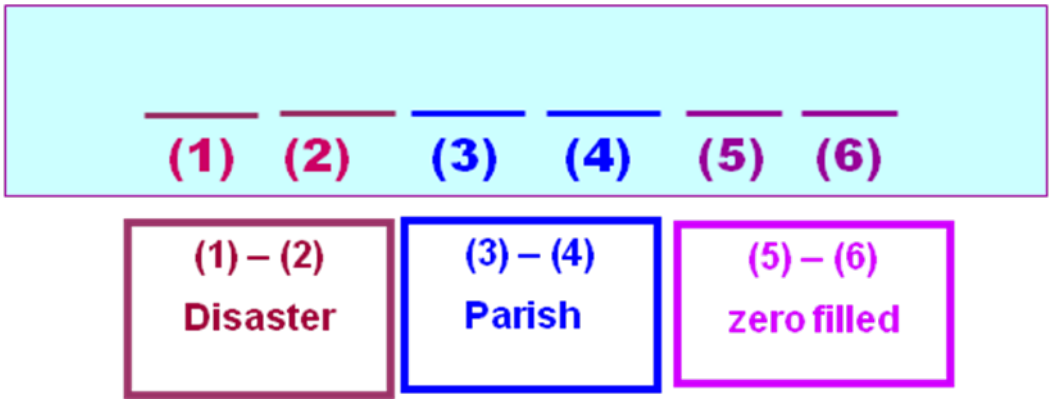
Functional Area

The Functional Area master record is a field available in all modules, typically used to record costs (and budget if necessary) for cross-functional activities and programs. The State will use functional areas to

collect Disaster costs (Hurricanes, etc) and Parish cost tracking. Valid combinations of these uses will be set up.

Refer to FIN-FM/CO- History of Fund, Cost Center/Fund Center, and Functional Area Naming Convention for the development history and business reasons of the Functional Area Numbering Convention.

The following Functional Area numbering scheme was proposed and adopted by the State:



With this design, Functional area would **not** be required for entry on all expenditure transactions. Only DOTD and agencies tracking expenditures by Parish would need to manually enter the functional area, in addition to all agencies when tracking disaster costs. All other expense and revenue transactions will post to Functional Area "Not Relevant."

The following should be noted:

- For non-disaster tracking, digits 1-2 would be 99 for no disaster
- To be proactive, OSRAP would copy all the '99' functional areas and assign a number to several potential or unnamed storms at the beginning of the year. This would be blocked from posting until needed, if at all. If needed, the functional areas would be named and released for posting.
- At the time of this writing, further investigation was underway to determine whether DOTD function could be capture in Agile instead of SAP. Update: On 2/2/09 decision was made that DOTD function code would not be a part of the Functional Area Numbering Scheme. DOTD function codes will be captured in Agile instead of SAP.

Functional Area Master Data Maintenance Process

Refer to the Visio Functional Area Maintenance below for a visual display of this process.

The need for a new functional area may begin from various users in DOTD or any given agency that tracks by Parish in addition to OSRAP. Regardless, the FM Master Data request form will be filled out by the agency user or OSRAP users. The form will be forwarded to OSRAP. The OSRAP Master Data Specialist will review the request and if applicable, create or change the functional area. He/she will work with the OIS Configurer if updates the FM Derivation rules are required. He/she will update any FM Derivation values themselves if required, prior to sending notification back to the original requester. The functional area is then able to code encumbrances and expenses to it at this time. No budgeting or budget control will be performed against functional areas except for Disasters. Changes to functional area groups, if any, can also be made by any user.

Commitment Item

The Commitment Items represent GL accounts (both balance sheet and operating statement) and CO primary and secondary cost elements in FM. There will be a 1:1 relationship with GL Accounts and Cost Elements, meaning for every account, there will be one commitment item with the same number. The only exceptions to this rule are as follows:

- Balance sheet accounts posted during the Capital asset, real estate or inventory acquisition process will be mapped to budget consuming expenditure Commitment Items in FM to control spending. Thus, these commitment items will only exist in FM.
- Some CO Secondary Cost Elements posted during labor charge-backs from Cost Center to a Capital Project will be mapped to a revenue Commitment Item to the Cost Center and to an expenditure Commitment Item in order to record in FM the charge-back transaction as Revenue/Expense (rather than Negative Expense/Expense) where necessary.

Note: Since budget is entered at the current detailed object code within an object category, there is no need to create higher level commitment items (that exists only in FM) to support the budgeting process. Budget will be entered at lowest level commitment item.

The Commitment Items will be derived from GL Accounts during transaction entry (no dual entry), and will not be changeable. Commitment Items will use intelligent numbering, as per defined for the GL Account or Secondary Cost Element numbering scheme. The first three digits of expense commitment items will be used for budget control and reporting and will represent the current AFS object categories: Salaries, Operating Services, Supplies, etc. Similar to GL account and CO cost elements, commitment items will be grouped for reporting purposes as required.

The following high-level grouping (as defined in the GL Account Code structure workshop) will be used in FM for commitment items:

1. 1000000 – 1999999 – Assets
2. 2000000 – 2999999 – Liabilities
3. 3000000 – 3999999 – Fund Balance/Net Assets
4. 4000000 – 4999999 – Revenues
5. 5000000 – 5999999 – Expenditures
6. 9000000 – 9999999 – CO Secondary Cost Elements (used for internal CO charge-backs and labor allocations)

Within each of the above categories or groupings, the GL and CO teams will further subdivide the accounts using intelligent number ranges. For example, the expenses will be further broken down similar to the current AFS object categories as follows (to support reporting and budget control):

Grouping Description	Current AFS Category	Proposed SAP GL Account Range
Salaries	21	511XXXX
Other Compensation	35	512XXXX
Related Benefits	40	513XXXX
Travel and Training	45	520XXXX
Operating Services	50	530XXXX
Supplies	55	540XXXX
Professional Services	60	550XXXX
Other Charges	65	560XXXX
Capital Outlay	70	570XXXX
Major Repairs	75	580XXXX
Debt Service	80	590XXXX

Grouping Description	Current AFS Category	Proposed SAP GL Account Range
IAT *	85	990XXXX
Auxiliary Programs *	90	Eliminated
Un-allotted *	30	Eliminated

** IAT legacy accounts will be replaced by CO Secondary cost elements. Auxiliary programs accounts, used for private enterprise type of operations, may be eliminated and absorbed into the regular GL accounts. Un-allotted accounts (two) were use to transfer budget during times of budget spending constraints. The use of a non-consumable budget type will be used instead of GL accounts created for budget purposes.*

Commitment Item Master Data Maintenance Process

The follow description refers to the Visio flow Commitment Item Maintenance, found in section 3 below. The flow was created by the GL team but key FM steps will be highlighted here.

Once the GL account is created by the OSRAP Master Data Specialist, the related commitment item will be created by the same person. Note that in for some balance sheet accounts (Assets, Inventory), an additional expense commitment item (that exists only in FM) would be created for budgeting and budget controlling of these balance sheet expenses. He/she or the person responsible for the FM (and GM) Derivation values will use FMDERIVER/GMDERIVER to make updates, if necessary. They will then work with OIS Configurer to update any FM (and GM) Derivation Rules, again if necessary. Once these and the other non-FM relevant steps have been carried out, OSRAP will notify the requestor and publish the new account in the chart of accounts. The account may be ready for use at this time or may require some budget.

For a detailed description of the entire process, refer to FIN-GL-PDD010 – Chart of Account.

Grant

Although Grant is a GM master data object, it is available in FM for budgeting and budget control and forms part of an FM Account Assignment. The grant in FM will automatically be updated in the FM ledger. It will, however, have to be entered manually for Grant relevant postings.

For a detailed description of the numbering scheme and the maintenance process for Grants (and other grant relevant master data), refer to FIN-GM-PDD010 – Account Code Structure.

FM Account Assignment Derivation (FMDERIVE)

The FM Account Assignment Derivation tool is a flexible tool used to manage all the FM account assignments (master data) into the FM ledger. A derivation strategy is created, which groups rules and tables, linking the FM master data to the other module's master data. Derivation rules can be binding (the value cannot be overwritten by user at time of data entry) or non-binding (the value can be overwritten by user at time of data entry). Derivation rules are sequential and build on one another. New rules or values can be added at any time. This is the main FM integration tool by which actual and encumbrances postings from other modules are converted from other master data into the related FM master data prior to updating the FM ledger. It is also used to default FM master data values (fund, functional area, commitment item, etc) for postings prior to posting a document. FMDERIVE determines the posting address in FM for actual expenses; it does not have any impact on budgeting transaction.

Consistent with SAP best practice, the FM derivation tool will be managed centrally. This is a key area which, if assigned to many users, can have a detrimental effect on correct FM updates, budget consumption, budget control, and reporting. It is important to note the two main maintenance activities within FM Derive:

- FM Derivation Strategies and Rules (FMDERIVE): The actual FM Derivation rules (create, change) will be maintained centrally by a configuration specialist in OIS. They may consult with the Derivation Specialist in OSRAP (who has functional knowledge); however the actual changes will be made in OIS and transported to all other clients after satisfactory test results. Any rule changes requiring configuration and transport will require that OSRAP submit a change request to OIS. OIS will follow the existing procedures for change requests which provides for necessary approvals, testing, transport process, audit trails, online help updates, etc.
- FM Derivation Rule Values (FMDERIVER): Certain FM Derivation rules are table based which map one value to another (e.g. MM plant and Inventory Valuation Class to a commitment item). The functional Derivation Specialist in OSRAP will perform this task. Any changes to the actuals rules or strategy will be performed by OIS as noted above.

The FM derivation tool will be used to derive the following FM objects:

- *Fund Center:* Will be derived from the Cost Center (one to one relationship). In cases where the CO object is not a Cost Center (e.g. Grant. Capital WBS element, PM Work Order or CO Internal Order), the Cost Center will be derived from the responsible Cost Center stored in the relevant master record.
- *Commitment Item:* Will be derived from the GL Account or CO Cost Element (one-to-one relationship). In the case of asset and inventory purchases or CO Secondary Cost Elements, exception rules to the one-to-one relationship will be defined.
- *Funded Program:* Funded Program is not on the coding block in SAP. Thus, it must always be derived. Funded Program will have a one-to-one relationship with WBS element (for both Capital Project and Grants (both Grantee and Grantor) and CO Internal Orders. A high level, agency specific funded program will also be derived to aggregate all expense posting to PM Work Order as noted above (under the Funded Program discussion).

Functional Area will be entered manually as required. In cases where Fund can be derived, it will be set up to do so; otherwise these will be entered manually. External Grant Funds will be derived from the Grant number so users will not be required to enter the Fund. All other Funds and Functional Areas will not be automatically derived since unique combinations of FI/CO objects cannot be determined to derive these. Thus, they must be specified as part of the entry by the user.

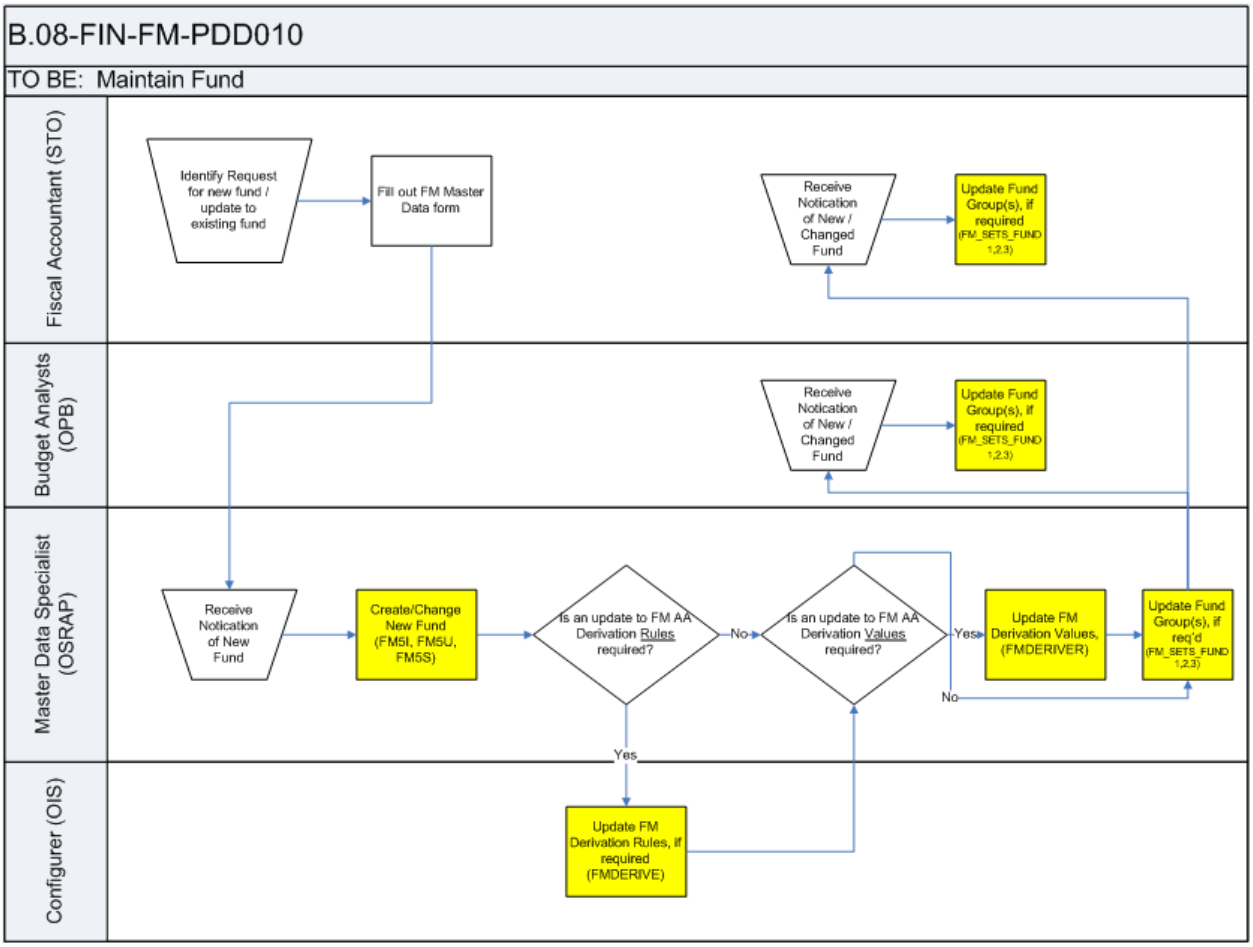
Process Terminology

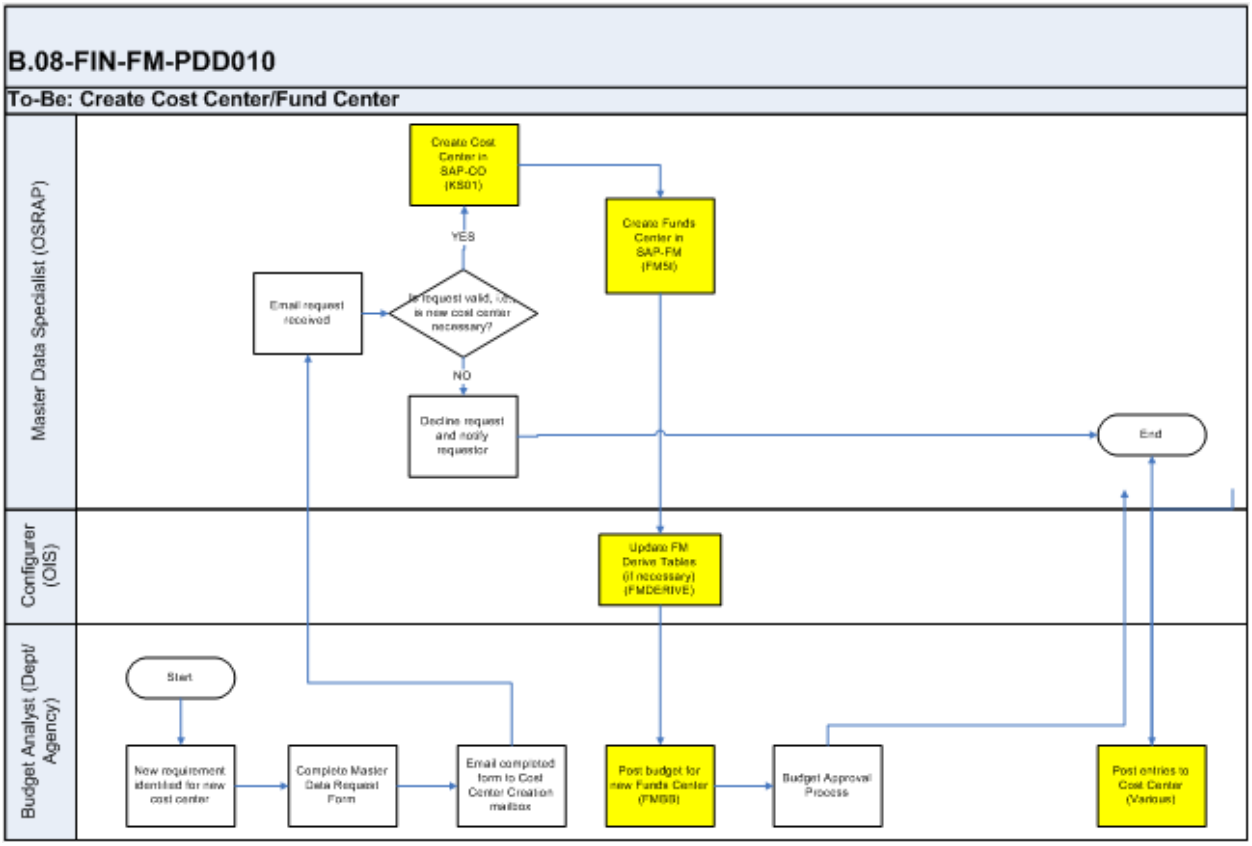
#	Process Terminology	Description
1	Fund	A fiscal and accounting entity having a self-balancing set of accounts, recording cash and other financial resources together with all related liabilities and residual equities or balances, or changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.
2	Fund Center	Fund Centers represent organizational areas of financial and budgetary responsibility in SAP. They are generally hierarchical in nature and will have a one-to-one relationship with Cost Centers in the CO module.
3	Functional Area	Functional Areas represent cross-functional activities or functions aimed at accomplishing a major service or regulatory program. Functions and Activities may cut across organizational units and/or funds.
4	Funded Program	Funded programs are programs within Funds Management (FM) with a discrete, time limited operational purpose outside of regular ongoing operating expenditures, which are budgeted to Fund Centers. Funded Program has been designed to capture profit and loss information (revenue and expenses) only. The funded program must be derived in FM from other cost objects; it is not available on the coding block for direct posting. They can range from simple activities to complex projects and may cross fiscal years, funding sources, and organizational units.

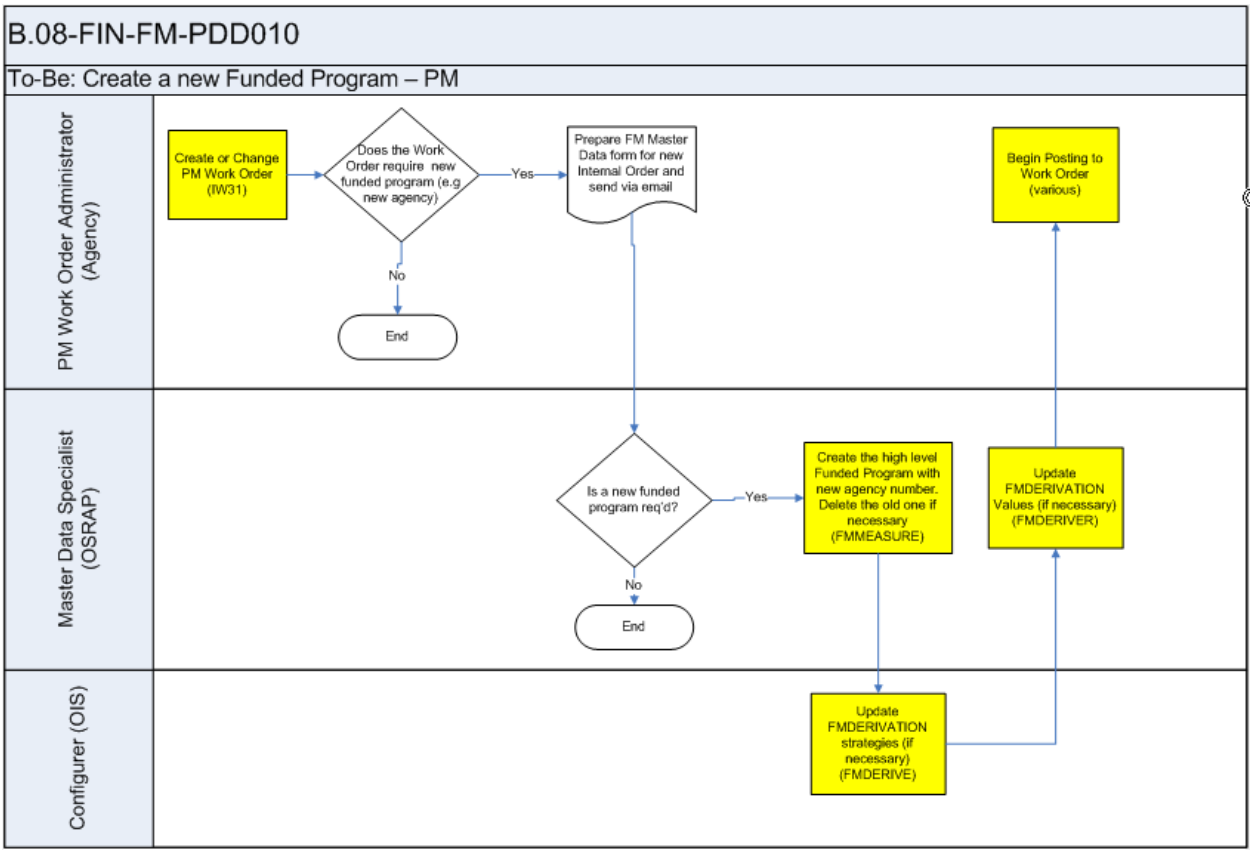
#	Process Terminology	Description
5	Commitment Item	Commitment Items represent balance sheet, fund equity, revenues and expenses accounts in FM at the lowest level of detail necessary for internal and external reporting. They cut across organizational units, funds, and/or functional areas.
6	Grant	A grant represents a lower level funding instrument used to document, control and report on the results of an agreement between an external sponsor and an organization.
7	FM Account Assignment	A combination of FM master data, including Fund, Fund Center, Functional Area, Funded Program, Commitment Item, and Grant.
8	FM Account Assignment Derivation Rules (FMDERIVE)	A flexible tool used to integrate other modules in ECC (FI, CO, MM, HR) to FM. It links the master data of other source modules to FM master data in order to update the FM ledgers with actual revenues, expenses and encumbrances. It consists of a series of derivation rules in sequential order.
9	FM Account Assignment Derivation Values (FMDERIVER)	FM mapped target values from source values in FM Account Assignment Derivation rules that may require maintenance when new master data is created or changed.
10	FM Posting Address	FM Account Assignment to which actual / commitment postings from other modules are recorded in FM.
11	FM Master Data Request Form	A non-SAP standard form used to request new or change existing FM master data. This form will be emailed to OSRAP to support any FM master data maintenance requirements.
12	Cost Center	An organizational unit within a controlling area that represents a revenue and cost collector for more permanent activities or areas of responsibility.
13	WBS Element	Master data structures used to collect and monitor the actual costs of discrete, long-term tasks such as Capital Projects.
14	Internal Order	Master Data object used to collect and monitor the actual costs of discrete, short-term tasks. Costs collected in Internal Orders can be allocated to one or more Cost Centers.
15	Grant Sponsored Class	GM Structure used to control and monitor transactions based on a sponsor's defined programs, which may be different from an organizations own programs.
16	Work Order	Master Data in Plant Maintenance (PM) used to capture time and materials associated with specific maintenance activities.

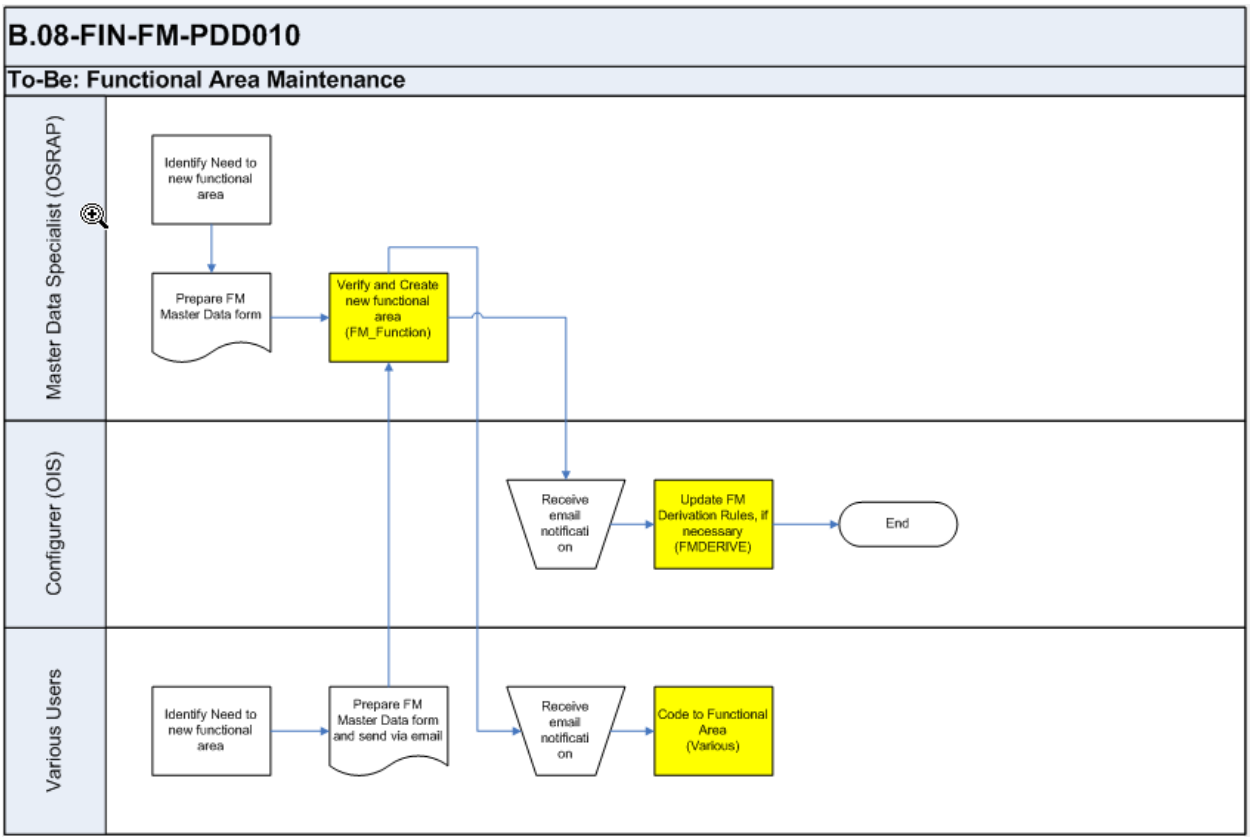
To-Be Process Flows

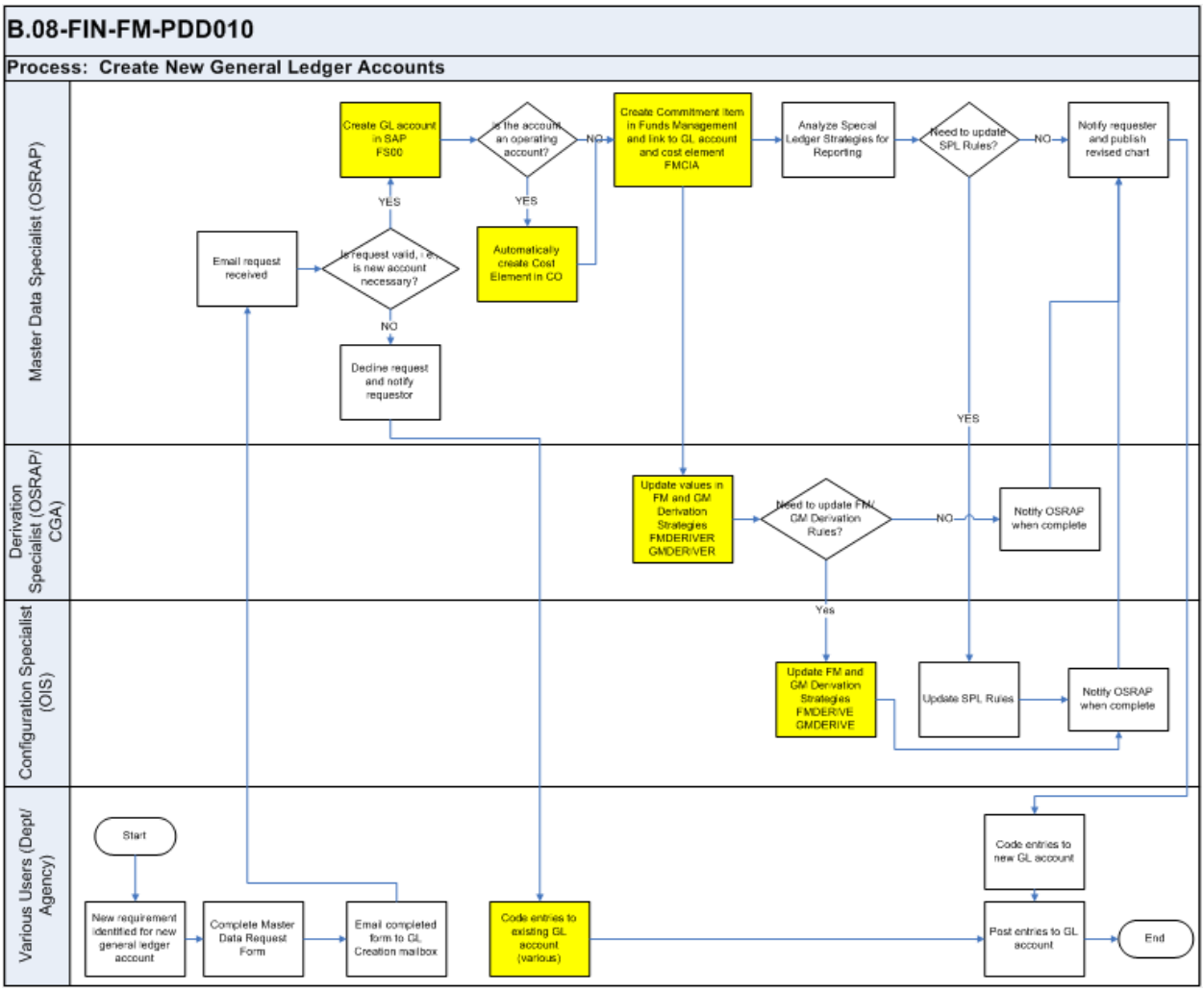
For a narrative description of the processes flows below, refer to Section 2.0 above.




B.08-FIN-FM-PDD010
To-Be: Create Cost Center/Fund Center
Master Data Specialist (OSRAP)
Configurer (OIS)
Budget Analyst (Dept/ Agency)
Create Cost Center in SAP-CO (KS01)
Create Funds Center in SAP-FM (FMS0)
YES
Email request received
Is request valid, and is new cost center necessary?
NO
Decline request and notify requestor
End
Update FM Derive Tables (if necessary) (FMDERIVE)
Start
New requirement identified for new cost center
Complete Master Data Request Form
Email completed form to Cost Center Creation mailbox
Post budget for new Funds Center (FMBB)
Budget Approval Process
Post entries to Cost Center (Various)


B.08-FIN-FM-PDD010
To-Be: Create a new Funded Program – PM
PM Work Order Administrator (Agency)
Master Data Specialist (OSRAP)
Configurer (OIS)
Create or Change PM Work Order (IW31)
Does the Work Order require new funded program (e.g new agency)
Yes
No
End
Prepare FM Master Data form for new Internal Order and send via email
Begin Posting to Work Order (various)
Is a new funded program req'd?
Yes
No
End
Create the high level Funded Program with new agency number. Delete the old one if necessary (FMMEASURE)
Update FMDERIVATION Values (if necessary) (FMDERIVER)
Update FMDERIVATION strategies (if necessary) (FMDERIVE)


B.08-FIN-FM-PDD010
To-Be: Functional Area Maintenance
Master Data Specialist (OSRAP)
Configurer (OIS)
Various Users
Identify Need to new functional area
Prepare FM Master Data form
Verify and Create new functional area (FM_Function)
Receive email notificati on
Update FM Derivation Rules, if necessary (FMDERIVE)
End
Identify Need to new functional area
Prepare FM Master Data form and send via email
Receive email notificati on
Code to Functional Area (Various)



Key Business Process Decisions

The following key decisions, already detailed above, will be highlighted below.

#	Decision	Process Impact	Organizational Impact
1	With the exception of funded program related to Capital Projects and Grants Sponsored Programs, all FM master data will be maintained centrally by an OSRAP Master Data Specialist	Centralization of all FM master data maintenance in OSRAP for improved control of use and naming conventions.	No major impact as this is a centralized function
2	The FM Derivation Rules (FMDERIVE) will be maintained centrally by OIS. FM Derivation rule values will be maintained by a derivation specialist in OSRAP,	New functionality that does not currently exist. Improved control of FM Ledger updates will prevent errors.	No major impact as this is a centralized function Training will be required for central management.
3	A new non-SAP FM master data request form will be created to support the master data maintenance process for FM and other modules.	Will formalize the current process of requesting changes to existing master data or new master data.	Training for all agency users that may request new master data on the process and use of the form.

#	Decision	Process Impact	Organizational Impact
4	Due to the large number of data tracking in AFS and DOTD, several pieces of legacy master data and fields were mapped to one SAP master data field.	No process impact	Extensive training will be required on the mapping between legacy objects to the new SAP objects. Use and purpose of new SAP master data plus how each is used in conjunction with one another will be required for all users.

Statute, Regulation, Policy, and Procedural Impacts

No impact noted for this PDD.

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	All FM master data maintenance (and that of other modules) will be housed in OSRAP, with some technical support from OIS where necessary. For example, Treasury will no longer physically create Funds in the system.	Greater procedural control and responsibility for OSRAP. OSRAP Policy & Procedure Manuel – Chapter 2 (Structure)	Afranie Adomako

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

No SAP ABAP or SAPscript forms required for this PDD. However, as noted in Section 2, FM will work with the other modules to create a centralized Master Data Request form that will be used offline to support the master data maintenance process.

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified.						

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Upload Program - Funds	Upload program to create fund master data from excel spreadsheets	No standard SAP upload program exists to upload and create large amounts of master data.	The upload program will be used to upload the large amounts of master data from prepared excel spreadsheets, which would be time consuming to create manually. Furthermore, once the spreadsheets are maintained for the master data, they can be re-used along with the programs, as each SAP client (DEV, QAS, PRD) is developed, allowing for quick uploads. In addition, the programs will be used post go-live to load large amounts of new master data as required.	Easy rating for ABAP development
2.	Upload Program – Fund Center	Upload program to create Fund Center master data from excel spreadsheets	No standard SAP upload program exists to upload and create large amounts of master data.	The upload program will be used to upload the large amounts of master data from prepared excel spreadsheets, which would be time consuming to create manually. Furthermore, once the spreadsheets are maintained for the master data, they can be re-used along with the programs, as each SAP client (DEV, QAS, PRD) is developed, allowing for quick uploads. In addition, the programs will be used post go-live to load large amounts of new master data as required.	Easy rating for ABAP development
3.	Upload Program – Funded Programs	Upload program to create funded program master data from excel spreadsheets	No standard SAP upload program exists to upload and create large amounts of master data.	The upload program will be used to upload the large amounts of master data from prepared excel spreadsheets, which would be time consuming to create manually. Furthermore, once the spreadsheets are maintained for the master data, they can be re-used along with the programs, as each SAP client (DEV, QAS, PRD) is developed, allowing for quick uploads. In addition, the programs will be used post go-live to load large amounts of new master data as required.	Easy rating for ABAP development
.4.	Upload Program – Functional Area	Upload program to create functional area master data from excel spreadsheets	No standard SAP upload program exists to upload and create large amounts of master data.	The upload program will be used to upload the large amounts of master data from prepared excel spreadsheets, which would be time consuming to create manually.	Easy rating for ABAP development

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
				Furthermore, once the spreadsheets are maintained for the master data, they can be re-used along with the programs, as each SAP client (DEV, QAS, PRD) is developed, allowing for quick uploads. In addition, the programs will be used post go-live to load large amounts of new master data as required.	
5	Upload Program – Commitment Item	Upload program to create commitment item master data from excel spreadsheets	No standard SAP upload program exists to upload and create large amounts of master data.	The upload program will be used to upload the large amounts of master data from prepared excel spreadsheets, which would be time consuming to create manually. Furthermore, once the spreadsheets are maintained for the master data, they can be re-used along with the programs, as each SAP client (DEV, QAS, PRD) is developed, allowing for quick uploads. In addition, the programs will be used post go-live to load large amounts of new master data as required.	Easy rating for ABAP development

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: Fund Maintenance			
No.	Role	Description	Strategy	Special Considerations
1.	Fiscal Accountant (STO)	Update Fund Groups as necessary	Centralized Management of Fund Groups – limited to Control Agencies	Transaction codes: FM_SETS-FUND1 FM_SETS-FUND2 FM_SETS-FUND3

Authorizations	Master List of Future State Roles/Authorizations: Fund Maintenance			
No.	Role	Description	Strategy	Special Considerations
2	Budget Analysts (OPB)	Update Fund Groups as necessary	Centralized Management of Fund Groups – limited to Control Agencies	Transaction codes: FM_SETS-FUND1 FM_SETS-FUND2 FM_SETS-FUND3
3.	Master Data Specialist (OSRAP)	Create, change and display Fund Masters	Centralized Maintenance of Funds for Control	Transaction codes: FM5I, FM5U, FM5S
4.	Master Data Specialist (OSRAP)	Update FM Derivation Rule Values only	Centralized Maintenance of Derivation Rule Values	Transaction codes: FMDERIVER
5.	Configurer (OIS)	Update FM Derivation Rules	Centralized Maintenance of Derivation Strategy and Rules	Transaction codes: FMDERIVE
6.	Agency Users	To display Fund Master	Decentralization of Fund for reporting and analysis at an agency level	Transaction code: FM5S

Authorizations	Master List of Future State Roles/Authorizations: Fund Center Maintenance			
No.	Role	Description	Strategy	Special Considerations
1.	Master Data Specialist (OSRAP)	Create, change and display Cost Center Masters	Centralized Maintenance for Control	Transaction codes: KS01, KS02, KS03
2	Master Data Specialist (OSRAP)	Create, change and display Fund Center Masters	Centralized Maintenance for Control	Transaction codes: FMSA, FMSB, FMSC
3.	Master Data Specialist (OSRAP)	Update FM Derivation Rule Values only	Centralized Maintenance of Derivation Rule Values	Transaction codes: FMDERIVER
4.	Configurer (OIS)	Update FM Derivation Rules	Centralized Maintenance of Derivation Strategy and Rules	Transaction codes: FMDERIVE
5.	All Users	Update Fund Center Groups as necessary	Decentralization of Fund Center Groups for reporting and analysis at local level	Transaction codes: FM_SETS-FICTR1 FM_SETS- FICTR2 FM_SETS- FICTR3
6.	Agency Users	To display Fund Centers Master	Decentralization of Fund Center for reporting and analysis at an agency level	Transaction code: FMSC

Authorizations	Master List of Future State Roles/Authorizations: Funded Program Maintenance			
No.	Role	Description	Strategy	Special Considerations
1.	PM Work Order Administrator (IW31)	Create, change and display Work Order Masters		Transaction codes: IW31
2	Master Data Specialist	Create, change and display Funded	Centralized Maintenance for Control	Transaction codes: FMMEASURE,

Authorizations	Master List of Future State Roles/Authorizations: Funded Program Maintenance			
No.	Role	Description	Strategy	Special Considerations
	(OSRAP)	Programs		FMMEASURED
3.	Master Data Specialist (OSRAP)	Update FM Derivation Rule Values only	Centralized Maintenance of Derivation Rule Values	Transaction codes: FMDERIVER
4.	Configurer (OIS)	Update FM Derivation Rules	Centralized Maintenance of Derivation Strategy and Rules	Transaction codes: FMDERIVE
5.	All Users	Update Funded Program Groups as necessary	Decentralization of Funded Program Groups for reporting and analysis at local level	Transaction codes: FM_SETS-FUNDPRG1 FM_SETS- FUNDPRG2 FM_SETS- FUNDPRG3
6.	Agency Users	To display Funded Program Master	Decentralization of Funded Program for reporting and analysis at an agency level	Transaction code: FMMEASURED

Authorizations	Master List of Future State Roles/Authorizations: Functional Area Maintenance			
No.	Role	Description	Strategy	Special Considerations
1.	Master Data Specialist (OSRAP)	Create, change and display Functional Area	Centralized Maintenance for Control	Transaction codes: FM_FUNCTION
2	Master Data Specialist (OSRAP)	Update FM Derivation Rule Values only	Centralized Maintenance of Derivation Rule Values	Transaction codes: FMDERIVER
3.	Configurer (OIS)	Update FM Derivation Rules	Centralized Maintenance of Derivation Strategy and Rules	Transaction codes: FMDERIVE
4.	All Users	Update Functional Area Groups as necessary	Decentralization of Functional Area Groups for reporting and analysis at local level	Transaction codes: FM_SETS-FUNCTION1 FM_SETS- FUNCTION2 FM_SETS- FUNCTION3
5.	Agency Users	To display Functional Areas Master	Decentralization of Functional Area for reporting and analysis at an agency level	Transaction codes: FM_Function (Display only)

Authorizations	Master List of Future State Roles/Authorizations: Commitment Item Maintenance			
No.	Role	Description	Strategy	Special Considerations
1.	Master Data Specialist (OSRAP)	Create, change and display GL Accounts	Centralized Maintenance for Control	Transaction codes: FS00
2	Master Data Specialist (OSRAP)	Create, change and display Cost Elements	Centralized Maintenance for Control	Transaction codes: KA01-KA06 inclusive
3.	Master Data Specialist (OSRAP)	Create, change and display Commitment Items	Centralized Maintenance for Control	Transaction codes: FMCIA

Authorizations	Master List of Future State Roles/Authorizations: Commitment Item Maintenance			
No.	Role	Description	Strategy	Special Considerations
4.	Master Data Specialist (OSRAP)	Update FM Derivation Rule Values only	Centralized Maintenance of Derivation Rule Values	Transaction codes: FMDERIVER
5.	Configurer (OIS)	Update FM Derivation Rules	Centralized Maintenance of Derivation Strategy and Rules	Transaction codes: FMDERIVE
6.	All Users	Update Commitment Item Groups as necessary	Decentralization of Commitment Item Groups for reporting and analysis at local level	Transaction codes: FM_SETS-FIPEX1 FM_SETS- FIPEX2 FM_SETS- FIPEX3
7.	Agency Users	To display Commitment Items	Decentralization of Commitment Items for reporting and analysis at an agency level	Transaction code: FMCIA (Display Only)

Organizational Impacts

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Creation of FM Master Data	No additional set of master data is required in legacy for budgeting and budget control as there is no separate ledger in legacy. Additional FM master data is required in SAP, in addition to the regular FI and CO master data	All end users to be trained on new and various terminology for same attribute type in the different modules
2.	Maintenance of FM Master Data	OSRAP will be responsible for the creation of all FM Master Data, including the maintenance of FM Derivation rule values. Co-ordination of FM master data when master data from other modules is requested.	Limited since the actual maintenance of FM master data is to be limited to a handful of people in OSRAP
3.	Requesting New FM Master Data	No concept of separate master data for budget and budget control purposes as there is not a separate budget module or ledger in the legacy systems	All end users to be trained on purpose, use and naming conventions of Funds Management elements.
4.	Process of requesting changes or new master data	All agency users that are in a position of requesting master data (budget analysts, accountants, etc) will need to be trained on the process of requesting changes to existing master data or new master data, including the use and email flow of the new Master Data Request form and subsequent requirements (e.g., budget creation) prior to the use of the master data.	Large number of users to be trained for all agencies, including Treasury
5.	Maintenance of FM Master Data Groups	End users will be able to create their own master data groups for all FM master data, except Funds, which will be limited to control agencies only (OSRAP, OPB, Treasury, etc)	Large number of users to be trained for all agencies on the use and purpose of master data groups, including allocations and reporting.
6.	Maintenance of FM Derivation Strategy and Rules	No concept of an integration tool in legacy as budget is not carried out in a separate module or ledger.	Limited training requirements as OIS will be the central agency required to maintain FMDERIVE

Training Impacts

Refer to Section 4 (Organization Impact column) and Section 9 (Organization Work Force Impact Column) for training impacts.

Appendix

Not applicable

Team:	Finance - Funds Management
PDD Name:	Budget Availability Control
PDD Number:	FIN-FM-PDD030-Budget Availability Control
Business Process Owner:	Barry Dusse / Afranie Adomako
Functional Lead:	Lucie Hidalgo
Functional Consultant:	Fernando Figueroa

Executive Summary

This PDD will cover the process design and key decisions made during the following FM Blueprint Workshops:

1. FI-FM-003: Budget Availability Control: General
2. FI-FM-004: Budget Availability Control: Work Orders
3. FI-FM-Validation Session
4. Additional meetings and discussions throughout the Blueprint Phase

Budget control and execution will be carried out in SAP ECC, particularly in the FM module using Budget Control System (BCS) functionality. Grantee grants (GM) will be budget controlled both in GM (based on the sponsors requirements and dimensions such as fiscal year) and in FM based on the State's own internal requirements (fiscal year, fund, appropriated program, etc).

SAP's availability control concept allows monitoring and control of budgets by FM account assignment (Fund, Funds Center, Commitment Item, Functional Area, Funded Program, and Grant) and value type. A value type is a degree of budget consumption, i.e., a pre-encumbrance or an encumbrance or an actual expenditure. For the sake of availability control at the State, all value types will be considered for budget consumption. When a budget consuming document is updated or completed, the associated encumbrance or expenditure document is also updated on-line in the Budgetary (9A-Standard Payment Budget) and Budget Control Ledgers (9H-Standard Payment Budget AVC Ledger). Only CONSUMABLE budget types will be updated in the Control Ledger. The non-consumable budget types do not participate in AVC calculations. For more information on budget types, refer to FIN-FM-PDD020 Budget Preparation, Integration, and Amendments.

Budget control levels and rules have been defined by fund groupings and expense types. There will be no major changes to the budget control rules currently set up in the State's legacy systems. For a detailed review of these rules, refer to Section Two below.

The budget control object or address is determined using Availability Control Derivation Strategy. As the strategy and rules are part of system configuration, OIS will be responsible for any maintenance activities in its role as system owner. A change request from OSRAP will be required to change or update the rules. As business owners of the budget control derivation strategy, OSRAP may maintain the rule's table values only.

Once the budget control account assignment is determined, SAP uses Tolerance Profiles to determine the system reaction (e.g. type of message: none, information, warning or error) by types of activities (expenses or transactions). One Tolerance profile, call the Standard Tolerance Profile, will be defined for the entire State, including Capital Outlay and Grantee budget consumption. The tolerance profile will be set up to perform no budget checking (i.e. issue no message) for the following types of expense postings:

- Salary and salary related cost postings from HR.
- Automatic allocations in CO, including settlements and CO overhead assessments.

Error messages (hard stops) will be issued for all other budget controlled expenses if budget is exceeded. Budget amendments will be required to continue processing at this point. No other messages will be issued at any other levels of budget consumption.

Consistent with current legacy design, no budget check will be performed for revenue postings.

To-Be Process Description

Budget Control System

FM Budget Control System (BCS) will be configured to support the budget control requirements for the State.

Within BCS, funds availability will be managed by the Availability Control Account Assignments Address (i.e. budget control address) established using FM Derivation rules (transaction code FMAVCDERIAO). Once the FM module has determined the FM posting address (using FM Account Assignment Derivation – FMDERIVE to convert the master data used in postings in other modules to FM master data) and budget address (by creating budget documents), it uses the Availability Control (AVC) derivation rules to determine if there is sufficient budget remaining to permit the actual expense / encumbrance posting in the FM ledgers.

As the system owner, OIS will be responsible for any configuration updates to the derivation strategies and rules. The OSRAP derivation specialist, as the business owner of the derivations, will be responsible for the update of derivation rule values (transaction code FMAVCDERIAOR) only. OSRAP will only have display access to the derivation strategy and rules. Any rule changes requiring configuration and transport will require OSRAP to submit a change request to OIS. OIS will follow the existing procedures for change requests which provides for necessary approvals, testing, transport process, audit trails, online help updates, etc.

Budget control in SAP can take place by any combination of FM Dimensions: Fund, Fund Center, Funded Program, Functional Area, and Commitment Item. In addition, the Grant field (from Grantee Management) is also available as a sixth dimension for budgeting and budget controlling. Using the AVC Derivation tool, budget control can be determined. Dimensions can be 'rolled up' (for example by budget controlling on the first few digits of master data such as commitment item) or ignored for budget control (in which case the budget entered for the other dimensions is taken into account without regard for the budget entered for the dimension ignored – e.g. functional area budget will be ignored as no budget control will take place for functional areas). Conditions are assigned to derivation rules to let the system know when to roll-up dimensions or ignore dimensions.

Once the AVC Control Address is determined, the reaction by the system is determined by budget control Tolerance Profiles. Reaction may vary from information, warning, or error message once a percentage of the budget has been consumed. Tolerance Profiles are covered in this section below.

Budget Control Decisions

The following decisions were made during the blueprinting of the various workshops in FM, PS, GM, and Grantor Management. This document summarizes all of the budget control decisions, even those captured in other modules, since budget control for the State is configured in FM.

Capital Projects AVC Budget Control:

For more information, refer to FM-PS-PDD020 Project Budgeting and Control.

- Fund – Budget will be controlled at each individual fund (funding source). Projects with multiple funding sources will be budget controlled at the individual fund level.
- Funds Center – Not Applicable (ignored)

- Commitment Item – High-level commitment item (first three digits) equivalent to 2-digit AFS Object Category or DOTD ISIS Group, with the exception of Salary and Benefits.
    - Exception: Art GL expense will be budget controlled separately for Facilities Project
- Functional Area – Not Applicable (ignored)
- Funded Program – Represents capital project phases and sub-phases.
    - DOTD & Facilities Non-State Projects - Budgets will be controlled at the individual project phase level (2nd level)
    - Facilities State Projects (including Statewide projects) - Budgets will be controlled at the individual project phase level (3rd level)
    - OCPR Projects – Budgets will be controlled at the project phase level (2nd level)
      Note: For DOTD projects, if the construction phase is broken out into several phases (Phase 6 and higher), the sum of budgets in all construction phases will be grouped together for the purposes of budget control
- Grant – Not applicable (ignored)

Grantee Grants (GM) AVC Budget Control

In addition to the GM budget controls outlined in FIN-GM-PDD030 Budgeting and Control, budget control will also occur in FM for all grantee grants, even when budget control is required in GM according to external dimensions. This dual control is required since State requirements by fund and commitment item levels can (internal dimensions) can only take place in FM. In cases, where budget control is not required according to external dimensions, budget control will take place in FM only.

Two budget control checks will be performed in FM as follows:

1. Since grants form part of the budget authority with non-grant money in expenditure appropriated programs, grant expenditures will be combined with non-grant relevant expenses and budget controlled together at the appropriated program level by object category. This check is performed at the time of posting to grants.

    - Fund – Budget control by all Funds (External funds and Internal Agency Fund, where applicable for cost sharing)
    - Funds Center – Budget controlled to the first four characters, representing legacy Agency and Appropriated Expense Program
    - Commitment Item – High-level commitment item (first three digits) equivalent to 2-digit AFS Object Category or DOTD ISIS Group, with the exception of Salary and Benefits.
    - Functional Area – Not Applicable (ignored)
    - Funded Program – Not Applicable (ignored)
    - Grant – Not applicable (ignored) since individual grants will be checked in FM instead.

2. To ensure that the Agency does not exceed its cost sharing commitments for each grant, matching (cost sharing) portion, if any, will be controlled by the Internal fund on a total level (not by object category). This check will be performed at the time of CO cost allocations are performed to transfer costs from the external funds to internal (agency) funds for grants with cost sharing.

    - Fund – Budget control by Internal Cost Sharing Fund
    - Funds Center – Not Applicable (ignored) as this is already conducted in step 1 above
    - Commitment Item – Not Applicable (ignored) as this already conducted in step 1 above
    - Functional Area – Not Applicable (ignored)
    - Funded Program – Not Applicable (ignored)
    - Grant – Budget Control by individual Grant to identify which grant costs has exceed its cost sharing total budget

Grantor Grants (GM) AVC Budget Control

Grantor Grants are grants which are issued by the State to outside third parties. The FM funded program will be used to represent the grant and grant programs (if necessary). Budget control will take place as follows:

- Fund – Budget control by individual Agency Fund
- Funds Center – Budget controlled to the first four characters, representing legacy Agency and Appropriated Expense Program
- Commitment Item – High-level commitment item (first three digits) equivalent to 2-digit AFS Object Category or DOTD ISIS Group, with the exception of Salary and Benefits.
- Functional Area – Not Applicable (ignored)
- Funded Program – Budget controlled to the funded program level as required by each grant (TBD per individual grant)
- Grant – Not Applicable (ignored) as the grant field applies to grantee (GM) grants only

All Other Funds AVC Budget Control

Two budget control checks will be simultaneous carried out in FM at the time of posting for all other funds (including grantee and grantor postings):

1. Check to ensure that appropriated expense program expenses are not exceeded regardless of fund. In other words, the total budget for the appropriated program is summed up across all funds.

- Fund – Not applicable (ignored) since we want all fund budgets to be considered
- Funds Center – For Non-DOTD Agencies, budget controlled to the first four characters, representing legacy Agency and Appropriated Expense Program. For DOTD Agencies, budget controlled to the first seven characters, representing legacy Agency, Appropriated Expense Program, Program Activity and District/Section.
- Commitment Item – High-level commitment item (first three digits) equivalent to 2-digit AFS Object Category or DOTD ISIS Group, with the exception of Salary and Benefits.
- Functional Area – Not Applicable (ignored)
- Funded Program – Not Applicable (ignored)
    - Exception: Funded Programs for Real CO Internal Orders which are budgeted and controlled separately from the responsible cost center (fund center)
- Grant – Not applicable (ignored)

2. Check to ensure that each fund budget is not exceeded regardless of appropriated program. In other words, the total budget for the fund is summed up across all appropriated programs.

- Fund – Budget will be controlled at the Individual Fund
    - Exceptions: Administrative & Escrow funds will not be subject to budget control)
- Funds Center – Not applicable (ignored) since we want all appropriated program budgets to be considered
- Commitment Item – High level commitment item (first three digits) equivalent to 2-digit AFS Object Category or DOTD ISIS Group, with the exception of Salary and Benefits.
- Functional Area – Not Applicable (ignored)
- Funded Program – Not Applicable (ignored)
    - Exception: Funded Programs for Real CO Internal Orders which are budgeted and controlled separately from the responsible cost center (fund center)
- Grant – Not applicable (ignored)

NOTE: *Due to the competing and contradictory nature of these two checks, a second AVC ledger (customer specific) will be established. This is necessary to conduct both checks at the same time, i.e. the time of posting.*

Plant Maintenance (PM) and Agile Asset Work Order AVC Budget Control

A separate FM blueprint workshop was held to discuss the integration between FM and PM and Agile Assets, specifically what the posting, budget, and budget control address would be for maintenance work orders from these two systems. For information on the posting and budget addresses, refer to FIN-FM-PDD020 Budget Preparation, Amendments, and Integration. This section covers the budget control decisions that were made regarding PM work order budget control. Note: Agile Assets will also utilize PM work orders for its integration with SAP and hence the decisions for PM work orders and Agile Asset Work orders are the same.

For all work orders types, there will be no major change to the current practice for budgeting or budget control. No separate budgeting or budget control will take place at the individual work order or work order groups. Budget will be consumed and checked, where necessary, at the fund center or the Capital Project (WBS) for which the work order is performed. In terms of types of expenses (captured by the commitment item dimension), the following legacy rules still apply:

- Work Order Expenses Exempt from Budget Control:
    - Salaries and benefits coded to the work order
    - Inventory usage from warehouses in the same program and current two digit object category (first three digits of commitment items in SAP)
        - In the case of DOTD, no budget control if the inventory for the work order is from the same district or section as the work order
    - CO Activity allocations for Equipment usage
- Work Order Expenses Subject to Budget Control:
        - Inventory usage from warehouses in a different appropriated program and current two digit object category or different district or section
        - Direct purchases of inventory, materials or equipment to support work orders

For expenses subject to budget control, this will take place at the time of the expense or commitment posting to the work order. No budget control takes place on settlement of work order costs.

Preventative, Regular & Agile Work Orders (Both PM and Agile Asset Work Orders)

- Fund – By individual operating fund
    - Funds Center – Higher level Fund center where the work order is being performed, except for Salaries (salaries will be charged to home cost center as it is currently done). The Fund center will be derived from the Cost Center in work order master.
    - For non-DOTD Agencies (e.g. DPS and OSB), budget controlled to the first four characters, representing legacy Agency and Appropriated Expense Program.
    - For DOTD, budget controlled to the first seven characters, representing legacy Agency, Program, Program Activity , District or Section
- Commitment Item – High-level commitment item (first three digits) equivalent to 2-digit AFS Object Category or DOTD ISIS Group, with the exception of Salary and Benefits.
    - Exception: Expenses not subject to budget controlled as outlined above
- Functional Area – Not Applicable (ignored)
- Funded Program – Not Applicable (ignored)
- Exception: Funded Programs for Real CO Internal Orders which are budgeted and controlled separately from the responsible cost center (fund center)
- Grant – Not Applicable (ignored)

Note: PM Work Order Requirement: *In the header of the work order, the fund and cost center who requested the work order must be entered. Functional area will also be entered but currently does not form part of budget control.*

Capital Project Work Orders (Both PM and Agile Asset Work Orders)

- Fund – Budget will be by individual Capital Fund
- Funds Center – Not Applicable (ignored)
- Commitment Item – High-level commitment item (first three digits) equivalent to 2-digit AFS Object Category or DOTD ISIS Group, with the exception of Salary and Benefits.
    - Exception: Expenses not subject to budget control as outlined above
- Functional Area – Not Applicable (ignored)
- Funded Program – Funded Program representing the Capital Project or Capital Project Phase for which the work order is being performed
- Grant – Not Applicable (ignored)

Note: PM Work Order Requirement: *In the header of the work order, the Capital fund and WBS Element (project phase) will need to be entered. The Cost Center responsible for the Capital Outlay Project and the Functional area will/may also be entered but won't be applicable for budget control.*

Note: *Native SAP does not conduct an AVC budget check at the time of settlement. Budget checking, where applicable (e.g. non-salary costs) will occur at the time of posting of expenses or commitments to the work order against the controls levels noted above. During settlement, a CO secondary cost element will be used.*

Note: *FMDERIVE rules will be set up to derive the required information (Fund, Cost Center, FA, WBS element, etc) from the work order master for budget checking purposes. Standard State strategies will be used.*

Commitment Item Budget Control

Consistent with the current legacy design of budget control at the current AFS two digit object category, budget control will take place on expense categories at a "roll-up" or higher level commitment item. Expenses will be grouped into the same categories as in legacy by using intelligent numbering in the GL account / commitment item. The first three digits of the commitment item will be used to group similar expense accounts. Budget for commitment items with the same first three digits will be consolidated for budget control purposes. This is what is meant above by "high level commitment item first three digits" above in the budget control decisions.

Note: *No budget control will take place on revenue accounts. In addition, no budget control will take place on Salary and Salary related costs (or any other costs originating from HR). The following table outlines how expenses will be further broken down similar to the current AFS object categories to support budget control and reporting:*

Grouping Description	Current AFS Category	Proposed SAP GL Account Range	Subject to Budget Control?
Salaries	21	511XXXX	**No**
Other Compensation	35	512XXXX	**No**
Related Benefits	40	513XXXX	**No**
Travel and Training	45	520XXXX	**Yes**
Operating Services	50	530XXXX	**Yes**
Supplies	55	540XXXX	**Yes**
Professional Services	60	550XXXX	**Yes**
Other Charges	65	560XXXX	**Yes**
Capital Outlay	70	570XXXX	**Yes**
Major Repairs	75	580XXXX	**Yes**
Debt Services	80	590XXXX	**Yes**

Grouping Description	Current AFS Category	Proposed SAP GL Account Range	Subject to Budget Control?
IAT *	85	990XXXX	**No**
Auxiliary Programs *	90	Eliminated	**N/A**
Un-allotted *	**30**	**Eliminated**	**N/A**

** IAT legacy accounts will be replaced by CO Secondary cost elements. Auxiliary programs accounts, used for private enterprise type of operations, may be eliminated and absorbed into the regular GL accounts. Un-allotted accounts (two) were used to transfer budget during times of budget spending constraints. The use of a non-consumable budget type will be used instead of GL accounts created for budget purposes.*

Other Key AVC Budget Control Decisions

- FM integration with Purchasing – Will consume budget and be subject to budget control for all stages of the purchasing cycle, with the exception of contracts. If the value of follow-on documents is greater than the previous document in the chain (e.g. PO greater than PR), a budget check is triggered at that stage. Budget is returned if no further activity is expected and the purchasing document is updated.
    - Purchase requisitions – Will establish a Pre-encumbrance consuming the budget
    - Purchase orders – Encumbrance established consuming the budget; will reduce the referenced purchase requisition's pre-encumbrance for the lesser of the value of purchase order or purchase requisition
    - Goods receipts – Expenditure established to consume the budget; will reduce the referenced purchase order's encumbrance for the lesser of the value of good receipt or purchase order
    - Invoice receipts – Expenditures established (with Invoice status); will reduce the referenced goods receipt's expenditure for the lesser of the value of invoice receipt or goods receipt. If purchase does not require a good receipt, the PO encumbrance is reduced and the expense is established at this stage instead of at the time of goods receipt.
- Payroll and Payroll Related Costs will consume budget (real FM postings) but AVC will be configured not to hard stop on budget overruns
- Inventory purchases: This balance sheet "expense" will be budget controlled at time of purchase for all types of inventory. Depending on the type of inventory and usage, budget control may also occur at the time of issuance / usage by the requesting organization.
- Fixed Assets: This balance sheet "expense" will be budget controlled at time of purchase
- Real Estate: This balance sheet "expense" will be budget controlled at time of real estate contract activation (via the use of FM earmarked funds). For more information, refer to FIN-FM-PDD040 FM Budget Consumption – Expenses & Encumbrances.
- Capital Leases: This balance sheet "expense" will be budget controlled at time of payment (and thus expense coding), similar to operating leases.
- CO Allocations / Settlements: Standard SAP does not perform budget checks on the results of these transactions. This includes:
    - CO automated Assessments and Distributions. Budget control instead would have occurred at time of posting to the original (sender) Cost Center (Fund Center).
    - Settlements in PS, PM and CO Internal Order settlements. Budget control would have occurred at time of original posting to cost collector.
- Manual CO Postings will be subject to budget checking.
- Internal Services Charges (CO): will be subject to budget control at the requesting organization.

- P-Card Purchases: P-card purchases are not subject to budget control checking until the transactions are saved to SAP on a monthly basis. As such, care should be taken when using P-cards to ensure sufficient budget exists each month to cover purchases made outside of the system. Constant monitoring of available budget using SAP reports will be required. If the budget goes negative, subsequent budget adjustments will be required.
- Other Expense Relevant Interfaces: During blueprinting, it was pointed out that in general, interfaces affecting budget consumption are typically not subject to budget control similar as this may stop the efficient posting of such expenses on a timely basis. Similar to P- Card purchases, budget overruns as a result of interface postings would require subsequent budget adjustments. However, SME's expressed concern regarding the amounts that some interfaces post. As such, a decision was made to review whether interfaces would be subject to budget control on a case-by-case basis. A listing of all interfaces consuming budget will be reviewed by the FM team during realization.
- Statistical commitment items in FM such as GASB34 Contra accounts and non-cash expenses such as depreciation, and amortization will be posted in FM (for reconciliation purposes) but will not consume budget or be subject to budget control
- All other non-payroll related costs will consume budget and be subject to budget control unless otherwise noted above (general rule)

Note: During blueprinting, it was determined that there are no situations where actual postings occur at a different FM account assignments than where the related budget resides. In other words, the budget that supports the expenses is always at the same or higher roll-up level as the posting address.

Tolerance Profiles

FM Availability control (AVC) allows on-line checking of budget availability prior to saving a transaction. The following responses can be sent to the person inputting the transaction that will consume the budget:

- No message (processing can continue)
- Information message (processing can continue)
- Warning message (processing can continue)
- Error message (processing stops until sufficient budget is transferred to cover the expense or encumbrance)

Messages are issued via the use of Tolerance Profiles.

The State will use the following Standard AVC Tolerance Profile:

- Payroll costs will consume budget – however, no hard stops will occur when budget is overspent. Since the payroll posting is an automatic background process, no message will be issued if the payroll budget is exceeded.
- CO automatic settlements will consume budget – however, no hard stops will occur when budget is overspent. This includes all secondary cost element movements (9 series accounts), including cost assessments and settlements (e.g. work order and capital project settlement)
- All other costs will consume budget:
    - An Error message (hard stop) will prevent the input user from saving a transaction that would bring the consumed budget above 100% of the available budget
    - No email messages to fund center owner
    - No use of absolute tolerances (amounts)
    - No use of warning messages at any point of budget consumption

Standard Tolerance Profiles will be used for all agencies and funds, including Capital Outlay and GM grants.

Using the Tolerance profile derivation strategy, an alternate tolerance profile can be derived for certain postings. At the time of this writing, no alternative Tolerance profile was required. The derivation strategy will be used in production if the need for an alternate tolerance profile arises during realization.

Similar to the AVC derivation rules maintenance, OIS will be responsible for any configuration updates to the tolerance profiles and tolerance profile derivation strategies and rules, if used, as the system owners. The OSRAP derivation specialist, as the business owner, will be responsible for the update of derivation rule values only. OSRAP will only have display access to the tolerance profiles and the related derivation strategy and rules. Any rule changes requiring configuration and transport will require OSRAP to submit a change request to OIS. OIS will follow the existing procedures for change requests which provides for necessary approvals, testing, transport process, audit trails, online help updates, etc.

Fine tuning of the Standard Tolerance or creation of additional, alternate tolerances may take place during realization, if required.

FM Encumbrances

FM encumbrances are discussed in detail in FIN-FM-PDD040 FM Budget Consumption: Expenses and Encumbrances. For the sake of this document, FM encumbrances will be used for:

- Purchase Requisitions (pre-encumbrance) and Purchase Order (encumbrances)
- FM Funds Reservations for manual budget reservations at the agency level
- Real Estate Contracts
    - Fund Commitments for vendor contracts (subject to budget control)
    - Forecast of Revenues for customer contracts (not subject to budget control as this is revenue related)
- Grantor Agreements
    - Fund Commitments for Grantor Expense (subject to budget control)
    - Forecast of Revenues for Grantor Collections (not subject to budget control as this is revenue related)

Funds Reservations, Funds Commitments and Forecast of Revenues are all considered FM Earmarked Fund documents.

With the exception of Forecast of Revenues, all pre-encumbrances and encumbrances have the same effect on the FM AVC ledger – they will consume budget and will be subject to budget control.

Process Terminology

#	Process Terminology	Description
1	FM Budget Control System (BCS)	The Budget Control System (BCS) is a solution for budgeting and budget execution, as well as for active monitoring of available funds in FM. BCS includes functions for budgeting, budget amendments, and budget control.
2	Availability Control Derivation Strategy and Rules	A flexible tool used to determine the budget control address, i.e. the FM Account Assignment where budget control will take place. It consists of a series of derivation rules in sequential order.
3	Availability Control Derivation Rule Values	FM dimensions mapped target values from other FM source dimension in FM Availability Control Derivation Rules that may require periodic maintenance when new master data is created or changed.
4	AVC Control Address	The combination of FM master data (FM Account Assignment) where budget control checking takes place.
5	Fund	A fiscal and accounting entity having a self-balancing set of accounts, recording cash and other financial resources together with all related liabilities and residual equities or balances, or changes therein, which are segregated for the purpose of carrying on specific activities or attaining

#	Process Terminology	Description
		certain objectives in accordance with specific regulations, restrictions or limitations.
6	Fund Center	Fund Centers represent organizational areas of financial and budgetary responsibility in SAP. They are generally hierarchical in nature and will have a one to one relationship with Cost Centers in the CO module.
7	Functional Area	Functional Areas represent cross-functional activities or functions aimed at accomplishing a major service or regulatory program. Functions and Activities may cut across organizational units and/or funds.
8	Funded Program	Funded programs are programs within Funds Management (FM) with a discrete, time limited operational purpose outside of regular ongoing operating expenditures, which are budgeted to fund centers. Funded Program has been designed to capture profit and loss information (revenue and expenses) only. The funded program must be derived in FM from other cost objects; it is not available on the coding block for direct posting. They can range from simple activities to complex projects and may cross fiscal years, funding sources, and organizational units.
9	Commitment Item	Commitment Items represent balance sheet, fund equity, revenues and expenses accounts in FM at the lowest level of detail necessary for internal and external reporting. They cut across organizational units, funds, and/or functional areas.
10	Grant	A grant represents a lower level funding instrument used to document, control and report on the results of an agreement between an external sponsor and an organization.
11	FM Account Assignment	A combination of FM master data, including Fund, Fund Center, Functional Area, Funded Program, Commitment Item, and Grant.
12	Tolerance Profile	A tolerance profile pools different tolerance limits for FM availability control.
13	Tolerance Profile Derivation Rules	A flexible tool used to determine alternate Tolerance Profiles (from the Standard Tolerance profile assigned to the FM area). It consists of a series of derivation rules in sequential order.
14	Tolerance Profile Derivation Values	FM dimensions mapped target values from other FM source dimension used in FM Tolerance Profile Derivation Rules that may require periodic maintenance.

To-Be Process Flows

No process flow required for this PDD.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Due to the large number of data tracking in AFS and DOTD, several pieces of legacy master data and fields were mapped to one SAP master data field.	No process impact	Extensive training will be required on the mapping between legacy objects to the new SAP objects. Use and purpose of new SAP master data plus how each is used in conjunction with one another will be required for all users. Also, how each piece of FM master data is used for budget control purposes.
2	No major changes to the	No process impact	No major impact as budget control works

#	Decision	Process Impact	Organizational Impact
	level or type of budget control compared to legacy		similar to current practice. Thus, end users will be familiar with budget exceptions. Some exceptions for training include: • Dual budget checking by appropriated program and fund • Budget checking for Grants (GM versus FM budget checks) • Budget checking for balance sheet "expense' purchases and balance sheet item usage • Use of automated FM earmarked fund documents (e.g. Real Estate and Grantor) to encumber funds and trigger budget checking
3	No budget control is required on revenues	No change from current practice	None
4	The FM Availability Control and Tolerance Profile Derivation Rules (FMDERIVE) will be maintained centrally by OIS in its role as system support. FM Derivation rule values will be maintained by a derivation specialist in OSRAP, in their role as business owner	New functionality that does not currently exist. Improved control of FM Ledger updates will prevent errors.	No major impact as this is a centralized function Training will be required for central management.
5	Use of one Standard Tolerance Profile across the entire State	Consistent budget control system reaction for all postings.	No major change of system reaction from the current system.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified.		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: FM Funds Management						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

R – Reports	Master List of Current and Future State Reports: FM Funds Management						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: FM Funds Management						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

C - Conversions	Master List of Future State Data Conversions: FM Funds Management						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified.						

E – Enhancements	Master List of Future State Enhancements: FM Funds Management				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	BADI – Easy Mod	Activation of the Grant (GM) field through BADI FMAVC_DERI_AFMA (Enhancements for the derivation of control objects (FM)	FM BCS Functionality for Availability Control – Grant field is not available in standard setting	The Grant Number is needed as an FM ADDRESS in the FM Budget Control Derivation Strategy (FMAVCDERIAO) to allow Grants to be budget controlled in Funds Management as per State requirements	Easy Modification

W – Workflow	Master List of Future State Workflow Events: FM Funds Management		
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps	Master List of Future Gaps: FM Funds Management		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: FM Funds Management			
No.	Role	Description	Strategy	Special Considerations
1.	Configurer (OIS)	Update FM Derivation Rules for Availability Control	Centralized Maintenance of Derivation Strategy and Rules	Transaction codes: FMAVCDERIO
2.	Master Data Specialist	Display access only of FM Derivation Rules	Centralized Maintenance of Derivation Strategy and Rules in the hand of one	Transaction codes: FMAVCDERIO

Authorizations		Master List of Future State Roles/Authorizations: FM Funds Management		
No.	Role	Description	Strategy	Special Considerations
	(OSRAP)	for Availability Control	group only (OIS)	(Display only)
3.	Master Data Specialist (OSRAP)	Update FM Derivation Rule Values only for Availability Control	Centralized Maintenance of Derivation Rule Values	Transaction codes: FMAVCDERIOR
4.	Configurer (OIS)	Maintain Tolerance Profiles	Centralized Maintenance of all Configuration	Transaction codes: SPRO
5.	Configurer (OIS)	Update FM Derivation Rules for Tolerance Profiles	Centralized Maintenance of Derivation Strategy and Rules	Transaction codes: FMAVCDERITPROF
6.	Master Data Specialist (OSRAP)	Display access only of FM Derivation Rules for Tolerance Profiles	Centralized Maintenance of Derivation Strategy and Rules in the hand of one group only (OIS)	Transaction codes: FMAVCDERITPROF (Display only)
7.	Master Data Specialist (OSRAP)	Update FM Derivation Rule Values only for Tolerance Profiles	Centralized Maintenance of Derivation Rule Values	Transaction codes: FMAVCDERITPROFR

Organizational Impact:

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Maintenance of FM Availability Control Derivation Strategy and Rules	No concept of derivation strategies in legacy	Limited training requirements as OIS, as system support, will be the central agency required to maintain the strategy and rules. OIS Configurer will need to work with OSRAP (business owner) to ensure all changes made in the system meet the functional requirements
2.	Maintenance of FM Availability Control Derivation Rules Table Values	No concept of derivation strategies in legacy	Limited training requirements as OSRAP, as business owner, will be the central agency required to maintain the rules values OSRAP will need to work with OIS in cases where changes are required to the actual rules themselves
3.	Maintenance of FM Tolerance Profile Derivation Strategy and Rules	No concept of derivation strategies in legacy	Limited training requirements as OIS, as system support, will be the central agency required to maintain the strategy and rules. OIS Configurer will need to work with OSRAP (business owner) to ensure all changes made in the system meet the functional requirements
4.	Maintenance of FM Tolerance Profile Derivation Rules Table Values	No concept of derivation strategies in legacy	Limited training requirements as OSRAP, as business owner, will be the central agency required to maintain the rules values OSRAP will need to work with OIS in cases where changes are required to the actual rules themselves

Training Impact

Local (Limited) Training (<10 users)

- OIS Group:
  - Configuration Maintenance of FM Derivation Strategy and Rules for FM Availability Control and Tolerance Profiles – OIS group only
  - Training on the all the functional budget control requirements in the PDD and how they fit in with the Availability Control and Tolerance Profile derivation strategies and rules
  - Extensive training will be required on the mapping between legacy objects to the new SAP objects. Use and purpose of new SAP master data and how each is used in conjunction with one another will be required for all users. In addition, how each piece of FM master data is used for budget control.
- OSRAP Master Data Specialist: Same as OIS above except…
  - Will not be trained on changing the derivation strategies and rules (display only access)
  - Training on maintenance of FM Derivation Rule table values for FM Availability Control and Tolerance Profile (if necessary)
- All End Users:
  - Extensive training will be required on the mapping between legacy objects to the new SAP objects. Use and purpose of new SAP master data plus how each is used in conjunction with one another will be required for all users. Training on understanding budget and budget control according to the new FM dimensions
  - The fact that no major impact as budget control works similar to current practice. Thus, end users will be familiar with budget exceptions. Training on the exceptions to current practice including:
    - Dual budget checking by appropriated program and fund
    - Budget checking for Grants (GM versus FM budget checks)
    - Budget checking for balance sheet "expense' purchases and balance sheet item usage
    - Use of automated FM earmarked fund documents (e.g. Real Estate and Grantor) to encumber funds and trigger budget checking
  - Training on reading the budget control error messages to determine the amount of budget transfer required to continue

Appendix

Not applicable.

Team:	Finance - Funds Management
PDD Name:	FM Budget Preparation and Integration
PDD Number:	FIN-FM-PDD020-FM Budget Preparation and Integration
Business Process Owner:	Barry Dusse
Functional Lead:	Lucie Hidalgo
Functional Consultant:	Fernando Figueroa

Executive Summary

This document will cover the process design and key decisions made during the following:

1. Blueprint Workshop: FI-FM-002: FM Budget Preparation, Amendments and Integration
2. Blueprint Workshop: FI-FM-Validation Session
3. Additional meetings and discussions with SME's throughout the Blueprint Phase

The following will be covered:

- High level summary of the budget preparation process and its integration with FM and GM in ECC
- Budget Amendment process in ECC (both BA7 and non-BA7)
- FM Budget Document characteristics that will support the creation of budget documents.

The Budget Preparation Process will take place in BI and will be integrated with ECC (FM and GM). The Budget Prep module in BI will be used to prepare the budget beginning with the 2011-12 budget preparation cycles. Once completed, Non-Grant relevant budget will be retracted directly to FM in ECC where budget control occurs. Grant relevant budget will be segregated and upload to GM in ECC to convert the budget to external sponsor dimensions, after which the budget flows to FM according to the State's internal dimensions. The annual budget for 2010-11 will be created outside of SAP, converted to SAP dimensions via the use of mapping tables in SAP and converted / uploaded to ECC when complete. The detailed budget preparation and timeline of the process is covered in the various BPS PDD's.

All Periodic Budget Amendments, (both BA7 and non-BA7) will be performed in FM or GM directly as real-time budget updates are required due to the hard stops in SAP when budget is exceeded. FM and GM budget adjustments include entering new budget (e.g., mid-year grants), supplementing the existing budgets, transferring budget between account assignments and returning budget. GM budget adjustments will programmatically flow into FM, where the entire budget will reside. One budget document replaces the current AP, EB, and RB documents in AFS. Budget amendments, after the required legislative approval process is completed if necessary, will be entered by the various agencies and will be subject to the approval process (OSRAP, OPB, and STO) for BA7 or non-BA7. SAP will utilize workflow for the approval process. FM Status Management functionality will be used to control the type of budget transactions that can be carried out in FM throughout the fiscal year, including the budget preparation phase, budget execution year, and year end closing. As required, such to determine the Existing Operating Budget (EOB) for the beginning of the annual budget cycle, the current budget (original, retracted budget from budget prep plus the periodic budget amendments in ECC) will be extracted to BI Budget Prep. For BI reporting, all postings (including budget amendments) will be extracted overnight on a daily basis.

To-Be Process Description

Pre 2011-12 Budget Preparation and Budget Load

The BI Budget Prep Module is scheduled to go live September, 2010. ECC is scheduled for a go-live of July 1, 2010 (all agencies except DOTD) and Oct 1, 2010 (DOTD). The annual budgets for 2008-09 and 2009-10 will be used in the legacy system and not loaded into SAP as the go live date for FM is July 1, 2010 (the end of the FY2010). The annual budget for FY 2010-11 will be created outside of SAP based on the legacy account assignments (coding block) and loaded to SAP. As part of the budget load to FM, the legacy objects will first be converted to FM budget account assignments using internal SAP mapping tables prior to uploading the budget tables in FM.

2011-12 (and onwards) Budget Preparation and Retraction to ECC

This process will be owned and coordinated by OPB. For a detailed description of the budget preparation process and timelines, refer to the following:

- BI.08-FIN-BP-PDD010 – Operating Budget Processes
- BI.08-FIN-BP-PDD020 – Capital Outlay Budget Processes (FPC)
- BI.08-FIN-BP-PDD025 – Capital Outlay Budget Processes (DOTD)

Beginning with FY 2011-012, the annual budgets will be created directly in BI Budget Prep module. The budget preparation will need to take into account the following changes to facilitate budget control and actual versus budget reporting:

1. Changes to budgeting to facilitate budget control for balance sheet purchases (e.g. inventory and asset budget control)
2. Use of non-consumable budget types and centralized FM account assignments for Capital Outlay Budgets where the project has not been started
3. Use of appropriate combinations of FM document types, budget processes and budget types depending on the type of budgets being entered

Currently, the annual budget is loaded only after the Governor signs the budget, usually within 20 days after delivering of the bill from the legislature (usually after July 1). In SAP, budget will be retracted to FM (and GM for GM relevant budget) sometime prior to the end of current fiscal year for the following year before the budget is signed by the Governor. This change in practice is necessary to support 1) agencies' requirements to create POs (dated July 1) for the following year against next years' budget, with budget control in place. 2) Uninterrupted operations between the period of July 1st and the date that that budget is loaded after being signed by the Governor.

At the time of this writing, the following course of action was being pursued by OPB: the current year budget submission to the Legislature and Governor would include a clause that would authorize the approval of a certain percentage or portion of the current year's budget to be loaded in the following fiscal year at the same time as the current year retraction of budget to FM. The partial following year budget would be calculated in BI Budget Prep and would apply to all or key current budget addresses for operating and capital outlay funds, with the exception of Grantee budgets (see rational below). The partial budget would be locked for usage until the State decided to open up purchasing activities for the following year. At this time, this proposal is not approved by the Legislature as are the method of deriving a partial budget, the percentage, and the date which the following year budget would be open for use. This change has been captured as an open action item and a potential policy change below.

It was decided that Grantee budget would not be loaded partially since the loading of GM budgets is a manual process and since the majority of costs relate to Salary and Salary related costs are not subject to budget control. Instead the Grantee budgets will be loaded once the Governor has signed the budget.

Once the budget is signed by the Governor, the budget will be retracted. The budget will be loaded in two ways, as follows:

- Non-Grantee relevant budget will be retracted to FM. The grant value, "NOT RELEVANT" will be used, as a value is required in the grant field. The retraction will exclude GM budgets.
- A file from Budget Prep will be created for GM relevant budget. This will include budgets related to cost sharing funds in addition to external, federal, and private grant funds. The grant-relevant budgets will be prepared based on the State's internal dimensions. These dimensions will be preserved (and flow to FM) and the budgets will need to be simultaneously updated to the external grant dimensions. An SAP enhancement will be needed to run the extraction, or flat file, through the GM budgeting workbench in order to load the budget in GM and convert the budgets to external dimensions (captured as a GM enhancement). FM will automatically be updated once the budgets are saved in GM, providing the overall budgets in FM. Refer to the GM PDD's for more information.

The non-Grant relevant budgets retracted to ECC FM will flow into Version "0" in the case of partial or full budgets. The final budget data loaded in ECC FM will correspond to the final budget version for operating, capital, and grants.

The grant-relevant budgets will then be loaded in SAP to both GM and FM budget version '0'. When the grant-relevant budget is released (saved) in Grants Management to GM version '0', the grant budget will also be updated in FM budget Version "0".

Upon retraction of the final, approved budget, including the budget that will flow in from GM, a copy will be made using transaction code FMCYFREEZE. This version will be called "ORG" – Final, Approved Original Budget. The initial partial load, if any, will not be frozen at the time of retraction.

Any partial, if any, and full budget will be retracted in FM BCS with the following budget document header field values:

- Budget Category: 9F – Payment
- Budget Version: "0" ('ORG will be created afterwards once both GM and FM budgets are in FM) -
- Budget process: ENTR - Enter
- Document type: OPER (operating) or CAPL (Capital Outlay)
- Budget type: OREC (Original, recurring budget) or ONRC (original, one-time budget)
- Fiscal year: the budget's fiscal year
- Budget Period: 1 – The original budget will be loaded to period 1. Note: budget control will occur at the fiscal year level, not at the fiscal period level.

NOTE: When the budget is extracted back to BI Budget Prep, a distinction will need to be made on whether the budget adjustments were recurring or non-recurring (one-time) in nature. If recurring, the budget adjustment will be mapped to budget type MREC; if non-recurring, the budget type will be mapped to MNRC. Separating budget adjustments according to MREC and MNRC will help build the following year's budget.

The final, approved budget (grantee-relevant) will be loaded to GM BCS with the following budget document header field values:

- Budget version: "0" – Operative Budget
- Budget process: ENTR - Enter
- Document type: SE (Sponsor Original Budget) or BE (State Original Budget) [(1)]
- Grant: Number of the Grant
- Document Date: Date of Load

[(1)] If the budget relates to the State's contribution share/matching, document type BE will be used. If the budget relates to Sponsor funding, document type SE will be used.

NOTE: Refer below to the FM budget document header characteristics for GM budget in the section titled: FM Budget Documents (FMBB.)

Other Budgeting Notes:

- Budget amendments will be performed in ECC FM (or GM) since real-time updates will be required. See process below.
- Grant budgets will be created according to State internal dimensions and converted to external dimensions upon retraction to GM.
- The characteristics (budget process, budget type, etc.) will be retained in BI Budget Prep for all budget amendment documents that are extracted. Similarly, the budget amendments made in ECC will retain their original characteristics if retracted back to ECC, if necessary.
- The use of Budget Release functionality was discussed in the workshops. Ultimately, it was decided that the full budget amount would be available for spending once it is signed by the Governor and loaded into SAP.
- Revenue Increasing Budget (RIB) was presented as a tool that could supplement the budget as revenues are received. It was decided that since the overall budget cannot be increased without legislative approval (i.e. the BA7 process); RIB would not be used in this fashion.

RIB was presented as a possible solution to increasing the budget up to the budget authority levels as the revenues and cash were received for MOF such as Self Generated and IAT. In this way, the budget would be spent only as the cash was received and in essence, try to simulate cash control in FM. A presentation of the functionality was conducted to the SME's during the FI-FM-003: FM Budget Availability and Control session. While the SME's thought the functionality potentially useful, in the end, they expressed the following concerns which led them to feel the functionality would not be useful to simulate cash control in FM:

- Many cases where Self Generated, IAT and Federal money are required to be spent before the money is collected (use other money such as General Fund money to cover the payments)
- The difficulty in deciding which expense codes to increase the budget to at the beginning of the year for each Means of Financing;
- The difficulty determining expense budgets attributable to specific MOF at the beginning of the year when updating the RIB rules
- A concern over the number of subsequent budget transfers required to spread the RIB budget if it is assigned to a default expense budget address;
- OPB raised the concern that expense budgets must contain the full budget authority and all budget adjustments for EOB (Existing Operating Budgets) to start the budget process. Since it was decided that all budget adjustments would be done in ECC, to arrive at the current operating budget, the full expense authority must be present in ECC to be extracted to Budget Preparation (BI-IP).

In the end, it was mentioned that these concerns would be evaluated and considered when designing a possible solution for cash control in SAP, of which RIB was just one potential solution. No key decision was made with respect to the use of RIB for cash control. The solution for effecting cash control in the system will be reviewed in January 2009 to determine the best solution for the State.

FM Budget Address

Budget in BI Budget Prep and ECC FM will be posted to a combination of FM Master Data or FM account assignment. In FM Budget Control System (BCS), an FM account assignment is a combination of FM "dimensions": Fund, Grant, Funds Center, Funded Program, Functional Area, and Commitment Item. FM BCS distinguishes between three types of account assignments <u>addresses</u>:

- Posting Account Assignment Address – where expenses/encumbrances are allowed; expenses/encumbrances are POSTED at this level
- Budget Account Assignment Address – where budget posting is allowed; budget is MANAGED at this level

- Control Account Assignment Address – where availability control is executed (i.e. budgets are checked for availability); budget is CONTROLLED at this level

At the State, ALL FM account assignments (all possible combinations of the 6 FM "dimensions") will be available for budget and expense/encumbrance postings. This approach will substantially minimize budget structure maintenance as well as provide the greatest flexibility to enter budget at any level in the future. However, funds availability will be managed by control account assignments that will be inferred during postings based on the AVC derivation strategy (Refer to FIN-FM-PDD030 – FM Budget Availability and Control.

The State will enter budget at the following level of the FM account assignments (both BI Budget Prep and FM):

- **Fund** – budget will be posted at the individual fund level.
- **Funds Center** – In the case of DOTD agencies, budget will be posted to a higher level fund center than where the actual expenses / encumbrances will be posted to. In the case of AFS agencies, no higher level fund centers will be required as the budget is entered to the same level as actual expenses. As outlined in FIN-FM-PDD010 – FM Master Data, there will be a one-to-one relationship between FM Fund Centers and CO Cost Centers (share the same number range). Actual expense and encumbrance postings to a cost center will update the fund center with the very same number (as part of the posting address in FM). However, for DOTD, since budget is not entered down to the last few digits of the cost centers (e.g. crews/authorizations), the following higher level fund centers will exist in FM to enter budget:
    - DOTD Agencies: Fund Center will match the first seven digits of the corresponding cost center representing the Agency (3), Program (1), Sub-Program (1) and District or Section (2). The last three digits of the Fund Centers will be zero filled.
- **Commitment Item** – budget will be posted at the lowest level commitment item (one to one relationship with the general ledger or CO cost element, with exception of assets, inventory, and real estate balance sheet accounts).

  Note: While agencies will post the budget to the individual object codes in the legacy system, some may pick one account or the first account with the current legacy object category (grouping of like accounts) to facilitate budget control instead of actually spreading the budget to each detailed account (effectively budgeting at the object category level). Other agencies will perform a more detailed budget by individual object codes. This practice may continue in the future.
- **Functional Area** – For budgeting (and budget control purposes), functional area is largely not relevant. The value "NOT RELEVANT" will be used in such cases. The exception is budgeting (but no budget control) for Disasters such as hurricanes. In this case, budget may be entered for functional areas representing disasters for monitoring actual disaster costs against forecasted costs.
- **Grant** – budget will be posted by individual grant. Grant budgets will be entered in Grants Management and transferred to FM -BCS; for Non-Grant Relevant budgets, a default NOT RELEVANT grant value will be used.
- **Funded Program** – For budget purposes, the funded program will represent Capital Project WBS elements, Grantee Programs, Grantor Programs, and Real Internal Orders.
    - For Capital Projects, budget will be entered in Funded Programs as follows:
        - DOTD and Facilities Non-State Projects – Budgets will be entered at the funded programs representing individual project phases (2nd level of project structure)
        - Facilities State Projects – Budgets will be entered at the funded programs representing individual project phases (3rd level of project structure)

- OCPR Projects – Budgets will be entered at the funded programs representing individual project phases (2nd level of project structure)

- For Grantee Grants, budget will be entered at the Funded Program level representing the individual grant programs (same number)
- For Grantor Grants, FM Funded Programs will represent grant programs (same numbers). Budget will be entered at the appropriate level depending on the individual grant.
- Budgets for Real CO Internal Orders will be entered on the Funded Program with the same number.
- For all other budgets, a default NOT RELEVANT Funded Program will be used.

Note: *Funded Programs will not be used to budget for work orders (Agile or ECC PM work orders). The budget will reside at the Fund Center or Capital Project Phase where the work is being performed.*

Budget Amendments

Periodic budget amendments will be carried out in ECC FM, not BI Budget Prep. This is to facilitate the real-time update of budgets, particularly in light of the fact that budget errors for non-salary expenses may occur and prevent postings from taking place. Budget transfers in real-time prevent delays in processing when budget errors occur. **Important Note:** Grant relevant budget amendments must be performed in GM, not FM.

Agencies will be responsible for entering all of their own budget adjustments. This includes both BA7 and non-BA7 processes.

BA7 Amendment Process:

The current rules associated with preparing and processing a BA7 remains unchanged. The BA7 process will continue to be followed when:

1. A budget transfer that crosses funds, agencies, program or three digit commitment objects (current legacy object category)
2. An increase to the overall budget (budget authority), i.e. SAP Budget Supplement
3. A decrease to the overall budget (budget authority), i.e. SAP Budget Return
4. New grant and related budgets

The current offline BA7 approval process remains unchanged. The entire offline approval process is represent by the first box in the to-be BA7 process flow, Periodic Budget Amendments (BA7s), also included in Section 3 below.

Once the BA7 offline approval is complete, the Agency budget analysts will use the FM Budgeting Workbench (transaction code FMBB) to create the budget document. The following information will be entered for each budget document:

- The BA7 Type (drop down field)
- Business Justification for the budget amendment in the Document long text
- Legislative number or executive order
- OPB Log # and Agency Log #

There could be up to four levels of approval, which will take place in the following order:

- Departmental Budget Analyst
- OSRAP Accountant
- OPB Budget Analysts
- STO Fiscal Accountant

While it was pointed out that four levels of approval seemed excessive and perhaps add little value, particular since OSRAP and Treasury are typically not involved in the approval of budget documents, the respective controlling agencies requested they still be part of the approval process in SAP. STO did not

want to be excluded and requested to be last in the approval process; OSRAP had a take away action item to determine whether they should continue in the approval process. Ultimately, OSRAP requested to continue with the approval process. Maintaining the current level of approval eliminates the possibility of improving the efficiency of the budget amendment approval process.

Approval will take using SAP workflow. Workflow will send a message to both SAP Mail and Outlook. Approvers will receive a daily reminder notice if the budget documents have not been acted on. Approvals will be sequential; if an approver rejects the budget document, the subsequent approvers will not receive a workflow notice. Approvers will include a reason for the rejection and the rejected budget document will be routed to the originator (Agency Budget Analyst). The originator will review the workflow and if necessary correct the budget document, enter a reason for resubmission and re-submit for approval. The entire approval process will take place again.

The originator will also receive a workflow notice via email when a budget document has been approved by all levels and posted in the system. In this case, no further action is required and the budget has been updated.

There will be a daily overnight extract to BI that will capture all the budget amendments for each day (in addition to all expense/actual postings and updates to master data). Thus, budget amendments will be reflected in the BI reports by the following day. In addition, BI Budget Prep will extract, as required, all budget documents. Only at this point will mid-year budget amendments be reflected in the BI Budget Prep module.

For specific workflow requirements, refer to Section 6 below.

Notes:

- For BA7 transfers that cross agencies, two budget documents will be created instead of one. One agency will create the budget return, while the other agency will create the budget supplement. Both will reference the BA7 type and legislative number or executive order as a link. The budget documents will be subject to the normal approval process. OPB will ensure that both sides have been performed to ensure overall budget remains unchanged.
- New, mid-year grants within the current budget authority will result in a non-relevant budget return in FM plus an Enter process in GM.
- New, mid-year grants exceeding the current budget authority will be treated as Supplemental budget and will use the budget type MNRC (mid-year non-recurring budget)
- In the case of supplements and returns, an enhancement will be made to ensure that revenues = expenses (captured in Section 6 below)

Non-BA7 Amendment Process:

A non-BA7 budget amendment is one that does not meet any of the criteria listed above for a BA7 budget amendment. For example, a budget transfer within the same agency program and three digit commitment item (current AFS object category).

The current offline approval process remains unchanged. The entire offline approval process is represented by the first box in the To Be Non-BA7 process flow, Periodic Budget Amendments (Non-BA7s), also included in Section 3 below.

Once the Non-BA7 offline approval is complete, the Agency budget analysts will use the FM Budgeting Workbench (transaction code FMBB) to create the budget document. The following information will be entered for each budget document:

- Business Justification for the budget amendment in the Document long text

Approval will take using SAP workflow. The levels of approval will depend on the type of budget amendment being performed.

- If the budget document involves a transfer within the same agency program and current object category, no additional OPB approval will take place. Departmental approval will be required.
    - Exception: OPB approval will be required when transferring budget to non-consumable type UNAL (un-allotted).
- The document will be routed to both Departmental Budget Analysts and OPB Budget Analyst for approval via workflow when Departmental review is required and the budget document crosses an agency program or an object category (three digit commitment item).

The workflow process and updates to BI and BI Budget Prep are the same as BA7 budget amendments. Refer to the details above.

NOTE: *Currently, in some cases, agencies keep a manual log of all budget transfers. This log will no longer be required. SAP assigns the next available budget document number, regardless of which agency is posting the transaction. The number range is shared. A listing of all budget amendments, including budget transfers, by agency can be run from the system, as needed.*

FM Budget Documents (FMBB)

The FM Budgeting Workbench and GM Budgeting Workbench will be used to create non-grantee and grantee budget documents respectively. This section covers the design decisions relating to the FM Budgeting Workbench (transaction code FMBB). For information on the GM Budgeting Workbench, refer the appropriate GM PDD. Budget entry documents are recorded in BCS with a set of required fields (usually entered on the budget document header), each of which allows segregation for reporting and control. The required fields in the SAP Budget Control system are:

- Budget Version allows us to keep two or more sets of data for the same budget object in parallel. The following budget versions will be used in FM:
    - ORG – Final Budget approved by the Legislature and Governor. Frozen once annual budget (including Grantee budget) is loaded
    - 0 (Zero) – Active or Operative Budget

  Additional Budget versions can be created during realization if necessary. Version "0" is used for FM budget control. All other versions are used for reporting actual versus budget at a specific point in time or for budget comparisons (view changes). These versions will also exist in the BI Budget Prep Module.

- Budget Process characterizes the basic process that is used to post a budget entry document. The following SAP standard delivered budget processes will be used:
    - ENTER (ENTR) - Original budget created as part of normal budget cycle or for new, approved grantee grants that fall within the existing budget authority.
    - TRANSFER (SEND/RECV) – Used to transfer budget from one budget address to another. Users must specify both a Sender and Receiver budget address. Overall budget amount or budget authority does not change. Used often to move budget when budget errors occur.
    - RETURN (RETN) – Used to Return budget not used / required. Reduces overall budget amount or budget authority. It will also be used in cross agency BA7 transfers. The sending agency would use RETN to return the budget while the receiving agency will use the SUPL process to increase the budget.
    - SUPPLEMENT (SUPL) – Used to record increases to the overall, original budget (increase budget authority). Includes mid-year budget increases such as new, approved Grantee grants that exceed the existing budget authority. It will also be used in cross agency BA7 transfers as noted in the RETN process above.

  Note: *COSD – Carry Forward Sender; CORV – Carry Forward Receiver - will not be required for the State since no budget (residual or commitment budget) will be carried forward from one year to the next.*

Note: *RBBS –Revenue Increasing Budget Source, RBBT – Revenue Increasing Budget Target – will not be used at this time unless RIB is used to approximate budget with cash (for control). The finance team will select the best solution for the State during late Blueprinting / Early Realization phase.*

- Budget Document Type classifies the budget document and is assigned to its unique budget document number range. We will use the following budget document types:
  - OPER : Operational Budget (includes DOTD, Grantor)
    - 1000000000-1999999999 (Non-Year Dependent)
  - CAPL: Capital Outlay Budget
    - 2000000000-2999999999 (Non-Year Dependent)
  - GRNT: Grants (Grantee – GM Budget updated in FM from GM)
    - 3000000000-3999999999 (Non-Year Dependent)
- Budget Type further subdivides the Budget Process and will be used to further sub-divide the budget process for reporting purposes. Budget types can be defined as consumable or non-consumable. Budget coded with a consumable budget type is available for spending. Non-consumable budget types are used to segregate budget that cannot be spent temporarily. It must be transferred to a consumable budget type (using the transfer process in FMBB) when the budget is required for use. Budget authority is made up of both consumable and non-consumable budget. The State will use the following budget types:
  - Consumable Budget Types:
    - OREC – Used for original, recurring budget as part of the annual budgeting cycle.
    - ONRC - Used for original, one-time budget as part of the annual budgeting cycle.
    - MNRC – Used for mid-year BA7 (supplements and returns) and non-BA7 budget adjustments (transfers) that are non-recurring or one-time in nature. New grantee budget will use MNRC as only one budget type can be assigned during configuration.
    - MREC – Used for mid-year BA7 (supplements and returns that are recurring in nature (i.e. will become OREC in next annual budget cycle).
    - Mid-year budget amendments will use MNRC or MREC so that when the budget is extracted to BI Budget Prep, budget adjustments will be classified according to whether they are recurring or non-recurring. Recurring budget adjustments will be included in the new years budget (as OREC) while non-recurring FM ECC budget adjustments will be ignored.
  - Non-Consumable Budget Types:
    - ONCB – Used for recording non-consumable budget as part of the annual budgeting cycle. ORGN will typically be transferred to a consumable budget type in ECC when ready to be assigned. For Example: Capital Outlay budget until specific budget is set-up and ready in ECC.
    - UNAL – Used by agencies to restrict budget authority (un-allotted budget) in time of budget spending restrictions. Involves transferring budget from a consumable budget type (and vice versa) based on BA7 and OPB directives.
    - RESV – Used to manually reserve budget. Involves transferring budget from a consumable budget type to this non-consumable budget type and vice versa when ready to use the budget

The following tables outline the valid combinations of budget processes, budget types, and budget document types. **Note:** The two document types are shown, but only one would be used with a budget process and budget type at a time.

Non-GM Relevant Budgets:

Includes all FM Budget documents created directly in FM.

BUSINESS PROCESS	DOCUMENT TYPE	PROCESS-BDGT TYPE: RECEIVER	PROCESS-BDGT TYPE: SENDER	AUTHORITY GROUP
Retract Annual Budget from BI-IP	OPER / CAPL	ENTR-OREC ENTR-ONRC ENTR-ONCB	N/A N/A N/A	OPB
Mid-Year Budget **Supplements**	OPER / CAPL	SUPL-MNRC SUPL-MREC	N/A N/A	ALL (With Budget Authority)
Mid-Year Budget **Transfers (Consumable)**	OPER / CAPL	RECV-MNRC	SEND-MNRC	ALL (With Budget Authority)
Mid-Year Budget **Transfers (Non-Consumable to Consumable and Vice Versa)**	OPER / CAPL	RECV-ONCB RECV-RESV RECV-MNRC RECV-MNRC	SEND-MNRC SEND-MNRC SEND-ONCB SEND-RESV	ALL (With Budget Authority
Budget **Returns/Reductions (current year**	OPER / CAPL	RETN-MREC RETN-MNRC	N/A	ALL (With Budget Authority)

GM Relevant Budgets (Integration with FM):

GM budget flows to FM. The following table shows how the GM Budget Process and the GM Document Type combinations flow into the FM Budget Processes and Types. All GM budget will be mapped to the FM document type GRNT.

BUSINESS PROCESS	DOCUMENT TYPE	PROCESS-BDGT TYPE: RECEIVER	PROCESS-BDGT TYPE: SENDER	AUTHORITY GROUP
GM Annual Budget to FM (Created in BI-IP	GRNT	ENTR-ORGR	N/A	OPB
New Mid-Year Grants (within budget authority)	GRNT	ENTR-ORGR	N/A	OPB
New Mid-Year Grants (outside budget authority)	GRNT	SUPL-MNRC	N/A	OPB
Mid-Year Budget **Supplements**	GRNT	SUPL-MNRC	N/A N/A	ALL (With Budget Authority)
Mid-Year Budget **Transfers**	GRNT	RECV-MNRC	SEND-MNRC	ALL (With Budget Authority)
Mid-Year Budget **Transfers (Non-Cons. to Cons. and Vice Versa)**	N/A	N/A	N/A	N/A
Budget **Returns (curr. Yr)**	GRNT	RETN-MNRC	N/A	ALL (With Budget Authority)

Other Notes Relating to the FM Budgeting Workbench:

- Both revenues and expense budget amounts will be entered as positive numbers
- Budget Period Control will be used to control the periods that are open for budget. In general, two budget periods may be open for budgeting at month end (current plus the next month). After month end close, only the current period will be open for budgeting. All budget documents will thus be recorded in the period that they are entered.
- Pre-Posting budget documents will not be used for approval process. Workflow will be used instead since more than one level of approval was required.
- The following budget workbench line item layout (in order of the columns) was decided as the standard State Layout: Fund / Fund Center / Funded Program / Functional Area / Amount / Text. The Grant field will be in the header and default to NOT RELEVANT as Grant budget documents should be performed in GM.
- A budget check will be established (using an enhancement to a standard SAP BADI) to ensure that total revenue budget equals the total expense budget for budget supplements, returns and enter processes. This will ensure balance budgets.

FM Budget Status Management

1) The FM Budgeting cycle can be split up into different statuses or phases. In each of these phases, control over what combinations of SAP Budget Processes and Budget Types that can or cannot be entered is defined. For example, the Enter/ORGR combination can only be entered at the budget preparation phase but not at year end.

2) The status is assigned to a combination of FM Area, Fiscal Year & Budget Version combinations. Update of status will be carried out by OPB on the application side of SAP in line with best practice of centralizing the control of budget activities.

3) The use of status is mandatory in FM. This can range from one status (all combinations allowed) to many statuses. The number of budget statuses will depend on the level of budget centralization, number of users and degree of control desired.

4) The following decisions were made regarding FM Budget Status Management for the State:

- Separate budget cycle phases will be created and shared by all funds (Operating, Capital, and Grants). Each phase will permit certain budgeting transactions.
- Phases will be updated by OPB
- Authorization groups will be created to further limit access to budget transactions within a phase. For example, an authorization can be created that will allow only OPB access to budget transactions with any phase.

The following diagram illustrates the phases/rough timeline that will be established, as well the budget combinations which will be permitted in each phase. Actual dates for each phase will be fixed each budget year and updated accordingly in the application side of SAP by OPB.

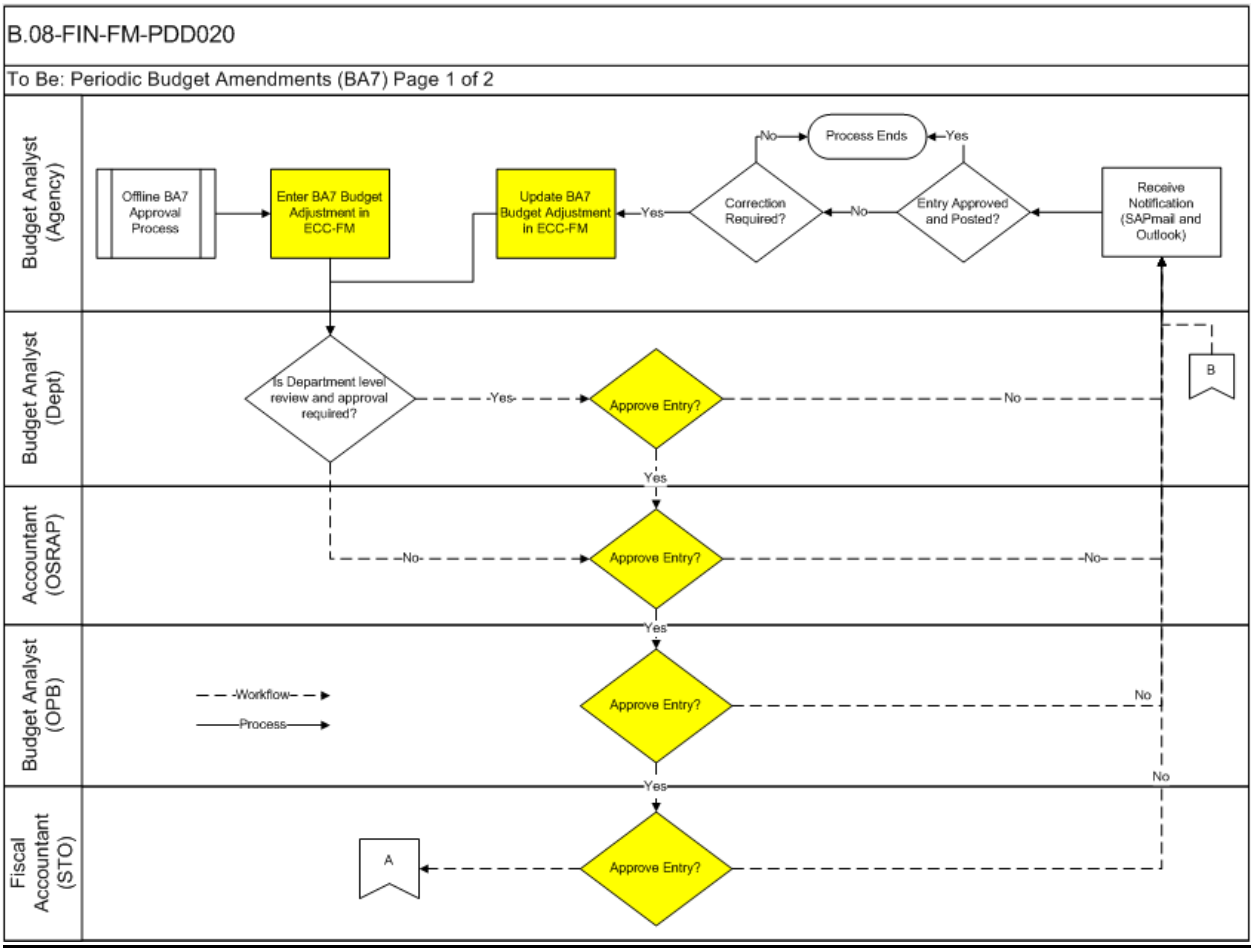
BUSINESS PROCESS	PROCESS-BDGT TYPE: RECEIVER	PROCESS-BDGT TYPE: SENDER	P1 Preparation	P2 Execution (up to period 13)	P3 Closing (period 14 – OPB only)	P4 Closed
Retract Annual Budget from BI-IP	ENTR-OREC ENTR-ONRC ENTR-ONCB	N/A N/A N/A	✓	✓ (Grant Funds)	✗	✗
Mid-Year Budget **Supplements**	SUPL-MNRC SUPL-MREC	N/A N/A	✗	✓	✓	✗
Mid-Year Budget **Transfers (Consumable)**	RECV-MNRC	SEND-MNRC	✗	✓	✓	✗
Mid-Year Budget **Transfers (Non-Consumable to Consumable and Vice Versa)**	RECV-ONCB RECV-RESV RECV-MNRC RECV-MNRC	SEND-MNRC SEND-MNRC SEND-ONCB SEND-RESV	✗	✓	✓	✗
Budget **Returns/Reductions (current year**	RETN-MREC RETN-MNRC	N/A	✗	✓	✓	✗

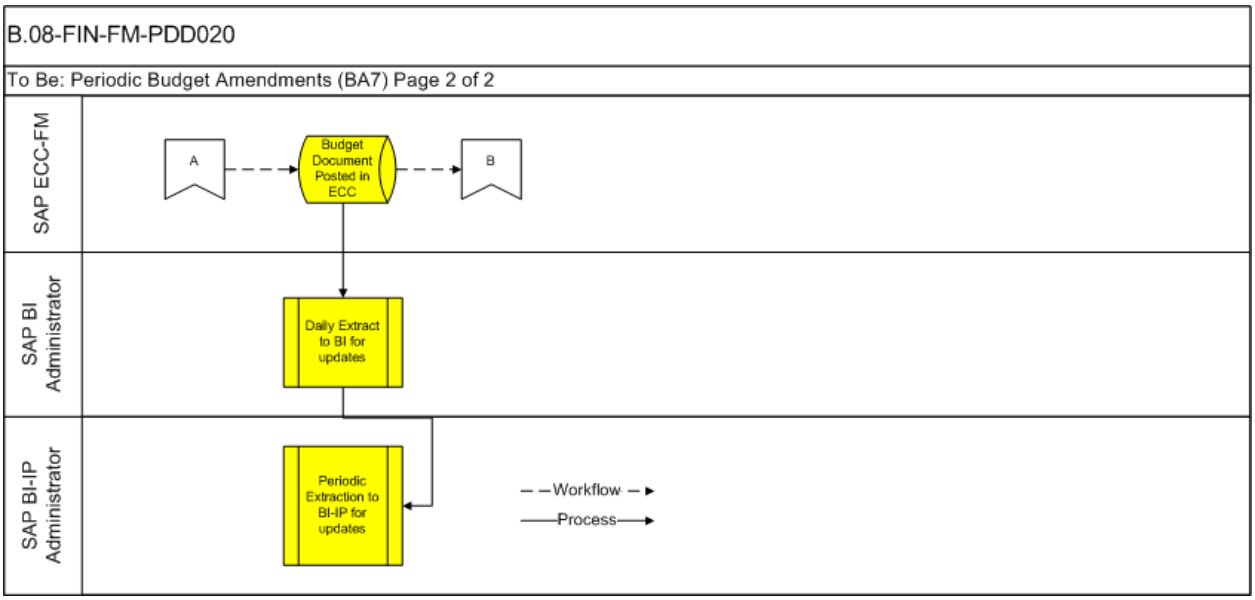
Process Terminology

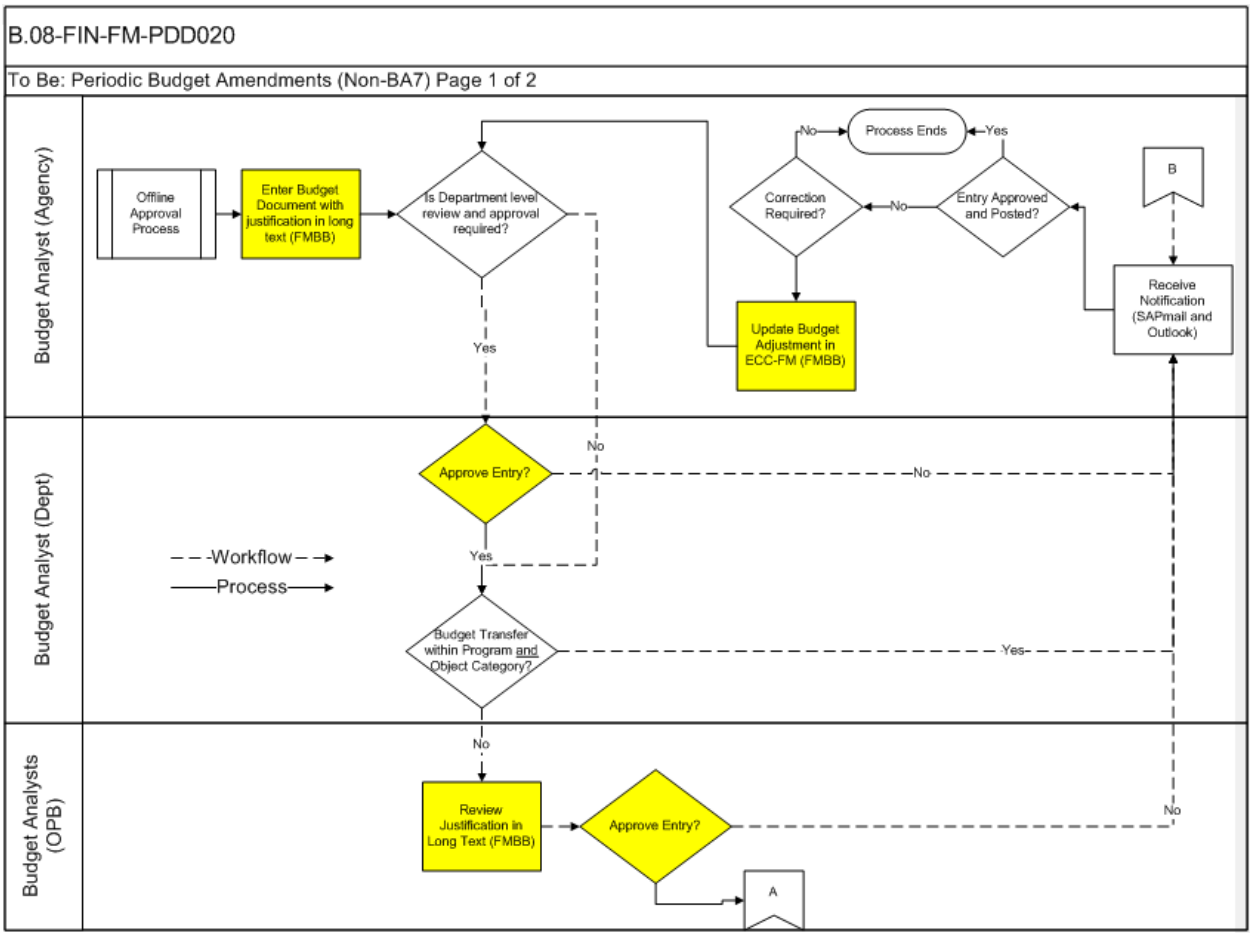
#	Process Terminology	Description
1	BI Budget Prep Module	Business Warehouse based SAP solution for preparation of budget.
2	BI Budget Retraction	The process of sending budget data from the BI Budget Prep module to the SAP ECC system (FM module).
3	BI Budget Extraction	The process of receiving and updating data (master data and budget data) from the SAP ECC system to the BI Budget Prep module.
4	SAP ECC System	The transactional system of SAP (older version was SAP R/3), which includes Finance, HR and Procurement modules.
5	FM Budgeting Workbench (FMBB)	The transaction in FM used to enter periodic budget adjustments for non-grant (GM) relevant budget. Includes budget adjustments for Entering, Supplementing, Returning and Transferring budget.
6	FM Budget Category	A classification of budget used for public sector enterprises. In the US, all entities

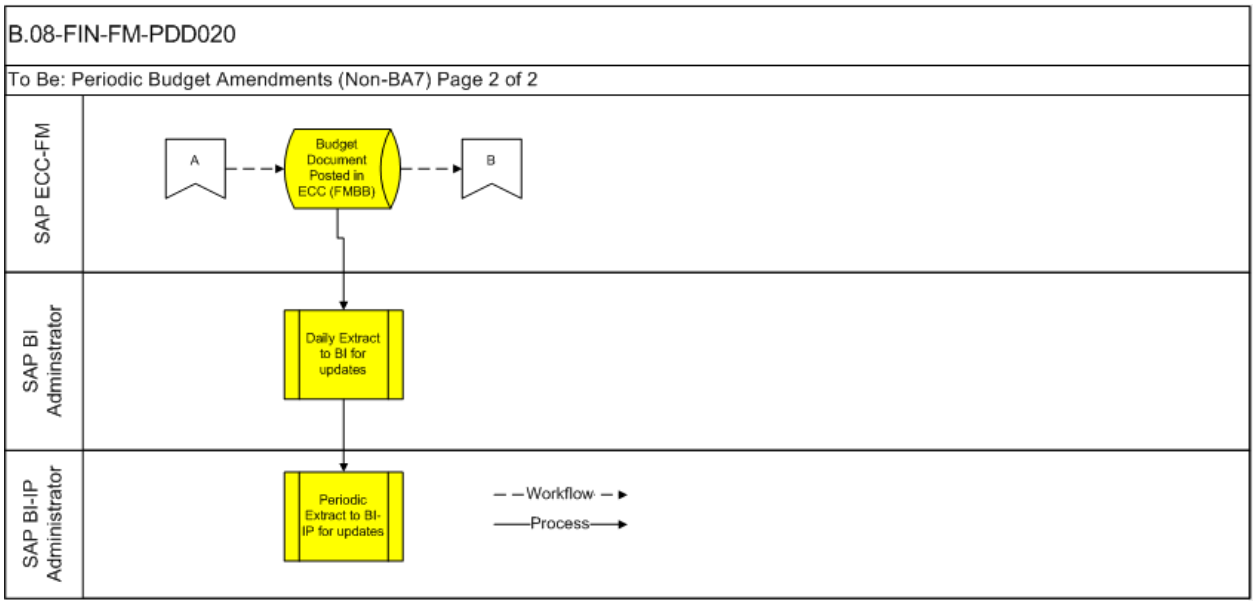
#	Process Terminology	Description
		(including the State of Louisiana) use 9F – Payment budget.
7	FM Budget Version	A picture at a point in time of the budget. Budget versions can be created by freezing a copy of the current or operating version (version '0') for future reporting and comparison purposes.
8	FM Budget Process	The standard delivered budget activities which classifies budget according to the type of budgeting being performed. Includes Entering, Supplementing, Returning and Transferring budget processes.
9	FM Budget Document Type	A classification of budget documents which groups like budget documents together and is associated with a unique document type.
10	FM Budget Type	Budget Types are used to sub-divide the budget process (enter, return, transfer or supplement) for more detailed budgeting and budget reporting. Budget types can be defined as consumable or non-consumable and are required when creating budget documents.
11	FM Non-Consumable Budget Type	An FM Budget Type which is assigned to budget in creating budget documents when one wishes to block the budget for consumption. Non-consumable budget cannot be consumed until it is transferred to a consumable budget type.
12	FM Consumable Budget Type	An FM Budget Type which is assigned to budget in creating budget documents when one wishes to allow the budget for consumption, i.e. the budget is available for spending.
13	FM Budget Period(s)	The period(s) that is (are) open to perform budget amendments in FM. FM Budget periods are opened and closed as part of the month-end process.
14	Revenue Increasing Budget (RIB)	SAP functionality that increases the budget authority and availability automatically (both revenues and expenses) based on pre-configured rules when additional revenues are posted.
15	FM Budget Address	FM Account Assignment to which budget postings are entered and recorded in FM. It is where the budget resides.
16	FM Budget Status Management	A tool used to break up the fiscal year into phases which contains the types of budgeting processes that can take place.

To-Be Process Flows






B.08-FIN-FM-PDD020
To Be: Periodic Budget Amendments (Non-BA7) Page 1 of 2
Budget Analyst (Agency)
Budget Analyst (Dept)
Budget Analysts (OPB)
Offline Approval Process
Enter Budget Document with justification in long text (FMBB)
Is Department level review and approval required?
Yes
No
Process Ends
Yes
No
Correction Required?
No
Entry Approved and Posted?
B
Update Budget Adjustment in ECC-FM (FMBB)
Receive Notification (SAPmail and Outlook)
Approve Entry?
No
No
Yes
Budget Transfer within Program and Object Category?
Yes
No
Review Justification in Long Text (FMBB)
Approve Entry?
No
A
Workflow
Process


B.08-FIN-FM-PDD020
To Be: Periodic Budget Amendments (Non-BA7) Page 2 of 2
SAP ECC-FM
SAP BI Adminstrator
SAP BI-IP Administrator
A
Budget Document Posted in ECC (FMBB)
B
Daily Extract to BI for updates
Periodic Extract to BI-IP for updates
Workflow
Process

Key Business Process Decisions

The following key decisions, already detailed above, will be highlighted below.

#	Decision	Process Impact	Organizational Impact
1	The FY 2010-11 budget prepared outside of SAP will be the first budget loaded into FM ECC. This will be directly loaded into FM (and GM for Grantee relevant budget). Budget will be prepared using legacy objects.	No major impact	No major impact
2	The FY 2011-12 budgets will be the first budget prepared in BI Budget Prep and retracted to FM (and GM via a separate extract file).	Captured in BI Budget Prep PDD's	Captured in BI Budget Prep PDD's
3	Upon loading or retracting the annual budgets to FM (and GM), the original budget will be frozen using FM Budget version 'ORG' (zero)	No major impact	No major impact as this is a centralized function
4	The State will not use Budget Structures and will have a one to one relationship between posting and budget addresses. This means no limitations will be based on where the budget can be entered, allowing the greatest flexibility between agencies and for the future. Higher level fund centers will be used for DOTD, while Non-DOTD agencies will use the same fund centers for budgeting that are used for posting actuals and commitments upon Budget Prep Retraction and FM amendments.	No major impact	No major impact
5	Periodic, budget amendments (both BA7 and non-BA7) will take place in SAP ECC, not BI Budget Prep. The offline approval process for BA7 and non-BA7 does not change.	Budget amendments in the system currently entered in BRASS by OPB. Spread by the agencies using AP, RB, and EB documents. Slight change to current process. AP, EB, and RB documents replaced by one document in ECC. Budget prep will not be updated until the next extraction of data.	Budget analysts will need to be trained on the FM Budgeting workbench to conduct the various budget amendments
6	Periodic, budget amendments will be subject to approval. Approval routing will be handled using workflow. Current levels of approvals will be maintained.	Process will include sequential, workflow approval by various controlling agencies. The ability to speed up approval process is diminished by maintaining the current levels of approval.	Training of control agency users (approximately 30 users) on use of workflow and approval process

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Budget currently cannot be loaded and consumed until it is signed by the Governor -usually within 20 days after delivering of the bill from the legislature. This results in the need for seed money and granting of exceptions for carrying out operations at the beginning of the year. Furthermore: agencies begin next year purchasing activities as soon as January of the current year even though next years' budget has not been approved. This is accomplished and possible because of stand alone purchasing systems that do	Due to the integrated nature of procurement processes (PR, PO) with the financial systems (FM), budgets will need to be loaded prior to the final budget load in order to support next year purchasing activities (in the current year) and regular operating activities between July 1st and the time the budget is uploaded after approval from the Governor. The amount, timing of budget entry and method of entering the next fiscal years'	Barry Dusse

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
	not encumber funds in the financial system or by entering $1 purchase order against the current year budget.	budget will need to be determined and revised in the new system	
2	Currently, due to system limitations, OPB approval is required for budget transfers within the same program and object category.	No OPB budget approval will be required for inter-program, inter-object category transfers are carried out. Department approval may still be required	Paul Fernandez
3	Control Agencies Policy & Procedures	OSRAP Policy & Procedure Manuel – Chapter 3 (Budget)	OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: FM – Budget Prep						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

R – Reports	Master List of Current and Future State Reports: FM – Budget Prep						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Budget Amendments with long text.	Copy of standard program to include long text entry from budget document.		X	OPB requires a report for all BA7's with budget justification which is captured in long text.	Paul Fernandez	

I – Interfaces	Master List of Current and Future State Interfaces: FM – Budget Prep						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

C - Conversions	Master List of Future State Data Conversions: FM – Budget Prep						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Budget - AFS	At conversion	Budget legacy data in AFS	Loaded to via transaction code FMBB	Budget data must be converted prior to go live	As part of the process, legacy objects will need to be mapped using function modules that	Refer to Enhancement #2

C - Conversions		Master List of Future State Data Conversions: FM – Budget Prep					
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
						map it to SAP objects in Z tables prior to loading data through transaction code FMBB	
2.	Budget - DOTD	At conversion	Budget legacy data in DOTD	Loaded to via transaction code FMBB	Budget data must be converted prior to go live	As part of the process, legacy objects will need to be mapped using function modules that map it to SAP objects in Z tables prior to loading data through transaction code FMBB	Refer to Enhancement #2

E – Enhancements		Master List of Future State Enhancements: FM – Budget Prep			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Minor Mod – BADI	Custom budget checks for FMBB (FM Budgeting workbench) via the use of standard delivered BADI. The purpose of this specification is to implement FM BADI FMKU_BUDGET_EVNT.	FM Budgeting Workbench (FMBB)	This BADI permits the use of additional budget validations during budget entry that are essential controls to the State, validations that cannot be performed using standard SAP configuration.	Approximately 5-6 custom checks with associated logic required, including the fact that revenues must equal expenses for budget creation, supplements and returns
2.	Major BADI Enhancement	There is a need to implement the Business Application Programming Interface (BAPI) for uploading the Budgets into the ECC system. Specifically, BAPI BudgetEntryDocFM.Create (function module BAPI_0050_CREATE) will be used for this purpose.	FM Budget Tables	Need a custom upload program to upload the budget into FM from excel spreadsheets. The volume of data is too great to enter manually	This specification has two parts to it: Budget Conversion and Post-Go Live Budget Upload. Most of the logic applies to both.
3.	Minor	Creation of additional budget	FMBB	Required to	Up to five

E – Enhancements		Master List of Future State Enhancements: FM – Budget Prep			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
	enhancement to transaction code	document header fields (including drop down fields) in transaction FMBB	Transaction Code and budget tables	support the data that needs to be captured for BA7 and non-BA7 budget amendments	additional fields, including drop down fields

W – Workflow		Master List of Future State Workflow Events: FM – Budget Prep	
No.	Description	Justification	Comments
1.	FMBB (FM Budgeting workbench) workflow requirements: • BA7 Budget Documents: Up to 4 levels of workflow • Sequential flow • No time limits • Email (SAP and Outlook) notification for both rejection and approval of documents • Reminder notices if not approved within certain time period	Workflow will be required to support the electronic approval of budget amendment documents (both BA7 and non-BA7). The approval process is currently performed in the system.	

Gaps

Gaps		Master List of Future Gaps: FM – Budget Prep	
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Cash control is not standard functionality in SAP. FM is concerned with budget control only.	No cash ledger in SAP.	This is an open issue heading into realization. The FICO team to review the best solution which may or may not include FM. RIB will be looked at, as will other options such as an enhancement to the AP program. The current system was extensively customized to achieve cash control. This issue is currently being documented in White Paper.

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: BA7 Budget Amendments		
No.	Role	Description	Strategy	Special Considerations
1.	Agency Budget	Access to create,		Access to FMBB, FMEDD,

Authorizations	Master List of Future State Roles/Authorizations: BA7 Budget Amendments			
No.	Role	Description	Strategy	Special Considerations
	Analyst	change and display FM Budget documents		FMEDDW
2	Departmental Budget Analyst	Approve or reject budget document	Workflow	Access to FMBB, FMEDD, FMEDDW
3.	OPB Budget Analysts	Approve or reject budget document	Workflow	Access to FMBB, FMEDD, FMEDDW
4.	OSRAP Accountant	Approve or reject budget document	Workflow	Access to FMBB, FMEDD, FMEDDW
5.	STO Fiscal Accountant	Approve or reject budget document	Workflow	Access to FMBB, FMEDD, FMEDDW

Authorizations	Master List of Future State Roles/Authorizations: Non-BA7 Budget Amendments			
No.	Role	Description	Strategy	Special Considerations
1.	Agency Budget Analyst	Access to create, change and display FM Budget documents		Access to FMBB, FMEDD, FMEDDW
2	Departmental Budget Analyst	Approve or reject budget document	Workflow	Access to FMBB, FMEDD, FMEDDW
3.	OPB Budget Analysts	Approve or reject budget document	Workflow	Access to FMBB, FMEDD, FMEDDW

Organizational Impacts

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Entering Budget Amendments	Currently, OPB enter AP documents in the budget prep system. Agencies will spread the budget using RB and EB documents in the transaction system. In SAP, agencies Enter one budget document in the transactional system for all types of budget amendments	Process is simplified with one system and one document. Education on one budget document for both revenues and expenses. No more use of AP, RB and EB documents
2.	Entering Budget Amendments	The correct usage of the budgeting characteristics, including budget document type, budget type and budget process. These characteristics don't exist in legacy.	Training and detailed BPP's will be required on the various types of budget amendments with the correct use of FM Budget document characteristics.
3.	Entering Budget Amendments	Independent fields in the legacy system have been combined into one field in SAP. For example, program, sub-program and org (division/section) are all part of the fund center in SAP.	Need to be trained on new master data and what legacy coding objects have been mapped to the FM master data used for budgeting.
4.	Workflow for budget document approval	In SAP, approval will be handled via workflow and email (SAP mail and Outlook). In the legacy system (AFS), budget	Training required on workflow usage and method of approving and rejecting budget documents

		document approval is handled by review a status table and approving it directly.	

Training Impacts

Identify potential training impacts that result from the defined business process. The content includes the potential number of people to be trained, their organizational alignment, and the level of process knowledge required.

- Training on the use of FM Budgeting Workbench (FMBB): Approximately 100 budget analyst to train for all agencies (3-5 budget analysts per agency).
- Training on the use of workflow for approval: Approximately 40-50 users. 10 or so at three controlling agencies (2-3 per agency) and remainder at Department (approx. 2 per department)

Appendix

Not applicable

Team:	Finance - Funds Management
PDD Name:	FM Budget Consumption: Expenses and Encumbrances
PDD Number:	FIN-FM-PDD040-FM Budget Consumption: Expenses and Encumbrances
Business Process Owner:	Afranie Adomako
Functional Lead:	Lucie Hidalgo
Functional Consultant:	Fernando Figueroa

Executive Summary

This document will cover the process design and key decisions made during the following:

1. Blueprint Workshop: FI-FM-005: FM Budget Consumption: Expenses and Encumbrances
2. Blueprint Workshop: FI-FM-Validation Session
3. Additional meetings and discussions with SME's throughout the Blueprint Phase

Funds Management (FM) is a receiver of actual expenditures, meaning that no expenditures are directly entered in FM but instead flow in from all other modules, such as Finance (FI), Controlling (CO), and Materials Management (MM) and Human Resources (HR). The FM Account Assignment Derivation tool will be utilized to integrate the postings from other modules into FM, particularly revenues, expenses (and encumbrances) by mapping the master data of those modules to the FM master data. No summarization will occur so that the actual expenses exist in FM at the individual lowest level FM objects, such as Fund, Fund Center, Commitment Items, Functional Areas, Funded Programs and Grants (as applicable based on the various postings).

FM budget encumbrances come in a few different forms, but ultimately, have the same effect. Encumbrances reduce the amount of available budget before the actual expense, if any, is incurred. If encumbrances are not used, the reversal of encumbrance will release the budget originally tied up, making it available for additional spending to that particular combination of FM account assignments. Some encumbrances can also be referred to by follow-on documents, automatically reducing the encumbrances and updating the status of the expenditure. Encumbrances may originate in other modules such as MM or may be created within FM. Encumbrance documents internal to FM are collectively referred to as Earmarked Funds as funds are set aside for a specific purpose.

The following summary outlines the key decisions around encumbrances:

Material Management (Purchasing) Related FM Encumbrances:

MM encumbrances will be created in FM for purchasing activities at the Purchase Requisition and Purchase Order stages.

- Contracts will not encumber funds.
- Purchase Requisitions will create an FM Pre-Encumbrance in FM (consume budget).
- Purchase Order will create an FM Encumbrance in FM (consume budget) and reduce Pre-Encumbrances.
- Goods Receipts will be performed in the system (in most cases) and create an expense budget consumption and reduce the related Encumbrance. In cases where no Good Receipt is required, the Encumbrance will be replaced by an expense when the invoice is entered for the purchase order.

FM Earmarked Funds:

FM Funds Reservation documents will be created to reserve funds for *specific* purposes.

FM Non-Consumable Budget Types

The use of non-consumable budget types will be available to all agencies both during the budget preparation phase and for budget adjustments in ECC. Non-consumable budget types reduce, not consume, the available spending authority until funds are required. In essence, this is not an encumbrance but more of a spending restriction. Budget entered using non-consumable budget types can be transferred to consumable budget types when funds are required. This transfer increases the available budget for spending. At the time of this writing, two non-consumable budget types will be available for different purposes.

To-Be Process Description

Summary of Business Process Improvements, their Impact, and Benefits

FM Update for Actual Expenditures

Funds Management (FM) is a receiver of actual expenditures, meaning that no expenditures are directly entered in FM but instead flow in from all other modules, such as Finance (FI), Controlling (CO), and Materials Management (MM) and Human Resources (HR). FM is primarily concerned with revenues and expenses (not balance sheet postings), for the purposes of actual vs. budget reporting, budget consumption and budget control.

Actual expenditures and revenues are posted to non-FM master data such as Cost Centers, WBS Elements, and Internal Orders and are converted to the FM master data objects via the use of the FM Account Assignment Derivation Tool (FMDERIVE). Once converted, revenue and expense postings are updated in the FM ledgers. This tool is the key component for mapping and updating postings from all other modules into the various FM ledgers, i.e. it is the key integration tool for FM with other modules. Using this tool, all actual expenses will flow into FM at the same level as the postings made in the other modules.

FMDERIVE helps drive what is known as the Posting Address in FM. The FM posting address is the combination of FM account assignments such as Fund, Fund Center, Commitment Items, Functional Areas, Funded Programs and Grants (as applicable based on the various postings) where updates should occur in FM for actual postings from other modules. The FM account assignment will differ depending on types and source of postings. Nonetheless, an FM posting address will always contain all six FM account assignments. In some cases, where the account assignment is not relevant to a posting, the value “NOT RELEVANT” will be defaulted by the FM Account Assignment Derivation tool. For example, when posting directly to a cost center for non-grant relevant postings, the fund, fund center and commitment item will be updated, while the value NOT RELEVANT may be defaulted for the Funded Program, Functional Area and Grant fields. For more information on the use of the FM master data fields, refer to FIN-FM-PDD00010.

Per the various workshops, no summarization of posting data will occur in FM. This means that actual expenses will be updated in FM (i.e. Posting Address) at the individual lowest level FM master data objects after being mapped from the objects of the other modules by FMDERIVE. Thus, actual expenses will exist in FM at the same level as the other modules. This update takes place automatically once a document is saved in the source module. Actual expenses can always be summarized or rolled up for reporting purposes if required.

For PM work order postings, the posting address was defined as follows (from session FM004):

1. <u>Preventative, Regular & Agile Work Orders</u>

- FUND – The fund from the posting will be used.
- FUND CENTER – When posting to a work order, a cost center will not be entered, however, the related FM fund center will be derived from the work order master record. The cost center (fund center) in the work order will be cost center where the work order is being performed. Salaries will be charged to home cost center. Equipment and Materials costs will be charged to cost center in work order header.
- COMMITMENT ITEM – The commitment item will be derived from the GL expense account used to record the work order expense.
- FUNCTIONAL AREA – Will be transferred from the actual posting. The functional area used in the posting should match the functional area in the work order master.
- FUNDED PROGRAM – One high level, roll-up funded program by agency will be derived in FM for all work orders to summarize actual costs for all work orders and segregate these costs from regular operating fund center costs. The individual work order number will also be recorded in FM.
- GRANT – Will default to "Not Relevant" value.

2. Capital Project Work Orders

- FUND – The Capital Fund for the Capital Project from the posting will be used.
- FUND CENTER – When posting to a work order, a cost center will not be entered however, the related FM fund center will be derived from the work order master record. The cost center (fund center) in the work order will be the one responsible for the Capital Project
- COMMITMENT ITEM – The commitment item will be derived from the GL expense account used to record the work order expense
- FUNCTIONAL AREA – Will be transferred from the actual posting. The functional area used in the posting should match the functional area in the work order master.
- FUNDED PROGRAM – Will be derived from the WBS element (Capital Project phase) from the Work Order master record. The individual work order number will also be recorded in FM
- GRANT – Will default to "Not Relevant" value

Material Management (Purchasing) Encumbrances:

Non-Contracted Purchases

1. Purchase Requisitions (PR) will create a pre-encumbrance (FM value type 50) against the FM account assignment specified in the PR. A budget check will occur at the time of the pre-encumbrance to ensure that sufficient budget exists prior to the approval of the PR. An error will occur and the PR and related pre-encumbrance will not be saved if there is a lack of budget to support it. The encumbrance and budget check will take place prior to the requisition approval so that approvers need only to approve PR's with sufficient budget.
2. Purchase Order: When the requisition is referenced in the follow-on Purchase Order (PO), an encumbrance (FM value type 51) will be established for the value of the purchase order. The original pre-encumbrance (FM value type 50) will be reduced by the value of the PO. If the value of the PO equals the value of the PR, the pre-encumbrance balance will net to zero. If the value is less, an encumbrance and pre-encumbrance will exist for the total value of the original PR. If the value of the PO is greater than the value of the PR (due to MM tolerances), a new budget check will take place in FM to ensure there is sufficient budget to cover the incremental budget of the PO. Similar to the PR, the budget check will occur prior to any approval process to ensure approvers look at POs with sufficient budget.
3. MM Goods Receipt (GR): Goods receipts will be entered in the SAP system where required (in most cases). At the time of the goods receipt, the encumbrance from the PO is reduced (FM value type 51) and an actual expense (FM value type 54) replaces it for the value of the goods receipt. The GR

value may differ from the value of the PO or multiple GR's may be performed for one PO. If greater than PO value, a new budget check will occur prior to the GR update. The PO must be updated, if the goods receipt tolerance is exceeded, encumbering additional budget and resulting in another budget check.

4. MM Invoice Receipt (IR): If a GR has already been performed, a subsequent invoice entry against the PO will maintain the same expense status in FM (both an increase and decrease to value type 54) but will update the FM ledger from GR to IR status. A new budget check will occur if the value of the invoice is greater than the value of the goods receipt. If a good receipt was not required for the PO, the encumbrance is replaced by the expense at this time.

Note: If the subsequent MM document values are less than the previous documents, the related expense, encumbrance and/or pre-encumbrance open balance will continue to consume budget in FM unless the document is updated (manually or by selecting the appropriate box in the document such as final invoice). Once these changes are saved, budget is returned for other uses.

Contracted Purchases

Unlike in the legacy systems, in SAP, MM contracts will not consume or encumber budget. MM contracts provide vendor details and provide ceiling amounts and time limits for spending. MM contracts will be referenced in MM PR's and provide a control in MM to ensure that contract value is not exceeded.

The FM update process is the same with respect for contract purchases (Refer to Non-contracted purchases above), with the possible following exceptions:

- A purchase requisition may be initially created to support the creation of a contract. This initial PR would encumber funds in the standard SAP system. Once the contract is created, the PR will need to be closed to return the funds since a new PR will be released against the contract once it is finalized and in place.

In cases, such as capital outlay where the full amount of a contract is desired or required to be encumbered up front, a PR will be released against the contract for the full amount of the contract. This is the equivalent of encumbering the full contract value in the legacy systems.

Other Notes:

The stage of the encumbrance (PR, PO) can be reported in separate columns, along with the actual expenses, based on the different FM value types and transaction codes (in the case of GR versus IR).

Note: Asset and Inventory purchases will also encumber budget even though these are balance sheet purchases.

For more information on the purchasing process, refer to the various MM PDD's.

FM Earmarked Funds:

FM Earmarked Funds is the collective term for FM documents, which commit the budget for specific or non-specific purposes. FM Earmarked documents include Funds Pre-Commitments, Fund Commitment, Funds Reservations, Funds Block and Forecast of Revenues documents. The automatic or manual use of these documents depends on requirements and use of certain functionality in SAP. The potential use of each type and the State's requirements were discussed during the workshops. In the end, only FM Funds Reservations were deemed to be made available to the all agencies if they wished to use the functionality.

FM Funds Reservation documents will be set up in SAP for optional use by all agencies to reserve appropriated funds (budget) outside of the purchasing cycle for *specific* purposes. FM reservations can be used by agencies or OPB as a way to reserve funds for future use, such as a future purchases. The funds reservation is assigned a separate FM value type 81, making it easy to segregate reservations for reporting. Funds reservations can be referenced in future documents, such as Purchase Requisitions, PO's and financial journal entries, including journal entries and AP invoices. This permits the automatic

reduction of the funds reservation, to be replaced by the new encumbrance or expense. Funds reservations can also be reduced or eliminated manually in cases where a follow-on document does not exist or the reservation was inadvertently not referenced in the related follow-on documents. Funds reservations will consume budget and be subject to budget checks at the time of creation. In order to create a reservation, sufficient budget must exist in the FM account assignment(s) specified in the line item(s) of the document.

FM Reservations can be created in the following dimensions of FM:

- Fund
- Fund Center
- Commitment Item
- Functional Area
- Grant
- Funded Program

Funds reservations will be segregated according to two types. Separate document types, with different number ranges, will be set up as follows:

- Z1 Documents – Agency Fund Reservations:
    - This Fund Reservation type will be made available to all agencies that wish to use it to manage their budget.
- Z2 Documents: OPB Funds Reservations:
    - This Fund Reservation type will be made available only to OPB for funds reservations they wish to create for any agency.

Authorization will be set up so agencies will be able to create, change, and display only Z1 Fund reservations. OPB will have access to both document types, as will OSRAP, in order to liquidate any unused funds reservations prior to year-end.

The following will apply to both reservation types:

- Funds reservations will be used to reserve current year budget only. Any unused reservations and the related budget commitment will not be carried-forward to the New Year. Agencies and OPB will need to close out all unused funds reservations are part of the year-end process to release the budget. OSRAP will run a transaction at year-end to close out any remaining open reservations prior to closing the year. The reservation will need to be recreated in the New Year, if necessary.
- Changes (amount, account assignment, additional line items, deletion of line items, etc) to a funds reservation document can be carried out directly against the document instead of creating a separate and subsequent 'value adjustment' document since the need for audit trail is lessened as agencies are only reserving their own budgets.
- Agencies can decide whether to create separate funds reservations documents or have one fund reservation document with multiple line item reservations when reserving budget for different purposes. When referencing reservations in follow-on documents, in the former case, the unique funds reservation document can be referenced. In the latter case, the fund reservation document plus the line item will be referenced.
    - When referencing the reservations, users will have the ability to:
    - Increase the amount of previous funds reservation (will be subject to budget control)
    - Change the FM account assignment (the funds reservation of the old account assignment will be reduced and the budget of the new account assignment will be consumed).

In addition to the manual Funds Reservation documents, automatic FM earmarked funds will be created for transaction in Real Estate and Grantor Agreements.

Real Estate / FM Integration:

In the case of Real Estate Management (RE), the process starts with the creation of a real estate contract for one time real estate purchases (e.g. building) or leases (State as Lessee and Lessor). The contract will be assigned to an account assignment and the contract will generate cash flows. At the time of saving a contract, the system will perform a budget check against the account assignment in the contract to ensure that enough budget exists to meet the cash flow obligations **for the entire year (sum of all cash flows).** If insufficient budget exists, the contract can still be created but it will not create the earmarked fund documents or process the contract for workflow approval (to both activate the contract and open it for postings). If sufficient budget exists, the appropriate earmarked fund document is created for the year and the workflow approval process can begin. A new tab in the RE contract will display the FM earmarked fund document and the approval status. The cash flows will be used to generate the following earmarked fund documents in FM:

- For Vendor contracts, a Funds Commitment is automatically created in FM (subject to budget control)
- For Customer contracts (e.g., State as Lessor), a Forecast of revenue is automatically created in FM (not subject to budget control)

The system provides a technical link between the cash flow records in the RE contract and the generated FM earmarked funds documents. Any changes to the cash flows will trigger a change to the related FM earmarked fund document. If you change the RE contract, the related earmarked funds document is changed accordingly, if the budget availability check is successful. This applies to both changes to the contract account assignment or changes to conditions (amounts, dates, etc). Budget relevant changes will trigger workflow for approval. It is not possible to delete a RE contract if an earmarked fund document exists for it.

Once the contract is activated and approved for posting, the system will post the contract revenues and expenses as they become due (based on the cash flows). The system uses the assignment of earmarked fund documents to cash flows to enable automatic reduction of these earmarked funds during the periodic posting process. Upon successive postings, the earmarked funds document commitment is converted to expenses or revenues status.

Note: In the case of multi-year real estate contracts, only the current year funds will be encumbered and budget checked.

For more information on this process, refer to FIN-RE-PDD020 Transactions and FIN-RE-PDD040 Leasing.

Grantor / FM Integration:

Grantor Programs are created in CRM to represent Grantor grants and lower level grantor grant programs, as required. When a Grantor Program is created in CRM, a replication tool is available to automatically create a corresponding funded program in FM.

Grantor Management provides for optional integration with FI-FM (funds management) for budgeting FM accounts elements and implementing active availability control. This use of this functionality is not required, but necessary for grantor program budgetary control. The FM functionality is available through the Budget Control System (BCS) and Budget Encumbrance (Earmarked Funds).

Saving a Grantor Application/Agreement item in CRM and using the budget encumbrance function triggers the creation of earmarked funds documents in FI-FM. The decision was made to create a Funds Commitment document and perform a budget check at the time that the Grantor Agreement is saved. No Funds Pre-commitment will be created at the time of Grantor Application. When the Grantor Agreement is finally approved and saved it automatically triggers another interface from CRM to FI-FM where an earmarked funds document or funds commitment is recorded.

If insufficient budget exist to support the Grantor program, the creation of the earmarked funds document will be blocked. When an earmarked funds document has been successfully created in FI-FM, this

information is transferred to CRM. The earmarked funds document number is displayed in the transaction history section of the Grantor Agreement. After billing has taken place the earmarked funds are consumed statistically. After transfer of the open items to FI-GL, the statistical consumption of the earmarked funds is changed to actual consumption.

For more information on Grantor processes, refer to FIN-GTR-PDD040 Grantor Budgeting.

FM Non-Consumable Budget Types

As discussed in FIN-FM-PDD0020, budget types can be defined as consumable or non-consumable. The total of the consumable and non-consumable budget make up the total budget authority. Non-consumable budget types reduce (not consume) the available spending authority until funds are required. In essence, this is not an encumbrance but more of a temporary spending restriction or another way of setting aside budget until it is needed. Budget entered using non-consumable budget types can be transferred to consumable budget types when funds are required. This transfer increases the available budget for spending.

The non-consumable budget types below will be used for the purposes indicated:

- **ONCB**: One-Time Non-Consumable Budget: Will be used for creating temporary non-consumable budget as part of the annual budget build in budget prep. This will be transferred to a consumable budget type when ready for use. ONCB will be used as follows:
    - Capital Budget as part of the annual budget prep for new projects, which have not been started or set-up. The budget will be placed in a holding account assignment in the non-consumable budget type (to prevent spending) until the project and project phase is created. It will then be transferred from the non-consumable budget type to the consumable budget type in the capital project account assignment.
    - Any other situation where budget is desired to be set aside until it is ready for use
- **UNAL**: Un-allotted Budget: Will be used for the occasional BA7 budget reductions during budget freezes equivalent to the process of “un-allotting” the budget in AFS. On the directive of the BA7 and OPB, agencies will transfer the specified consumable budgets to this budget type (and vice versa if the budget is later returned) to prevent spending of this original budget authority.
- **RESV**: Reservation of Budget: Can be used by agencies in lieu of funds reservations documents to manually set-aside spending authority until it is needed. This involves transferring budget from a consumable budget type to this non-consumable budget type and vice versa when the budget is ready to be used. Unlike Funds Reservations, setting budget aside this way reduces budget authority temporarily and this set-aside cannot be referenced in follow on documents such as Per’s and POs.

At the end of the year, any unused non-consumable budget will be transferred to a consumable budget type. While the remaining available budget in the custom BI results report would show both and a breakdown between the two and there is no advantage to transferring the budget back to consumable status since the budget cannot be carried forward to the new year, standard budget availability reports in ECC (and the related availability control ledgers) will exclude non-consumable budgets. To tie the two types of reports together, the transfer needs to take place. The non-consumable budget transfer will occur at the very end of the fiscal year close (after all final budget adjustments) and will not be spent.

Key Improvements / Benefits:

Unlike the various purchasing legacy systems, which acted as stand-alone systems (e.g. CFMS, AGPS) and interfaced to the financial system (AFS) only when users were ready to send the purchasing data over, purchasing activities in MM are integrated with the FI system in SAP. There will be no choice in deciding when to pre-encumber / encumber the budget in SAP. This real time integration removes the choice at the user level and consistently applies the budget consumption across the state. This, however, also means that POs for the next fiscal year cannot be entered without first loading the budget in that

year. At the time of this writing, this was an open item with OPB pursuing a possible solution of loading a partial budget (based on the current year's budget) prior the start of the new fiscal year.

The new purchasing process standardizes the commitment of budget across all agencies, including the timing and type of commitments by purchasing document, regardless of agency (AFS agency versus DOTD agency). It is consistent regardless of whether it is a contracted or non-contracted service. The decision of when to encumber funds is no longer at the transaction level determined in some cases by the user.

Unlike in AFS and similar to commitment vouchers in the DOTD system, the State will now have the ability to set aside or reserve funds for specific requirements in the future. This may be accomplished using Funds Reservations or by temporarily reducing budget appropriations by using non-consumable budget types.

Using FM value types, SAP provides the ability to easily track and report on the different types and stages of encumbrances and expenses, allowing for a detailed breakdown of these costs.

Process Terminology

#	Process Terminology	Description
1	Pre-encumbrance	Consumption of budget resulting from the issue of an internal purchase requisition or FM funds reservation.
2	Encumbrance	Consumption of budget resulting from the issue of a purchase order
3	FM Account Assignment Derivations (FMDERIVE)	A flexible tool used to integrate other modules in ECC (FI, CO, MM, HR) to FM. It links the master data of other source modules to FM master data in order to update the FM ledgers with actual revenues, expenses and encumbrances.
4	FM Earmarked Document	A collective term used to describe various internal FM documents that pre-encumber or encumber budget in FM.
5	FM Account Assignment	A combination of FM master data, including Fund, Fund Center, Functional Area, Funded Program, Commitment Item, and Grant.
6	FM Posting Address	FM Account Assignment to which actual / commitment postings from other modules are recorded in FM.
7	FM Fund Reservation	An internal FM document used to manually reserve (consume) budget for a specific purpose in future. Fund reservations can be referenced in follow-on documents such as purchase requisitions, purchase orders, FI journal entries and AP invoices.
8	Budget Type	Budget Types are used to sub-divide the budget process (enter, return, transfer or supplement) for more detailed budgeting and budget reporting. Budget types can be defined as consumable or non-consumable and are required when creating budget documents.

To-Be Process Flows

No process flow required.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	The Posting Address in FM Revenues, expenditures and encumbrances will be updated at the lowest, individual FM master data objects in line with where the posting occurred in the respective source modules. No summarization will occur in FM.	None – automatic update in FM	None

#	Decision	Process Impact	Organizational Impact
2	No encumbrances required at the time of contract creation.	PR will need to be created against the contract to simulate a pre-encumbrance for contract value	Training on process, particularly for Capital Projects
3	Pre-encumbrance will occur at PR stage, Encumbrance will occur at PO stage	None	None
4	PR and PO budget consumption will occur prior to approval	None	None
5	Two methods can be utilized where necessary to reserve budget for future spending: • FM Funds Reservations • Non-consumable budget types	None	Train end-users of the difference between the two methods and how to use them. Up to 1000 end-users for training
6	Budget encumbrances from Funds reservations (and MM documents) will not be carried forward to the new fiscal year to supplement the new years budget	Carry-forward documents only for PR and POs without the associated budget	None

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Control Agencies Policy & Procedures Manuel	OSRAP Policy & Procedure Manuel – Chapter 6 (Encumbrances)	OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: FM Budget Cons: Expenses and Encumbrances						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

R – Reports	Master List of Current and Future State Reports: FM Budget Cons: Expenses and Encumbrances						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

I – Interfaces	Master List of Current and Future State Interfaces: FM Budget Cons: Expenses and Encumbrances						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

C - Conversions	Master List of Future State Data Conversions: FM Budget Cons: Expenses and Encumbrances						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments

C - Conversions	Master List of Future State Data Conversions: FM Budget Cons: Expenses and Encumbrances						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified.						

E – Enhancements	Master List of Future State Enhancements: FM Budget Cons: Expenses and Encumbrances				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Minor Mod – User Exits	Modification of three user exits	FM Actual and Encumbrance Tables	CO transactions do not update Funds Management with the original Controlling objects (cost centers, internal orders, PM work orders or WBS-elements) Update required to allow reconciliation between CO (and FM.	
2.	Minor BADI Enhancement	Modification of MM BADI ME_COMMITMENT_STO_CH	FM Commitment Tables	In native SAP, stock transport requests (STR) and Stock Transport Orders (STO) do not create commitments in the requesting departments	

W – Workflow	Master List of Future State Workflow Events: FM Budget Cons: Expenses and Encumbrances		
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps	Master List of Future Gaps: FM Budget Cons: Expenses and Encumbrances		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: FM Budget Cons: Expenses and Encumbrances

No.	Role	Description	Strategy	Special Considerations
1.	Agency Budget Analyst	Access to create, change and display Fund Reservation Documents (FMX1, FMX2, FMX3)	Assign FM Reservation Document type Z1 only to security role	Security will need to be driven down to the document type level FMX1, FMX2, FMX3
2.	OPB Budget Analysts	Access to create, change and display Fund Reservation Documents (FMX1, FMX2, FMX3)	Assign '*' value for Funds Reservation Document Types	Access to all document types FMX1, FMX2, FMX3
3.	OSRAP Accountant	Access to change and display Fund Reservation Documents (FMX2, FMX3) to allow display and closure of open reservations at year end	Assign all value for Funds Reservation Document Types	Access to all document types FMX2, FMX3
4.	Agency Budget Analyst	Access to create, change and display FM Budget Documents for transfers between consumable and non-consumable budget types	Access to all budget types	May need to workflow for OPB approval when using budget type UNAL since budget transfers occur with the same program and object categories which ordinarily do not require OPB approval FMBB, FMEDD, FMEDDW
5.	OPB Budget Analysts	Access to create, change and display FM Budget Documents for transfers between consumable and non-consumable budget types	Access to all budget types	None FMBB, FMEDD, FMEDDW

Organizational Impacts

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Ability to reserve budget for future reference and spending	Only DOTD has a similar ability to do this	Agency Budget analysts will need to be trained on the ability to do so and the two methods available, along with their differences
2.	No encumbrances will occur at the time of contract creation	Currently, contracts can encumber budget at the time of creation	As part of the MM purchasing process, PR can be created against the contract to create the pre-encumbrance and lock up the funds, particularly for Capital Projects
3.	PR/PO will be created against all contracts	Invoicing can occur directly against contracts	As part of the MM purchasing process, Per's/POs will reference the SAP contracts.
4	Next year fiscal year purchase orders	Stand-alone purchasing systems allow the creation of future year PO's without budget. In the case of DOTD, PO's are created against the current year's budget using $1 as the value.	In order to create next fiscal year POs, some budget must first be loaded prior to the end of the current fiscal year

Training Impacts

Identify potential training impacts that result from the defined business process. The content includes the potential number of people to be trained, their organizational alignment, and the level of process knowledge required.

- Funds Reservations and Use of consumable / non-consumable budget types in FMBB: Approximately 100 budget analyst to train for all agencies (3-5 budget analysts per agency).

Appendix

Not applicable.

Team:	Finance - Funds Management
PDD Name:	FM Period End Processing and Reporting
PDD Number:	FIN-FM-PDD050-FM Period End Processing and Reporting
Business Process Owner:	Afranie Adomako
Functional Lead:	Lucie Hidalgo
Functional Consultant:	Fernando Figueroa

Executive Summary

This PDD will cover the process design and key decisions made during the following FM Blueprint Workshops:

1. FI-FM-006: FM Period-End Processing
2. FI-FM-007: FM Budgetary Basis Reporting
3. FI-FM-Validation Session
4. Addition meetings and discussions throughout the Blueprint Phase

This document describes the State's Funds Management year-end closing activities. These activities should be carried out in an integrated closing schedule with all other SAP closing activities: Materials Management, Controlling, Project Systems and Financial Accounting and form a subset of the closing activities as outlined in FIN-GL-PDD040 Period Management & Closing Operations. In addition, FM reporting is covered in this PDD.

Month-End:

As the business owner, OSRAP will be responsible to ensure all month end steps are run. OSRAP will execute all non-programmatic steps. Programmatic steps will be executed by OIS. These steps will also be carried out year end. The FM month end process will include the following activities:

- **Opening new FM Budgeting and Update periods (OSRAP):** in order to allow budget, commitment, and actual postings in the next period (or fiscal year); the new period must be opened in Funds Management. This process will take place on Day 0 of the month end close. At this point, two periods will be open.
- **Transfer Encumbrances from FM to FI (OIS)**: according to governmental accounting rules, fund balance reserves for PO encumbrance balances need to be established/adjusted on a periodic basis. This will be accomplished in SAP by transferring the open PO encumbrances recorded in Funds Management to Financial Accounting (Fund Balance PO Reserve account), through an automated journal entry.
- **Close prior FM Budgeting and Update Period (OSRAP):** The FM period (or year) is closed as part of the month-end schedule. This must be performed in conjunction with the FI, CO and MM closing. Both of the periods will be closed on Day 8 of the month end closing schedule. At this point, only the current month is open in FM for budgeting and posting updates.

Year-End:

Unless noted below, OSRAP will be responsible for all year end steps. OIS will assist with the execution of programmatic jobs. The FM year-end process will include the following activities (to be carried out in sequence):

- **MM Clean-up (Agencies/Purchasing):** Agencies will work with State Purchasing to close out all requisitions and purchase orders which will not be carried forward to the new fiscal year.
- **FM Fiscal Year Change (OSRAP**): Similar to month-end step above. The new FM year will be opened for budget and posting update.
- **Transfer Encumbrances from FM to FI (OIS):** Refer to Month-End section above.
- **FM Commitments Carry-forward (OIS):** Because FM is fiscal year driven, any subsequent processing (ex: processing of a goods receipt or invoice against a PO) of an open document requires that there be an FM document to be referenced in the new year in which the subsequent document is processed. This can be done by carrying forward FM encumbrance documents from one year to the next using the year-end commitment carry-forward functionality. The State will carry-forward open encumbrances relating to open purchase requisitions, purchase orders, and FM commitments relating to Grantor agreements. The associated budget will not be carried forward; the new year's budget will be consumed. Agencies may apply for budget to cover carry-forwards via the BA7 process, if necessary.
- **Close out any remaining Commitments (OIS):** Any remaining open commitments in FM will be closed centrally by OIS. This includes Purchase Requisitions, PO's, FM Earmarked Fund documents and GL parked documents.
- **Final Budget Adjustments (Agencies/OPB):** Agencies (and OPB if necessary) will make any necessary budget transfers in order to comply with statutory reporting (e.g. no budget negatives or overruns)
- **Budgetary Fund Balance Carry-forward (OIS):** This step closes out all FM ledger revenues and expenses to Fund Balance and Net Asset Accounts in the Fund Balance section of the balance sheet. The process will enable full reconciliation between budgetary fund balances and modified accrual fund balances and full accrual net asset balances and allows the new fiscal year to begin with no revenue and expense balances.
- **Close Prior FM Fiscal Year (OSRAP):** Similar to month-end step above. The FM year is closed as part of the year-end schedule, in conjunction with FI and CO at the end of period 14. No further process will be possible in the prior year at this point

Note: It was decided that no residual budget carry-forward will be carried out for any unused budget at the end of the year. Agencies must apply for additional budget via the BA7 approval process in the new year. No budget lapsing will occur at year end.

The centralization of period end processing (OSRAP/OIS) ensures control, efficiency, and oversight.

Reporting:

The State's reporting needs will be met through a combination of FM standard reports and custom report(s) created in BI. The use of key standard ECC reports ensures real time reporting, particularly important for determining the current available budget when budget errors are encountered. During Blueprinting, a custom BI report was designed to provide a standardized report for actual vs. budget analysis (month and year-to-date). This report will be used for general analysis by all agencies and can be used for grants and capital outlay (projects) as well. The standardized report incorporates the data of several key static legacy reports. It will provide flexibility in selection criteria, filtering, sorting, and form. Additional FM custom reports, if necessary, may be identified during realization.

To-Be Process Description

Month-End Processing:

The only FM related steps required to be carried out at month-end include:

- Transfer FM Encumbrances (PO commitments) from FM to G/L (reserve for fund balance).
- Close the current FM period and open next period for budget and expenses / commitments.
  - In line with best practice of control and centralization of period-end processing, OSRAP will control both month-end steps.

These steps will be discussed in further detail below.

FM Period Management

Two period controls will be managed by OSRAP: the FM Budget Period and the FM Update Period.

The FM Budget period controls the period that budget documents can be posted to in FM. The FM Update period controls the update of the FM ledgers for actual postings from other modules. In both cases, if a period is closed, no documents can be posted in that period. Both the FM Budget Period and Update periods will be opened for the following month on Day 0 (last day of the current month – end of day) and closed together when all the last of the other SAP periods (FI,CO and MM) are closed. The FM update period must be kept open until the end of the period-end closing to accept all postings in the FM ledger. The FM Budget period should be kept open in order to make any necessary budget adjustments resulting from the postings (for example, in the case of budget errors). As per the GL period-end processing workshop, the periods all scheduled to be closed on Day 8 of the month end calendar.

Note: At period-end, you may have two months open for both types of periods, the prior period that you are closing, and the new period. Once the prior period is closed, only the current period will be open until the next period end.

Note: While the two FM periods will typically be opened and closed together, there are times when this is not the case. For example, when loading budget into the next fiscal year, you will need to have the budget period one (1) open to load or retract the budget but the update period will be closed since you do not want users to consume the budget until it is loaded. Similarly, once the budget is loaded, you may close the budgeting period for the next year (to prevent any further budgeting activities) but open up period one (1) for following year purchase order activity.

Transfer FM Encumbrances from FM to FI

OIS, as system owner, will run the job. OSRAP will be responsible for the overall schedule, management, and coordination of all closing activities.

Reserves for encumbrance balances need to be established/adjusted on a periodic basis. Consistent with best practices, this program will be scheduled to run each month-end. Unlike Purchase Orders, it was decided that Purchase Requisition pre-encumbrances would not be transferred to Financial Accounting each month as they do not constitute an external legal contract with an outside party.

Standard SAP program RFFMTOBL, Copy FM Commitment to General Ledger (transaction FMBTB), will be used to post the following GL entries:

- If the current open PO commitment balance is greater than the current fund balance reserve:
  - DR - Unreserved Fund Balance
  - CR - Reserve for Encumbrances – POs
- If the current open PO commitment balance is less than the current fund balance reserve:
  - DR - Reserve for Encumbrances – POs
  - CR - Unreserved Fund Balance

The program looks at the current balance and makes the necessary adjusting entry to match the open purchase order values. This adjustment will be made by fund and business area. However, this SAP standard program only establishes/adjusts the reserve for each FUND individually. This means that the program aggregates all outstanding encumbrances across Business Areas within each Fund. SAP allows (through the implementation of BADi BADI_FM_FM2AC - Integration functions for transfer FM to FI) the

user to adjust the level of detail retained, e.g. Fund and Business Area during the calculation of the outstanding encumbrances and the adjustment of the corresponding reserve.

Year-End Processing

Year-end processing would include all the month-end steps plus the following FM related additional steps:

- Manually Close out of Commitments not to be carried forward (at agency level)
- Carry-forward PR/PO commitments without associated budgets
- Automatically close out remaining commitments (centrally)
- Final budget adjustments
- Close out revenues and expenditures to fund balance

Once all the steps are performed (in the order above), the FM periods would be closed. The BA7 process will take place in the new year if agencies wish to petition for carry-forward budget relating to open commitments such as purchase orders. OSRAP will be responsible for the overall schedule, management, and coordination of all closing activities.

The year end steps will be discussed in further detail below.

FM Fiscal year Change

This process will be owned by OSRAP. OSRAP will be responsible for the overall schedule, management, and coordination of all closing activities.

Similar to the month end processing, OSRAP will open the new fiscal year and period and keep the old year/last period open until the year end processing is complete. By allowing more than one fiscal period open at a time, it is possible to create transactions in the new year while the old year is still open for final entries. The old fiscal year will not be closed until much later, sometime in August at the end of period 14 (date will be firmed up as part of consolidated year-end process in GL).

In order for agencies to create next year's POs prior to the beginning of the new fiscal year, the new FM fiscal year will be opened sometime prior to the current year-end to allow the budget to be retracted from BPS to ECC (original budget). The amount and timing are still to be determined. Agencies will create next years' Purchase Orders with full budget checking in place. No other transactions will be permitted in the New Year until July 1st. This is accomplished by not opening the FM ledger (via the FM Update Period settings) for any updates, except for POs.

Close of PR's / PO's / Funds Reservations

All agencies are responsible for this step. OSRAP will be responsible for the overall schedule, management, and coordination of all closing activities.

On-line reporting is available for agencies to monitor open requisitions and purchase orders. Agencies will analyze open purchasing documents, and working with State Purchasing, liquidate them at year-end if they are not to be carried forward to the New Year. Open Purchase Orders that are complete (no GR or IR expected) will be liquidated. This step must occur prior to OIS running the commitment carry forward program.

Agencies are also responsible to review any open FM Funds Reservations documents they might have created for the fiscal year and eliminate them since they will not be carried forward. OSRAP will review all reservations and ensure these are closed out according to the closing schedule.

Fund Commitments relating to Grantor will not be closed. Instead, they will be carried-forward to the new fiscal year with open PR and POs (refer to the next step). These commitments must be carried forward to further process them against invoices in the new fiscal year. The associated budget will not be carried forward, but must be applied for in the new year through the BA7 process.

Note: Closing out these documents will reduce the encumbered budget in the current year.

FM Commitment Carry-Forward (Without Budget))

This step will be executed by OIS. OSRAP will be responsible for the overall schedule, management, and coordination of all closing activities.

After the agencies perform their commitment clean-up activities, OSRAP will carry-forward all remaining commitments using standard SAP program RFFMCCF1 – Carry-Forward Documents (transaction code FMJ2). All remaining purchase requisitions and purchase orders will be carried forward to the New Year without their associated budget. This means that they will consume the New Year's budget. Agencies may apply for a BA7 supplement for the commitments. Note: Multi-year contracts will be set up in MM and will control the contractual start and end dates as well as the contractual amount ceiling. Contracts do not encumber funds in FM and do not need to be carried forward for use in future years.

The carry-forward program will be executed after a "grace" period in which goods receipts and invoice receipts are to be recorded by locations in the fiscal year being closed. Once a commitment is carried forward, follow-on action can only take place in the period the commitment has been carried forward to (i.e. the new fiscal year). For this reason, the carry-forward activity is generally held off until most prior year activity is complete, particularly the recording of good receipts to the prior year. Where necessary, SAP program RFFMCCFR, Undo Carry-Forward Documents (transaction code FMJ3), can be executed if it is found that a carried forward purchasing document was actually received prior to the end of the fiscal year or an expenditure liquidating a carried forward commitment should otherwise be effected in the prior fiscal year (i.e., where there is a significant impact to financial statements). This will allow agencies to post the goods receipt or invoice receipt in the prior year.

Close Out Remaining Commitments

This step will be executed by OIS. OSRAP will be responsible for the overall schedule, management, and coordination of all closing activities.

After the PR and PO rollover is complete, OIS will run transaction FMCC for all agencies to ensure all commitments have been closed or rolled forward. OIS will ensure that no open Per's or POs exist in the year being closed. Additionally, they will close out any remaining Funds Reservation documents or parked FI documents which have committed budget. Closing all remaining commitments releases budget so that unused or available budget at year-end is clearly identified in reports. This is also important since the BA7 approval process ensures that the BA7 request amount may not exceed the prior year's remaining budget.

Final Budget Adjustments

This process will be owned by the agencies and if necessary, OPB. OSRAP will be responsible for the overall schedule, management, and coordination of all closing activities.

Final required budget adjustments are carried out to adjust negatives, as necessary, to meet statutory reporting requirements. All budget adjustments are made in ECC using the FM Budgeting Workbench (FMBB). Agencies will enter their final budget adjustments in period 13. OPB may enter budget adjustments, if any, in period 13 or 14.

Budgetary Fund Balance Carry-Forward

This step will be executed by OIS. OSRAP will be responsible for the overall schedule, management, and coordination of all closing activities.

Carry-forward item categories will be used in FM to "close" revenue and expenditure commitment item balances to Budgetary Fund Balances. The Carry-forward item categories will be synched with P&L statement account type. These are used in FI to "close" revenue and expense balances to Fund Balances and Net Assets. This alignment will enable full reconciliation between budgetary, modified accrual, and full accrual. Actual fund balance carry-forwards will also include the carry-forward of statistical commitment items (these don't consume budget) that are used in Funds Management to

reconcile Budgetary Fund Balances to modified accrual fund balances and full accrual net asset balances. All commitment items that represent reconciling items will be carried forward to separate Fund Balance Commitment Items in order to make the modified versus full accrual reconciliation process more efficient.

Standard SAP program SAPFMVTR, Fund Balance Carry-forward (transaction code FMVT), will be used for this process.

Closing the Fiscal Year

When all year-end activities have been performed, OSRAP will close out the FM periods (along with FI/CO/MM periods). This includes both the FM Budget Periods and the FM Update Periods.

BA7 REQUEST PROCESS

As part of the year-end process, agencies who wish to can apply for supplemental budget to cover the costs of open commitments carried over from the prior year. This process will take place in July of the New Year.

Other Period End Notes:

1. **Residual (remaining) budget carry-forwards:** It was decided that any remaining budget would not be carried forward to the New Year, as this is not permitted per State statutes. This applies to all agencies and funds. The BA7 process must be used in the New Year instead to supplement the New Year's budget if necessary.
2. **Budget Lapsing remaining budget:** This would involve transferring consumable budget to a non-consumable budget type at year-end. It was decided that since the period-end process is closely controlled and disallows budget or posting activities using period management, the lapsing of any remaining budget is not necessary. As part of the year-end process, any budget sitting in the non-consumable budget types RESV should be transferred to a consumable budget type to get a total view of the available budget. Budget in non-consumable budget types ONCB and UALL should not be moved. For a discussion on FM Budget types, refer to FIN-FM-PDD020.

FM Reporting:

Reporting will be supported by a combination of Standard ECC Reports and custom BI Report(s). BI will be the primary reporting tool for the State, particularly for custom reports and reports that have the potential to strain the resources in ECC (transaction system). Key reports will be created in BI prior to go live. Over the long term, other frequently used FM reports will be created in BI. Using BI reporting transfers the processing load from the transactional database (ECC) to the reporting database (BI) and provides enhanced reporting capabilities including filtering, sorting, analysis, calculations, exporting, summarization and presentation. Users will be trained to customize reports/queries in BI. BI will be refreshed overnight. Delta loads will be extracted from ECC for transactional data and full loads for master data. In some case, for example to check available budget, real time reporting will be required. Real time reports will be run out of the ECC system.

FM and BI budgetary reports will be made available to all agencies' authorized SAP users, who will be trained to run their own reports. These reports will provide the end-users with real-time (or in the case of BI, near real-time), multi-dimensional reports, with drill down capabilities. Currently, many reports are static, having to run several different reports to view the same data when timing (e.g. monthly versus YTD) or sorting requirements differ. Legacy reports are not always real-time and are not run by the individual users. This will change with SAP.

1. SAP Standard Reports

Funds Management - Budget Control System (FM - BCS) contains pre-defined reports in the following areas:

- Master Data Indexes (for all FM master data)

- Budget Document and Budget Line Item Reports - these reports can be executed with various selections (ex: FM account assignment, Budget process/type), and return a list of every document item and all relevant fields in excel-based type format for easy sorting and subtotaling.
  - Example: "Budget Journal" – tcode FMEDDW - Display Budget Entry Documents - this report provides a list of all the budget documents sorted by document type, budget process, budget type, etc.
- Actual Line Item Reports (Expenditures/Encumbrances)
  - Example: – tcode FMRP_RFFMEP1AX – Display Commitment/Actuals – All Postings - this report provides a list of all the expenditure and encumbrance line items posted to the selected FM account assignment (Fund, Fund Center, Commitment Item), within the selected time horizon.
- FM Earmarked Funds – Reports available to display the current FM Funds Reservation documents, including change history by agency and FM account assignments.
- FM Available Budget Reports – These key reports allow users to view the available budget report based on the budget control address. They allow users to confirm budget errors and determine where budget is available in real time in order transfer budget to fix the budget errors.

Additional standard ECC reports are available. The reports will be reviewed to determine the key reports for State use and training. Standard reports will take precedence over custom reports. Additional analysis will be done on current reports, with a goal of mapping the requirements to a standard report, or BI report if no standard ECC reports meets the requirement.

2. Custom Report(s):

In addition to these predefined reports, SAP ECC provides a Report Painter Tool which can be used to customize FM reports. Customized ECC (FM) reports will only be used after if standard reports or BI cannot meet the reporting need, if a custom real-time report is required.

During the workshop, several budgetary legacy reports were reviewed, including 2G00, 2G02, 2G05, 2G14, 2G15, 2G40, and AFS#15. These are the standard reports available, in addition to business object reports created at the agency level. After eliminating some reports, it was decided that standard analytical Budget and Budget/Actual reports for the State will be developed in BI to support all agencies. Budget/Actual comparisons will allow analysis at the level of each FM account assignment, and selections/presentation by periods and percentage of year expired will also be available. These reports will be presented in a hierarchical format, allowing the user easy "navigation" between FM "dimensions" (Fund, Fund Center, Commitment Item, Grant, etc.). The standard BI report can be run to support Grantee and Capital Projects in addition to reporting on regular operating results.

A mock up of the custom BI analytical report was discussed and the following summary outlines the decisions made:

- Three levels with drill down capabilities.
- First level: Summarized results report: Month and YTD Actuals versus Budget with variance and percentage spent. Drill down to Level 2 for Budget or Actual breakdown detail.
  - Rows: FM account assignment including Fund, Fund Center, Funded Program, Functional Area, Grant, Expense Category (equivalent to legacy AFS object category), and Commitment Item.
  - Columns(in order):
    - Budget (both consumable and non-consumable)
    - Current Month Expenses/Encumbrances
    - YTD Expenses

    - YTD Encumbrances
    - Subtotal: Total YTD Expenses
    - Available Budget (calculation)
    - Percentage of Budget Spent (calculation)

- Second Level: Breakdown of Total Consumption or Total Budgets. The total of these reports will tie into the first level report. Drill down to Level 3 report possible – either Consumption Documents or Budget Documents Lists.

  Actual Breakdown Report (no budget data):

  - Rows: Same as first level. Refer to above.
  - Columns (in order)
    - Purchase Requisitions
    - Purchase Orders
    - Fund Reservations
    - Subtotal: Total Encumbrances
    - FI Expenses
    - CO Expenses
    - Subtotal: Total Expenses
    - Total: Grant Total

  Budget Breakdown Report (no actual data)

  - Rows: Same as first level. Refer to above.
  - Columns (in order)
    - Original Consumable Budget (from BI Budget Prep)
    - Transfers In/Out
    - Supplements
    - Returns
    - Subtotal: Total Consumable Budget
    - Non-Consumable Budget
    - Total Budget (calculation)

- Third Level: A listing of documents (both encumbrances/expenses and budget) that support the numbers in the previous levels for the FM Account Assignments selected.

  Expense/Encumbrance Breakdown: Line Items (no budget documents)

  - Rows:
    - Posting Date
    - Fiscal Year
    - Fiscal Period
    - Source Document Number
    - Predecessor Document Number (e.g. PR number for purchase orders)
    - Transaction Type (to indicate source module)
  - Columns: Same as Level 2 Actual Breakdown Report

  Budget Breakdown: Line Items (no expense/encumbrance documents)

  - Rows:
    - Document Date
    - Fiscal Year
    - Fiscal Period
    - Budget Document Number
    - FM Budget Process (Enter, Supplement, Transfer, Return)
    - Budget Type

- FM Budget Document Reversal Number (if original budget document has been reversed)
  - Columns: Same as Level 2 Budget Breakdown Report

Additional budget relevant reporting may be identified during realization.

Process Terminology

#	Process Terminology	Description
1	FM Budget Period	The period(s) that is (are) open to perform budget amendments in FM. FM Budget periods are opened and closed as part of the month-end process.
2	FM Update Period	The period(s) that is (are) open to perform updates in FM for expenses and commitments in FM. FM update periods are opened and closed as part of the month-end process.
3	Transferring Open Commitments to GL	The period-end step that involves adjusting the reserve for PO commitments for each fund to the value of open purchase orders. The offsetting account is Undesignated/Unreserved Fund Balance.
4	Commitment Carry-forwards	The period-end step that involves rollover of open purchase requisitions and purchase orders from one year. No associated budget will be carried-forward with the commitment carryover.
5	FM Funds Reservations	An internal FM document used to manually reserve (consume) budget for a specific purpose in future. Fund reservations can be referenced in follow-on documents such as purchase requisitions, purchase orders, FI journal entries, and AP invoices.
6	BI Reports	Business Warehouse based SAP solution for reporting. BI reporting eliminates the resource strain on the core ECC system.

To-Be Process Flows

Not applicable.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	OSRAP and OIS will be responsible for all period end FM Steps	Ensures control, efficiency, and oversight of period end steps	Training to be provided to key OSRAP / OIS users in charge of closing the periods. Few users involved.
2	No budgets to be carried forward (for open commitments and residual budgets)	Per's and POs carried forward and not closed out by agencies will consume the new years budget	No major impact
3	Per's will be carried forward in addition to POs	PR will not have to be recreated in the new year, particularly when used as source for future contract	No major impact
4	Creation of one, custom BI report for all agencies and all funds	Standardization of report for actual vs. budget analysis across the entire state Eliminates multiple, static reports which illustrate same information but in different forms, sorts and filter	Training for all users on use of custom report
5	Use of key standard ECC reports for real time reporting	Real time reports provide a quick turnaround for issues such as budget errors to determine available budgets	Training for all users on use of key standard ECC reports

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	System policies, procedures and letters as published by OSRAP and other Control Agencies	OSRAP Policy & Procedure Manuel – Chapter 16 (Year End Closes)	OSRAP, STO, OIS

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Revenue/Expense vs. Budget Report	Standard report to be used by all agencies to monitor actual results versus budget for all funds. The report will have three levels of detail: summary, detail breakdown and document level.	X	X	Standardized SAP report to replace many State agency reports	Lucie Hidalgo	This is a BI report, not ABAP report

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified.						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Minor change to BADI	BADi BADI_FM_FM2AC will be modified to transfer open commitment by business area, in addition to fund	No business area split is carried out in standard SAP	Business area balance sheets for agency	

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: Period End Processing			
No.	Role	Description	Strategy	Special Considerations
1.	OSRAP Accountant	Executes month and year end closing steps	Central control of period end steps	Tcodes: FMIR/FMMI, FMBTB, FMJ2, FMJ3, FMMC, FMVT, FMX1, FMX2, FMX3 Authorization / Access to all business areas
2.	OPB Budget Analyst	Ability to make budget adjustments as required	Overall control of budget	Authorization / Access to all business areas FMBB
3.	Agency Budget Analysts	Make budget amendments and reserves budget using Funds Reservations	Decentralization of budget entry with approval by controlling agencies (via workflow) Reserve funds as necessary for future purposes	Authorization / Access to own business area only FMX1-FMX3, FMBB
4.	Agency Requisitioners / Purchasing Support	Create and change Per's and POs	Agencies and purchasing are responsible for own commitments	ME51-ME53N ME21-ME23N

Authorizations	Master List of Future State Roles/Authorizations: Reporting			
No.	Role	Description	Strategy	Special Considerations
1.	All Roles	Run Standard and the BI custom report	Ability for all users to reports as needed in both ECC and BI	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Period End Processing: Close out open commitments not carried forward	Purchasing support at agency level to close out old PR/PO. Agency budget analysts to close out all Funds Reservations	Training to said groups on performing this functions

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
2.	Period End Processing: Month and Year end FM Close out Steps	OSRAP in charge of executing or monitoring several month end steps which may have been carried out by OIS. Includes open/closing FM periods, transferring open commitment balances to GL	Centralized function so training involves only 2-3 people
3.	Reporting: Run Standard ECC Reports	Run reports as needed	Training for all users on key standard ECC reports
4.	Reporting: Custom BI Report	All users to run own queries as need. One standard, dynamic report to replace many static reports	Training for all users on custom BI report, including all dynamic functionality: drilldown, multi-dimensional, filter, sorts, etc

Training Impact:

1. Period End Processing: A relatively small number of users (2-3) will require training on the execution of the FM period end steps as this is a centralized function. The larger community of financial and logistics users will need to understand the process of closing / changing existing purchase requisitions, purchase orders and funds reservations.
2. Reporting: Training of use of real-time, multi-dimensional reporting in contrast to static reporting, where necessary. Training on navigation/functionalities on FM BI report(s), which is to be used by all agencies. Business object reports currently processed today will be replaced by standard SAP reports and BI reports. Users will need to be trained on available reports and execution of the key reports. Many users to be trained.

Appendix

Not applicable.

4. Accounts Payable

Team:	Finance – Accounts Payable
PDD Name:	Account Code Structure-Vendors
PDD Number:	FIN-AP-PDD010-Account Code Structure-Vendors
Business Process Owner:	Afranie Adomako
Functional Lead:	Marietta Holiday
Functional Consultant:	Mary Walker

Executive Summary

Project Scope

It is important to outline the scope for Accounts Payable module before describing any business process in Accounts Payable.

The SAP Procurement and Accounts Payable functions will be done primarily in SAP. However, there will be some legacy systems that are not completely replaced by SAP.

Design Decision – Scope

The Purchasing and or Accounts Payable legacy systems that will be replaced by SAP are:

- PCRD (Procurement Card)
- ADDS (Accounts Payable)
- FMSP (Financial Management Systems)
- PMFS (Project Management Financial System)
- CFMS (Contract Financial Management System)
- AFS (Advantage Financial System)

Therefore, the purchasing, invoicing, and payment functions that were performed in the legacy systems above will now be done using the SAP ECC system. The vendor master data stored in these legacy systems will be the basis for the vendor master data transferred or converted to SAP. Legacy vendor master records will be cleansed (as much as possible) in the legacy system.

Although most of the legacy Purchasing and Accounts Payable system functions will move to SAP, not all legacy systems will be replaced by SAP. Some systems (and the business functions performed in those systems) will remain in place. The legacy system will update SAP with expense and other accounting information on a scheduled basis via SAP interface.

Design Decision – Scope

The Purchasing and or Accounts Payable legacy systems that will <u>interface</u> to SAP ECC modules outside of Accounts Payable (i.e. Grants, General Ledger, etc) will be:

- Department of Education (eGrants Management System)
- Department of Health and Hospitals (Medicaid specialized payment system)
- BRIS (Blind Services)
- TIPS (Child Welfare)
- DDS (Disability Determinations Services)
- CAPS (Child Care Assistance Programs)

- JAC

Since these legacy systems will not update the Accounts Payable or Purchasing modules, there is no integration with the vendor master. Any vendor related transactions that are performed in these legacy systems will not be interfaced to SAP Purchasing (MM) or Accounts Payable (AP) modules. Therefore, vendor master data found in these systems will not be converted to SAP.

There will be agencies that keep their legacy Accounts Payable system and interface the invoicing data from the legacy system to SAP ECC. Vendor payments will be made from SAP.

Design Decision – Scope

The Purchasing and/or Accounts Payable legacy systems that will interface to SAP ECC AP module will be:

- Office of Elderly Affairs
- Department of Health and Hospitals (Payment system)
- Department of Public Safety (CRAS)

A final word on scope, there will be few legacy systems that will not be replaced by SAP and will not have an automatic interface to SAP. If there is a need or requirement to update SAP ECC General Ledger with information from these legacy systems, the update must be done manually by a State Agency end user. AP team will confirm with DSS regarding status of LAMI and LASES for interface during Realization phase.

Design Decision – Scope

The legacy systems that will not be replaced by SAP nor interface to SAP are:

- ESTI (DOTD)
- TMS & IMS /Imprest (System used to pay refunds to One-Time Payees)
- LAMI (TANF, Food Stamps, and FITAP)
- LASES (Louisiana Automated Support Enforcement System)

Vendor Master Maintenance Process

The SAP vendor master is a master data object that contains all the necessary information required to conduct business between the vendor and the purchasing state agency. Vendor master data information is used when executing business transactions in the Accounts Payable (AP), Purchasing and Material Management (MM) and Real Estate (RE) modules. For example, vendor master data is used in the AP module for non PO related vendor invoicing and vendor payments. It is used in the MM and RE modules for purchase order (PO) and contract related invoicing. The vendor master data is also used in account management reporting across modules.

This document will describe the data maintenance process for the agencies that will use SAP AP, MM, and RE functionality. The vendor maintenance process includes: creating new vendor master records, changing existing vendor master records, blocking or unblocking vendor master records and marking records for deletion.

The master data maintenance process begins when a purchasing State Agency end user identifies a business need for a new vendor record or an update to an existing record in SAP. For example, a new master data request would be needed if a vendor invoice has been received but the vendor is not in the SAP master data database. Additionally, an end user can request vendor master data modifications when information such as the address or vendor name is not correct. To facilitate the request, the end user manually completes an online form in SRM and via SAP workflow; the request is emailed to a centralized data administrative group at Division of Administration (DOA). This document describes the maintenance for MM and AP vendors only.

The centralized group reviews the master data maintenance request and upon approval, updates SAP accordingly. The requestor is then notified of the request status via workflow. It is important to note that vendor master data requests will come from internal and external sources: internal request from personnel in Purchasing or Accounting and external requests coming from vendors who want to submit bids and complete a vendor registration form via Supplier Self Service (SRM-SUS). Both internal and external sources are considered 'end users' and will complete the same online form.

Design Decision – Maintenance Process

> End users will complete an online SAP workflow enabled form and send it to DOA. DOA will maintain and execute the vendor master data requests; entering vendor master data into the SAP system. DOA will use SAP workflow to communicate the request status or give other types of feedback.

DOA will be the central vendor master custodian responsible for maintaining non Payroll/HR vendor master data integrity. Designated personnel within the department will have broad access to the vendor master record, i.e. create, change, block/unblock, and mark for deletion and display access. End users will have a more limited access to the vendor master, i.e. display access only. This type of limitation will be controlled via SAP security.

The de-central initiation of vendor master data maintenance request but the centralized data maintenance strategy was adopted because:

- It is a simple design that is very similar to the established business practices, so it will be easy to follow when converting to SAP.
- It accommodates the business requirements of all modules while keeping a standard platform for the vendor master data (SAP best practice).

Vendor Master Configuration

In addition to discussing the data maintenance process, this document will also explain the master data make-up for the vendor record from a configuration point of view. This document will discuss vendor account group design and business partner design. The vendor account group is a central piece of master data configuration that controls the fields that are available on a master data record, specifies if the record uses one-time functionality, and defines the account numbering schema. It is important to distinguish between the business need for an additional account group and the business need to define vendor characteristics for reporting purposes. Multiple vendor account groups are defined when there is need to define varying field status definition, one-time functionality, or distinct account numbering across vendor groups. We will use the vendor characteristic fields to distinguish between different types of vendors for reporting purposes. The vendor master will be defined with several vendor characteristic fields (industry keys, purchasing fields, etc). These fields will serve as a means to categorize vendors based on specific aspects of the vendor's business. For example, vendors can be categorized as State Agency, Other Government, Commercial, etc. using the drop down predefined codes on the vendor master. Reports can be executed using the vendor characteristic fields as reporting parameters.

A vendor may have different roles within the SAP. For example, a vendor may have a corporate address but a different address is used to send POs, a different address is used for shipping and separate addresses used for invoicing and payments. These various vendor roles are called business partners in SAP. The standard SAP functionality allows unique business partners to be created in the system and linked to the central vendor record that represents the vendor's corporate or main office.

Design Decision – Master Data Configuration

> The vendor account group design will accommodate the required business partner strategy required by Purchasing and Accounts Payable. The current Payroll vendor design, account group design and vendor account numbering schema, will remain in place. The LaGov team will work with the HR Payroll team to make sure the account group and numbering design for the Procurement and Accounts Payable vendors design does not conflict with the HR design. The

vendor account group design in this document describes the Procurement and Accounts Payable vendor design only:

Account Group	Number Assignment	Number Range	MM Business Partner Role	Vendor Category
V9-Central Purchasing Vendor (1099)	Internally assigned	3100000-3199999	Central Purchasing Partner	Purchasing
VN-Central Purchasing Vendor (Non 1099)	Internally assigned	3100000-3199999	Central Purchasing Partner	Purchasing
OA-Purchase Order Address Vendor	Internally assigned	4100000-4199999	Purchase Order Address Partner	Purchasing
PL-Plant Vendor	Internally assigned	6100000-6199999	Plant Partner (Shipping)	Purchasing
P9-Invoicing Vendor (1099)	Internally assigned	5100000-5199999	Invoicing or Alternative Payee Partner	Accounts Payable
PI-Invoicing Vendor (Non 1099)	Internally assigned	5100000-5199999	Invoicing or Alternative Payee Partner	Accounts Payable
AP One Time Vendor	Externally assigned	AAAAAAAAAA-ZZZZZZZZZZZ	Not Applicable	Accounts Payable

Proposed vendor number ranges are flexible to incorporate any changes (in numbering schema) as needed.

The Central Purchasing Vendors (V9, VN) will share a number range 3100000 – 3199999 and Invoicing Vendors (P9, PI) will use number range 5100000 -5199999. The SME's did not see any value in have 2 different number ranges for the Purchasing vendors (1099 or non 1099) or AP vendors (1099 and non 1099). By keeping the same number range the account group can be adjusted if the vendor was set up with the wrong account group during data maintenance. For example, if a vendor was originally thought to be a non 1099 vendor and thus set up with the VN account group; the vendor record could be 'switch' to the 1099 account group (V9) later if it is found that the vendor is 1099. The transaction to switch account groups only works if the account groups in question share a number range. The vendor would then be switch to the correct account group and the required information for that account group would be entered so that the record is consistent with all other records in the group. The transaction to 'switch' account groups is XK07.

The key aspect to the SAP vendor master design is that there will be one vendor that supports all areas within the state. Vendors are not agency specific in SAP. If a vendor does business with multiple state agencies, that vendor will have only one record within the SAP vendor master database. State Agency level reporting will be done at transactional basis using business area or another SAP object.

Another important aspect of vendor master design is the approach used for reconciliation account definition on the master record. The reconciliation account field is the central integration 'link' between Accounts Payable transactions and the General Ledger. The reconciliation account defined on the master record will be the general ledger account that is used when posting accounting transactions involving the vendor record.

Design Decision – Master Data Configuration

Vendors will have reconciliation accounts defined based on one of three categories outline by account group in the matrix above:

1. Purchasing and Accounts Payable vendors
2. Employee Vendors
3. Payroll Vendors

Each vendor category will have its own distinct reconciliation account defined in the General Ledger module.

The vendor master functionality that will not be used or used in a limited function is:

- Vendor/Customer integration functionality will NOT be used
- One time vendor functionality will be limited to Non PO related transactions only

To-Be Process Description

The SAP vendor master is a master data object that contains all the necessary information required to conduct business between a vendor and the purchasing state agency. The vendor master data maintenance process includes the following business activities: creating new vendor master records, changing or updating existing vendor master records, blocking or unblocking vendor master records from invoicing and payment transactions or marking vendor master records for deletion.

Each SAP business transaction requires some type of master data in order to enter the document into the system. Data integrity is a central component in master data maintenance. The business transactional data is directly dependent on the data integrity of the master data used in the transaction. If the master data has no integrity and contains errors or incorrect data, then the business transactions using the master data is incorrect as well. The vendor master record will be used throughout the ECC system (AP, MM, RE, SRM, GM, HR modules) for data entry of vendor invoices and credits, reporting of vendor information, disbursing vendor payments and overall vendor account management. Because data integrity is so important the maintenance of vendor master data is central to the entire purchase order/contract to vendor payment business processes. To ensure that the vendor master data maintains data integrity, updating of data records will be performed by a central group. By limiting the personnel that have update access to vendor master records, it will be easier to control and monitor.

During Realization, legacy vendor master records will be extracted from legacy systems, stored in a designated file format, and loaded into a staging area where further cleansing and standardization routines will be performed via load program. The State Agency subject matter experts (SME's) will have the responsibility of cleansing the data prior to data extract and load into SAP; AP team will review and make any necessary changes as needed. The cleansed data will be loaded into the SAP vendor master database using a conversion program. Therefore, the initial SAP vendor master database will be populated using legacy data. The detailed conversion strategy and functional and technical specifications for load programs will be documented during Realization.

Vendor Master Maintenance Process: Create a vendor master record

Request for new master records or changes to existing will come from several sources. Master data requests can come from internal state agency personnel in the Purchasing or Accounting departments when the vendor submits a corporate name change form or a W-9 vendor record form. Requests can come when the state agency personnel identifies a need to create or change a vendor record in order to conduct business with the vendor. The master data requests can come from the 'self service' SRM website that provide a means for vendor self registration. The SRM website supports the current LaPAC, DOTD Contractor, and DOTD Consultant websites. See PDD LOG-PDD-PUR001-Procurement Master Data for details on the SRM functionality and website design.

The need for a vendor record update will be documented using an online SAP workflow enabled form. The SRM functionality and Workflow functionality will be used to develop the form and transmit form information into vendor database. However, prior to sending any requests to maintain a vendor master record, the state agency personnel (agency end user or DOA) will first research the vendor master records to make sure that their vendor request is not already in the system. The end user will have display access to standard master data reports and the master account number match code look-up function. If the vendor is not in the master database, then a new master record is needed. The end user

will complete an online master maintenance form in SRM. The master maintenance form will be saved in SRM and a workflow will be sent to the centralized vendor master custodian group (DOA).

DOA will receive the electronic request and review the data on the form. If the form has been completed correctly, DOA will accept the form and begin work on the request. If the form is incomplete or incorrect, DOA will reject the form and send it back (via SAP workflow) with an explanation for the rejection. The end user can then correct the form and resubmit or cancel the request.

For new vendor requests, DOA will first search the vendor database to make sure that the vendor is not already defined in the system. If the vendor is found in the SAP, DOA will update the request form with the vendor's account number information and send the completed request form back to the requestor. If the vendor is not in the SAP system, DOA will use the information from the form and create the vendor using an automated transaction that can pull the online information into the SAP vendor record. The end user provides most of the vendor information (name, address, phone number, etc) but there is some information that is not on the request form. There will be a section on the online form that DOA completes that holds the required information not provided by the requestor.

For example, the requestor may not know the correct account group to create the vendor but DOA will be trained to know the correct account group. Additionally, some information can be determined during the data transfer using program logic. For example, reconciliation account can be automatically determined based on account group. Most importantly, the key aspect of this part of the design is that there will not be a double data entry of the same information. The end user will provide information on the online request form, DOA will supplement the information as needed and the transfer program will complete any of the missing information so that the record can be generated using the SAP system; not via a manual data entry.

Following the same business policies and procedures established in the current environment, DOA will provide data integrity oversight and management of the vendor master data maintenance process. For example, if a request does not specify that a vendor is 1099 reportable, but DOA decides that the vendor is a 1099 vendor, the vendor will be defined as a 1099 vendor. If a request does not specify a business partner 'link' for a new vendor master record but the information on the form leads one to believe that the record is a business partner of an established central vendor, DOA will contact the requestor to verify the request and validate if a business partner 'link' is needed. DOA creates the new vendor record according to business need and the system/design requirements. After the record has been created in the system, DOA updates the request form with the vendor's account number information and sends the completed form to the requestor.

Vendor Master Maintenance Process: Change a vendor master record

Requests to update or change vendor master record information will follow the same process as new vendor master requests. The end user will complete a vendor master maintenance request form with the required change information. DOA will review the form for completeness and upon approval, enter the change into SAP. The requester will be notified of the change.

It is important to note that change requests are not automatically entered into SAP. From a business procedure point of view, the SAP vendor master maintenance business design follows the current business process design in place for vendor master maintenance. Accordingly, the established DOA procedures, i.e. separation of duties and maintenance procedures will be followed when using SAP. This means that any supporting or 'back up' documentation that was required for new requests or change requests in legacy system is also required for SAP. For example, W-9 forms are currently required for new vendors or name/address changes, this type of 'back up' documentation will still be required for SAP maintenance requests.

During Realization, DOA and the LaGov Project/Vendor Master Maintenance team will review the current practices in detail and confirm what back up documentation will remain as a part of the process and which can be eliminated. Likewise any separation of duties within DOA personnel or any manager request

approvals that were needed prior to SAP are still in place for SAP. The LaGov project will work with DOA during the Realization phase of the project to determine, if any of the procedures are out dated or satisfied using some other function in the system.

DOA has the responsibility of communicating any security or transactional restrictions by personnel to the LaGov Project Team so that SAP security design supports DOA separation of duties policies. Additionally, it will be the responsibility of DOA to update any internal business policy/procedural documentation if the documentation should include actions specific to SAP vendor master maintenance. SAP training materials (system related documentation) will be documented during Realization by the LaGov project team.

Procedural documentation that relates to business policy (not system related tasks) is considered desk procedures. System task documentation (i.e. the steps involved in entering an invoice) is considered a part of SAP system training and will be documented by the LaGov team. However, it is important to note that business policies, personnel related documentation or office policy related procedures are led by DOA not the LaGov Team. With the assistance/input of the LaGov team, DOA must update current desk procedures and service level objectives for vendor data maintenance process.

Vendor Master Maintenance Process: Block or unblock a vendor master record for deletion

Create and change requests supporting vendor master maintenance will utilize a SRM based workflow enabled form. This approach was taken because create and change requests can come from internal and external sources. Using the SRM portal as a basis for the request provides a uniform design. However, requests to block or unblock a master record will only come from internal sources (i.e. state agencies). The block or unblock requests will not be as high of a volume as create and change requests. Accordingly, it would be unnecessary to develop a SRM or workflow enabled online form. The proposal is to develop an Excel based form that will be manually emailed to the central team for data entry.

Special considerations are needed for request to block/unblock or mark a vendor for deletion. Standard SAP allows vendor to be blocked/unblocked from all Purchasing transactions (requisitions, purchase orders and goods receipts), all Accounting transactions (invoices, credits, and payments) or from both Purchasing and Accounting transactions. However there is a business requirement from Treasury to allow vendors to be blocked from payment transactions only if the vendor has been identified as non compliant by Treasury. DOA will research and maintain non complaint vendors in SAP. A custom field and custom validation programming will be required to completely fulfill Treasury's business requirement. For more information on the validation process prior to vendor payment, see PDD FIN-AP-PDD020-Vendor Invoice through Payment.

Vendor Master Maintenance Process: Mark a vendor master record for deletion

Marking vendor for deletion has integration considerations as well. Vendors will be marked for deletion according to an established master data archive strategy. Archive functions are not in scope for the current LaGov project. Archive strategies take into consideration data integration or dependencies, internal State policies or legislation and external legislation such as IRS rulings. Detailed archiving strategies will be discussed and developed at a later time by the state.

Therefore, end users may only mark vendor master records for deletion; but no actual archiving or removal of the master record will take place. Similar to the block or unblock a vendor requests, mark for deletion requests will be communicated using a manual excel based form. If the vendor in question does not have any open transactions (including Purchase Orders) and the business reason for the deletion is approved, the record is blocked from both Purchasing and Accounting transactions then marked for deletion. Because SAP vendors are shared across all agencies and because the block/unblock function effects all transactions within the blocked area (Purchasing and or Accounting), DOA must design desk procedures that incorporate a review/approval process (within an agency and cross agencies) for blocking/unblocking master records and marking vendor records for deletion.

Vendor Master Data Configuration Description

SAP vendor master records will be used in several areas within the state (requisitioners, buyers, and finance and account personnel, etc). The vendor master record will be used primarily and most prevalently in the purchase order creation, outline agreement creation, and accounts payable business processes.

The fields available on the vendor master are configurable according to business requirements placed on each account group. Vendor Account groups control:

1. Allowed account number range
2. Specifications of external or internal account number assignment
3. Field availability on the master record otherwise known as field status configuration

Multiple vendor account groups are defined when there is a business need to separate vendors by (1) different account numbering schemas and or (2) different field status requirements. This vendor master data design is based on input provided by state agency SME's supporting master data business needs (per vendor group), SAP system requirements needed to support specific functionality (i.e. business partner roles and one-time vendors) and business function within the organization.

The following table outlines the proposed account groups, account number ranges, and specification of internal or external account number assignment for each account group.

Account Group	Number Assignment	Number Range	MM Business Partner Role	Vendor Category
V9-Central Purchasing Vendor (1099)	Internally assigned	3100000-3199999	Central Purchasing Partner	Purchasing
VN-Central Purchasing Vendor (Non 1099)	Internally assigned	3100000-3199999	Central Purchasing Partner	Purchasing
OA-Purchase Order Address Vendor	Internally assigned	4100000-4199999	Purchase Order Address Partner	Purchasing
PL-Plant Vendor	Internally assigned	6100000-6199999	Plant Partner (Shipping)	Purchasing
P9-Invoicing Vendor (1099)	Internally assigned	5100000-5199999	Invoicing or Alternative Payee Partner	Accounts Payable
PI-Invoicing Vendor (Non 1099)	Internally assigned	5100000-5199999	Invoicing or Alternative Payee Partner	Accounts Payable
AP One Time Vendor	Externally assigned	AAAAAAAAAA-ZZZZZZZZZZZ	Not Applicable	Accounts Payable

Central Purchasing Vendors (V9, VN) will have shared number range 3100000 – 3199999 and Invoicing Vendors (P9, PI) will use shared number range 5100000 - 5199999. The SME's did not see any value in have 2 different number ranges for the Purchasing vendors (1099 or non 1099) or AP vendors (1099 and non 1099). By keeping the same number range the account group can be adjusted if the vendor was set up with the wrong account group during data maintenance. For example, if a vendor was originally thought to be a non 1099 vendor and thus set up with the VN account group; the vendor record could be 'switch' to the 1099 account group (V9) later if it is found that the vendor is 1099. The transaction to switch account groups only works if the account groups in question share a number range. The vendor would then be switch to the correct account group and the required information for that account group would be entered so that the record is consistent with all other records in the group. The transaction to 'switch' account groups is XK07.

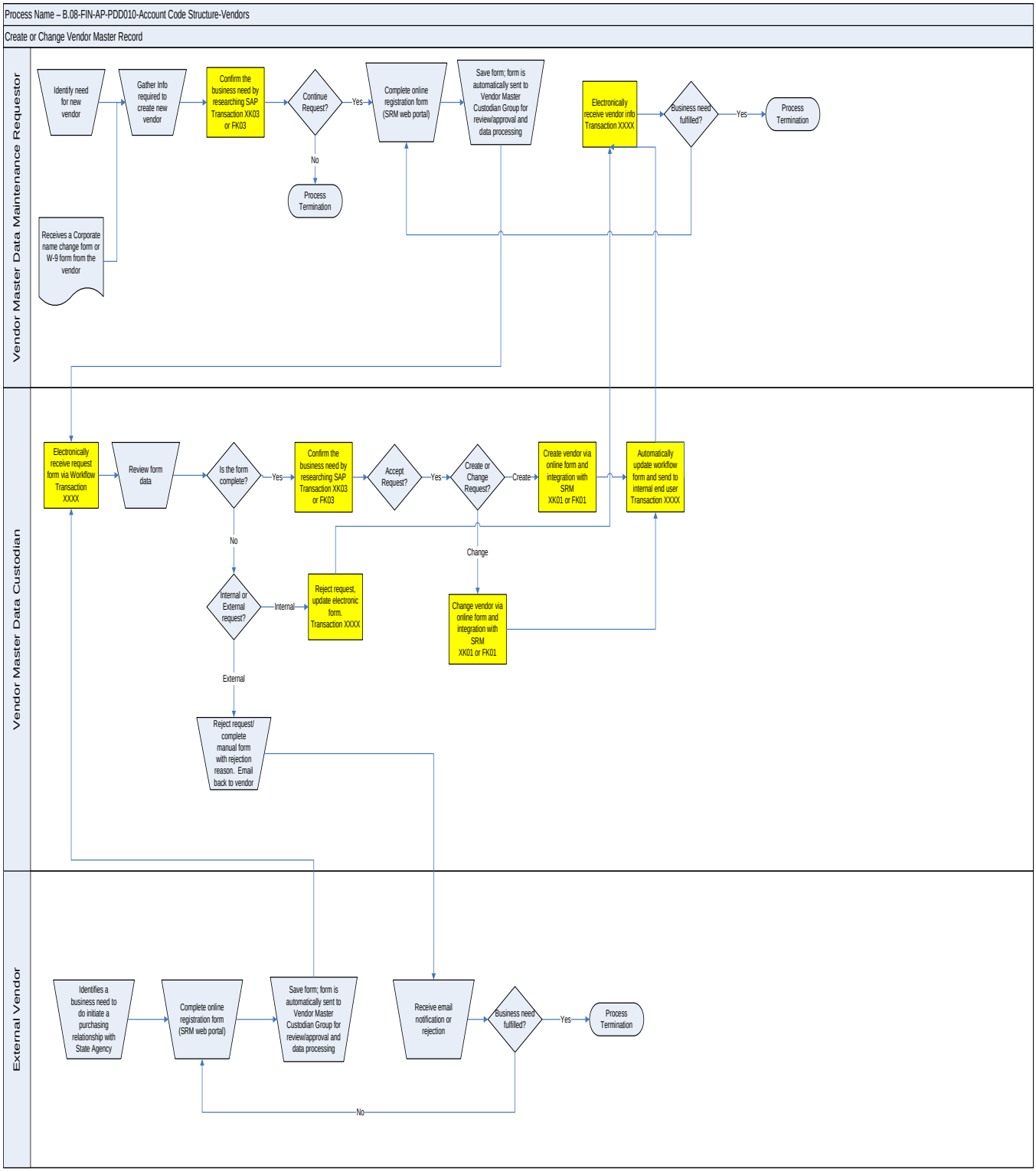
The field status of each account group is configurable. The settings are configured in the IMG. Field status settings determine which fields are required, optional, display only or suppressed. The data on the vendor master dictates key transactional data behavior such as system defaults or allowed procedures. Vendor Master field status has been documented in the appendix section of this document.

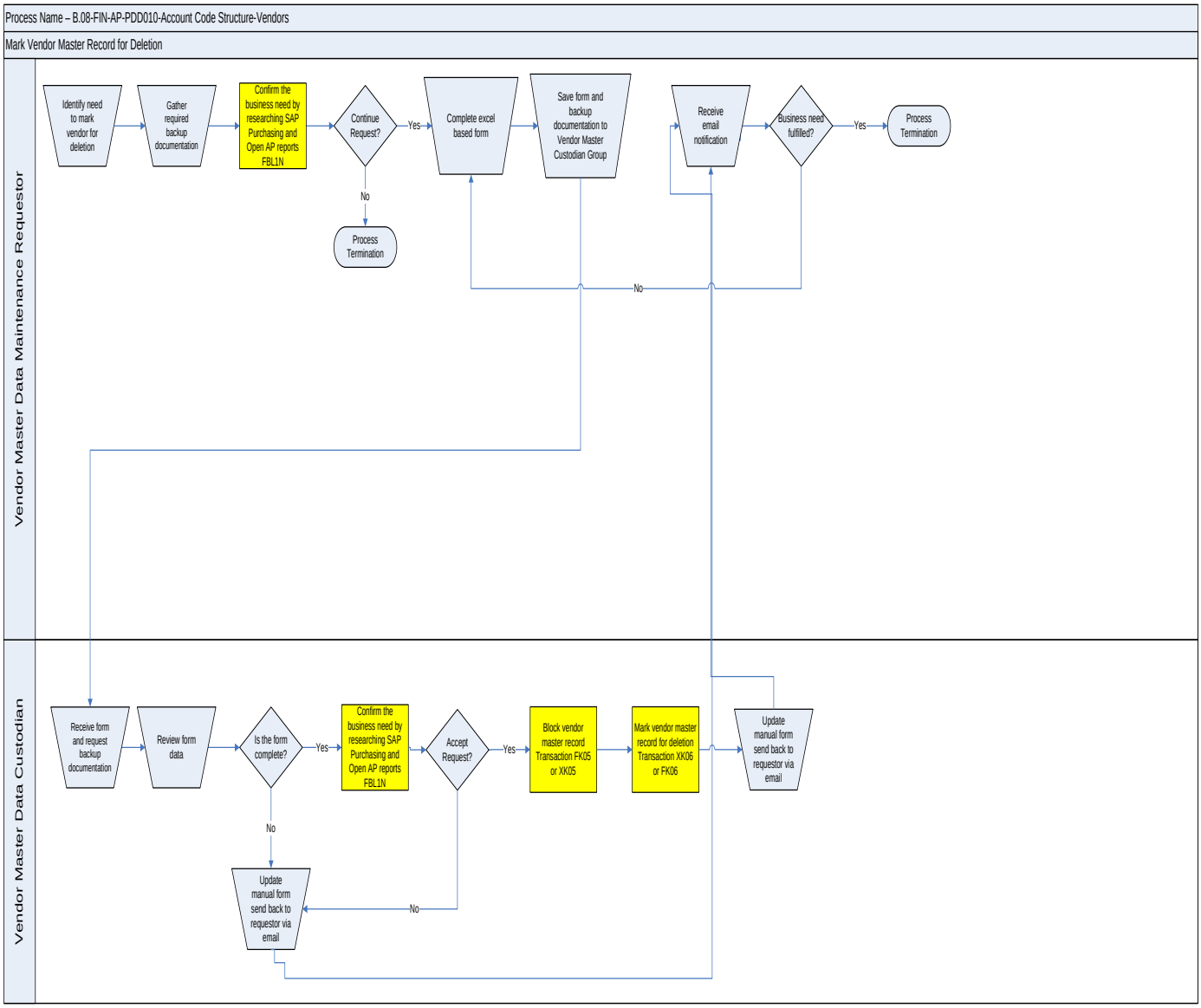
Another key aspect to vendor master configuration is the vendor Purchasing (MM) business partner configuration. Business Partners are used in the MM and AP modules to define the different roles that a Vendor can play in the Procurement Process. For some vendors there are different business units within their organization that fulfill different procurement roles. Each business unit or role may have a different address. For example, a vendor may have separate addresses for Purchase Order submission and Invoice payment. In this case the vendor would be defined with a PO partner and an Invoicing partner. Both records will have different address information and be 'linked' to the central vendor master record on the business partner section of the record. Because business partners have varying roles with the procurement process, the master data required on their records will vary as well.

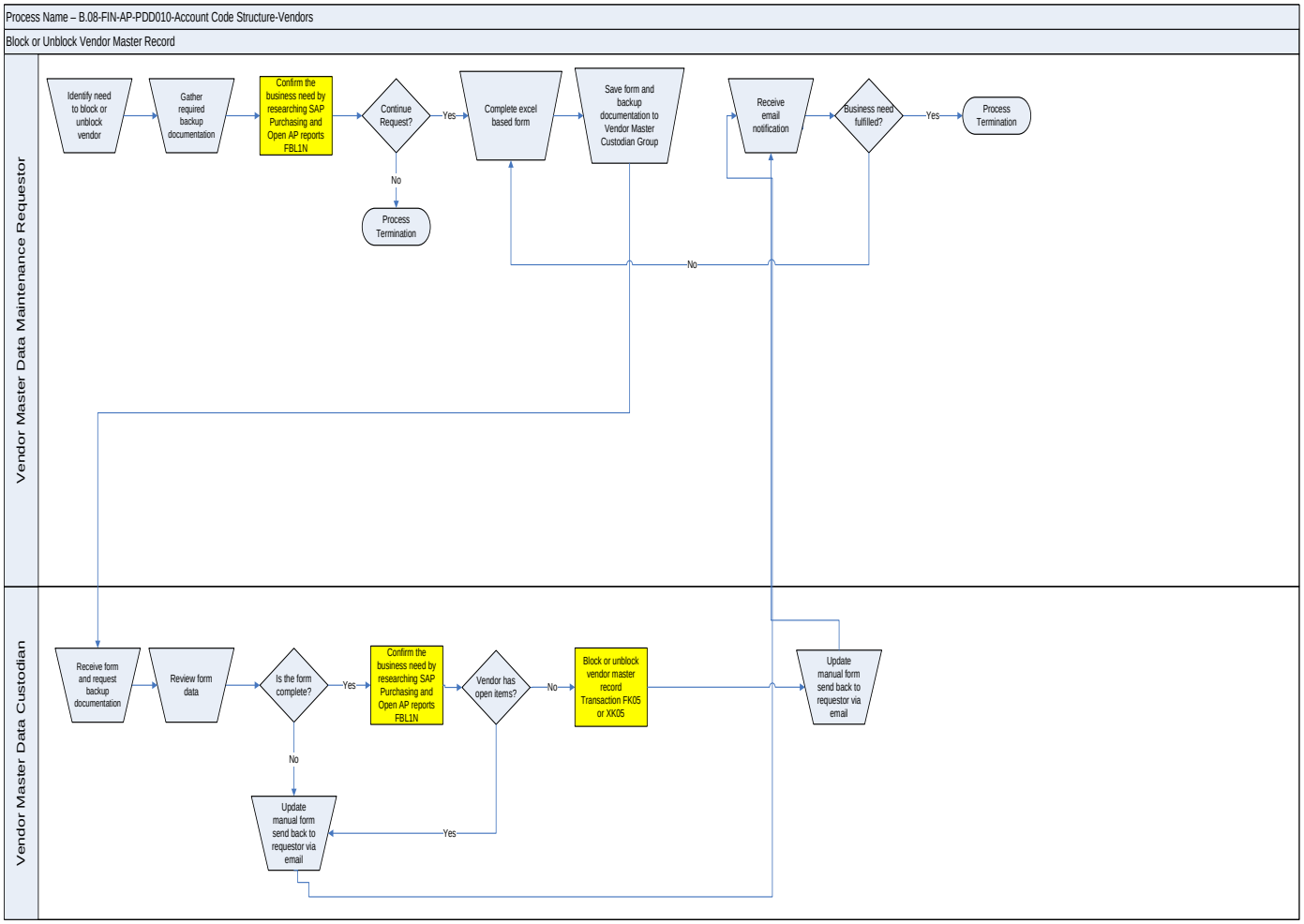
Because master data integrity is essential in SAP, it will be very important that DOA understand the data make-up of the SAP vendor account groups including the relationship between records or the business partner strategy. The vendor master maintenance training will highlight this importance.

#	Process Terminology	Description
1	PO related and Non PO related transactions	Transactions (invoices) that require (PO related) or do not require (Non PO related) a Purchase Order in order to be entered into the system and paid to the vendor.
2	Staging area (for data conversion)	An intermediary database where extracted legacy data can be compiled reviewed and modified prior to loading into SAP during data conversion.
3	SME's	Subject Matter Experts or personnel from each state agency that has been identified as key external resources for the LaGov project. SME's help identify business requirements and guide the configuration design.
4	Account group	SAP configuration that determines the behavior of a master record such as: account number schema and field level requirements on the record.
5	One time vendor	SAP functionality that allows the vendor master data to be entered directly into the accounting or purchasing transaction rather than establishing a long term vendor master record in the traditional vendor master database.
6	1099 reportable	Payments that were made to a 1099 vendor and should be included in the end of year 1099 IRS reporting
7	Business partner functionality	SAP functionality that allows one vendor to have different addresses based on roles played in the procurement process.
8	Field status definition	The field status configuration detail which fields will be available on the vendor master record and if the field is required data entry, optional data entry or suppressed/display only from the screen.

To-Be Process Flows


Process Name – B.08-FIN-AP-PDD010-Account Code Structure-Vendors
Create or Change Vendor Master Record
Vendor Master Data Maintenance Requestor
Identify need for new vendor
Gather Info required to create new vendor
Confirm the business need by researching SAP Transaction XK03 or FK03
Continue Request?
Yes
No
Process Termination
Complete online registration form (SRM web portal)
Save form; form is automatically sent to Vendor Master Custodian Group for review/approval and data processing
Electronically receive vendor info Transaction XXXX
Business need fulfilled?
Yes
Process Termination
Receives a Corporate name change form or W-9 form from the vendor
Vendor Master Data Custodian
Electronically receive request form via Workflow Transaction XXXX
Review form data
Is the form complete?
Yes
No
Confirm the business need by researching SAP Transaction XK03 or FK03
Accept Request?
Yes
Create or Change Request?
Create
Change
Create vendor via online form and integration with SRM XK01 or FK01
Automatically update workflow form and send to internal end user Transaction XXXX
Internal or External request?
Internal
External
Reject request, update electronic form. Transaction XXXX
Change vendor via online form and integration with SRM XK01 or FK01
Reject request/ complete manual form with rejection reason. Email back to vendor
External Vendor
Identifies a business need to do initiate a purchasing relationship with State Agency
Complete online registration form (SRM web portal)
Save form; form is automatically sent to Vendor Master Custodian Group for review/approval and data processing
Receive email notification or rejection
Business need fulfilled?
Yes
Process Termination
No


Process Name – B.08-FIN-AP-PDD010-Account Code Structure-Vendors
Mark Vendor Master Record for Deletion
Vendor Master Data Maintenance Requestor
Identify need to mark vendor for deletion
Gather required backup documentation
Confirm the business need by researching SAP Purchasing and Open AP reports FBL1N
Continue Request?
Yes
No
Process Termination
Complete excel based form
Save form and backup documentation to Vendor Master Custodian Group
Receive email notification
Business need fulfilled?
Yes
Process Termination
No
Vendor Master Data Custodian
Receive form and request backup documentation
Review form data
Is the form complete?
Yes
No
Update manual form send back to requestor via email
Confirm the business need by researching SAP Purchasing and Open AP reports FBL1N
Accept Request?
Yes
No
Block vendor master record Transaction FK05 or XK05
Mark vendor master record for deletion Transaction XK06 or FK06
Update manual form send back to requestor via email


Process Name – B.08-FIN-AP-PDD010-Account Code Structure-Vendors
Block or Unblock Vendor Master Record
Vendor Master Data Maintenance Requestor
Identify need to block or unblock vendor
Gather required backup documentation
Confirm the business need by researching SAP Purchasing and Open AP reports FBL1N
Continue Request?
Yes
No
Process Termination
Complete excel based form
Save form and backup documentation to Vendor Master Custodian Group
Receive email notification
Business need fulfilled?
Yes
Process Termination
No
Vendor Master Data Custodian
Receive form and request backup documentation
Review form data
Is the form complete?
Yes
No
Confirm the business need by researching SAP Purchasing and Open AP reports FBL1N
Vendor has open items?
No
Yes
Block or unblock vendor master record Transaction FK05 or XK05
Update manual form send back to requestor via email
Update manual form send back to requestor via email

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	The Purchasing and or Accounts Payable legacy systems that will be replaced by SAP are: PCRD (Procurement Card), ADDS (Accounts Payable), FMSP (Financial Management Systems),PMFS (Project Management Financial System), CFMS and AFS (Advantage Financial System)	These legacy systems will be decommissioned and all business processes performed in them will use SAP ECC.	State Agency personnel will require training in SAP ECC.
2	The Purchasing and or Accounts Payable legacy systems that will interface to SAP ECC modules outside of Accounts Payable (i.e. Grants, General Ledger, etc) will be: Department of Education (eGrants Management System) , Department of Public Safety (CRAS) ,Department of Health and Hospitals (Medicaid specialized payment system), Governor's Office of Homeland Security & Emergency Preparedness, BRIS (Blind Services), TIPS (Child Welfare), DDS (Disability Determinations Services), APS (Child Care Assistance Programs), JAS – STEP	Existing interfaces will be designed using SAP ECC.	None
3	The legacy systems that will not be replaced by SAP nor interface to SAP are: ESTI (DOTD), TMS & IMS /Imprest, LASES (Louisiana Automated Support Enforcement System), LAMI (TANF, Food Stamps, and FITAP)	The SAP ECC General Ledger will be updated manually	State Agencies will be required to develop desk procedures supporting manual update process.
4	The Purchasing and or Accounts Payable legacy systems that will interface to SAP ECC AP module will be: Office of Elderly Affairs Department of Health and Hospitals	There will be a need to rewrite the existing interface. The procedural impact will depend on how the ECC interface is written.	None
5	DOA will maintain vendor master centrally. End users at the state agency will initiate vendor master maintenance requests using an online SAP workflow enabled form.	End users will have a process change moving from directly entering the record into the system to using an online form to store the request. DOA will have a process change because the online form data must be automatically transferred to SAP using a transaction.	None
6	There will be 7 account groups defined in SAP to support MM and AP business processes. The vendor account group design will accommodate the required business partner strategy required by Purchasing and Accounts Payable. The current HR vendor design and current records will remain in place.	DOA will be using new functionality (account groups) to create and maintained vendors.	Agency that is responsible for maintaining the vendor master must be well educated on the business requirements and each account group.
7	Vendors will have reconciliation accounts defined based on one of three categories : • Purchasing and Accounts Payable vendors • Employee Vendors • Payroll Vendors	None	None
8	Vendor/Customer integration functionality will NOT be used.	None	None
9	One time vendor functionality will be limited to Non	This is new functionality that will	None

#	Decision	Process Impact	Organizational Impact
	PO related transactions only	allow expanded use of the ECC system to include transactions that were done using Imprest account procedures. With ECC, the state agencies can process one time payments using the standard AP system. DOA will have the responsibility of monitoring the use of the one time vendor functionality to make sure that it is not being used to subvert the standard vendor master data maintenance process.	

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified.		

No changes or additional statue, regulation, policy or procedural impacts have been identified.

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: Vendor Master Data Maintenance						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Electronic vendor SRM registration form (workflow enabled form)	Used to facilitate vendor master maintenance request from end users to DOA (create or change requests)		X	Used to facilitate vendor master maintenance request from end users to DOA	SRM Team	The object is owned by the SRM/MM team

Manual excel based vendor maintenance form supporting block/unblock request and mark for deletion requests from internal state agency end users.

R – Reports	Master List of Current and Future State Reports: Vendor Master Data Maintenance						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Minority vendor query	Report of business activity for minority vendors	X	X	Report is used in Purchasing to report on vendor activity (invoicing and payments) by minority code	MM Team	
2.	Vendor by commodity	Report of business	X	X	Report is	MM Team	

R – Reports	Master List of Current and Future State Reports: Vendor Master Data Maintenance						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
	code query	activity for vendors by commodity code			used in Purchasing to report on vendor activity (invoicing and payments) by commodity code		
3.	One time vendor report	Report used to monitor the invoicing and payments to one time vendors		X	Report will be used to monitor payments to one time vendors	AP Team	

I – Interfaces	Master List of Current and Future State Interfaces: Vendor Master Data Maintenance						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	LED - Small and Emerging Business Development Business (SEBD) and Small Entrepreneurship (SE) vendor file interface	Update SAP vendor master database with SEBD and SE data	X	X	Current business requirement	AP Team	
2.	La Tech, City of New Orleans, and LSU vendor file interface (LaPAC)	Outbound interface with SAP vendor master data information	X	X	Current business requirement	AP Team	
3.	LASES (Louisiana Automated Support Enforcement System)	???		X	Current business requirement	AP Team	
4.	LAMI (TANF, Food Stamps and FITAP)	???		X	Current business requirement	AP Team	

C - Conversions	Master List of Future State Data Conversions: Vendor Master Data Maintenance						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Vendor master data	SAP vendor master data	Advantage Financial System (AFS)	SAP	Data base conversion for go-live	TBD	
2.	Vendor master data	SAP vendor master data	LaPAC	SAP	Data base conversion for go-live	TBD	
3.	Vendor master	SAP vendor	AGPS	SAP	Data base	TBD	

C - Conversions	Master List of Future State Data Conversions: Vendor Master Data Maintenance						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
	data	master			conversion for go-live		
4.	Vendor master data	SAP vendor master	DOTD systems	SAP	Data base conversion for go-live	TBD	
5.	Vendor master	SAP vendor master	DPS (CRAS)	SAP	Data base conversion for go-live	TBD	

E – Enhancements	Master List of Future State Enhancements: Vendor Master Data Maintenance				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1	Using form information, automatic updates to SAP vendor master (create)	Program that creates vendor record based on form data	Vendor maintenance	Provides a way to eliminate duplicate data entry	This workflow is owned by the SRM team.
2.	Custom fields	Custom fields to identify a minority vendor	Minority vendor reporting	Required for reporting	None
3.	Custom fields	Custom fields to identify commodity on vendor master	Commodity code reporting by vendor	Required for reporting	None
4.	Custom field	Custom field that specifies Treasury non compliance on the vendor master record	Non compliance check for vendor payments	Required for Treasury's non compliance check prior to transmitting a vendor payment	None
5	Custom validation (user exit)	Validation check that confirms all vendors with ACH or EFT payment methods have bank master details defined in the master record	Validation of missing bank details for ACH vendors	Current requirements	None

W – Workflow	Master List of Future State Workflow Events: Vendor Master Data Maintenance		
No.	Description	Justification	Comments
1.	Notification from SRM to review/approve the vendor master record from SRM to SAP	Electronic notification to review/approve a vendor master record	This workflow is owned by the SRM team.

Gaps

Gaps	Master List of Future Gaps: Vendor Master Vendor Master Data Maintenance

No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions:

Authorizations		Master List of Future State Roles/Authorizations: Vendor Master Vendor Master Data Maintenance		
No.	Role	Description	Strategy	Special Considerations
1.	Vendor Master Data Custodian	Organization responsible for data maintenance (DOA)	Central data management	None
2.	Vendor Master Data Maintenance Requestor	End user initiating the data maintenance request	De-central initiation via electronic workflow	None

Organizational Impact:

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Establishing desk procedures including service levels for data maintenance process	Current procedure does not include policies regarding blocking/unblocking a vendor (as it is done in SAP) or marking vendors for deletion.	None
2.	All vendor master data (MM and AP related) will be maintained centrally at DOA	DOTD & DPS (specialized payment sub systems) were not included in ISIS vendor database; added record maintenance	Unknown

Training Impact:

Identify potential training impacts that result from the defined business process. The content includes the potential number of people to be trained, their organizational alignment, and the level of process knowledge required.

- The vendor master maintenance screens and data design was very simple compared to SAP maintenance transaction and data design. DOA will require extensive training.
- Training for end-users on the request form.

Appendix

Not applicable.

Team:	Finance – Accounts Payable
PDD Name:	Vendor Invoice through Payment
PDD Number:	FIN-AP-PDD020-Vendor Invoice through Payment
Business Process Owner:	Afranie Adomako
Functional Lead:	Marietta Holliday
Functional Consultant:	Mary Walker

Executive Summary

Project Scope

The SAP Procurement and Accounts Payable functions will be done primarily in SAP. However, there will be some legacy systems that are not completely replaced by SAP.

Design Decision – Scope

The Purchasing and or Accounts Payable legacy systems that will be replaced by SAP are:

- PCRD (Procurement Card)
- ADDS (Accounts Payable)
- FMSP (Financial Management Systems)
- PMFS (Project Management Financial System)
- CFMS (Contract Financial Management System)
- AFS (Advantage Financial System)

Therefore the purchasing, invoicing and payment functions that were performed in the legacy systems above will now be done using the SAP ECC system The vendor master data stored in these legacy systems will be the basis for the vendor master data transferred or converted to SAP. Legacy vendor master records will be cleansed (as much as possible) in the legacy system.

Although most of the legacy Purchasing and Accounts Payable system functions will move to SAP, not all legacy systems will be replaced by SAP. Some systems (and the business functions performed in those systems) will remain in place. The legacy system will update SAP with expense and other accounting information on a scheduled basis via SAP interface.

Design Decision – Scope

The Purchasing and or Accounts Payable legacy systems that will interface to SAP ECC modules outside of Accounts Payable (i.e. Grants, General Ledger, etc) will be:

- Department of Education (eGrants Management System)
- Department of Health and Hospitals (Medicaid specialized payment system)
- BRIS (Blind Services)
- TIPS (Child Welfare)
- DDS (Disability Determinations Services)
- APS (Child Care Assistance Programs)
- JAS/STEP

There will be agencies that keep their legacy Accounts Payable system and interface the invoicing data from the legacy system to SAP ECC. Vendor payments will be made from SAP.

Design Decision – Scope

The Purchasing and or Accounts Payable legacy systems that will interface to SAP ECC AP module will be:

- Office of Elderly Affairs
- Department of Health and Hospitals (Payment system)
- Department of Public Safety (CRAS)

There will be one agency a few legacy systems that will not be replaced by SAP and will not have an automatic interface to SAP. If there is a need or requirement to update SAP ECC General Ledger with information from these legacy systems, the update must be done manually by a State Agency end user. During Realization, we will reconfirm that LASES and LAMI will not interface.

Design Decision – Scope

The legacy systems that will not be replaced by SAP nor interface to SAP are:

- ESTI (DOTD)
- TMS & IMS /Imprest (System used to pay refunds to One-Time Payees)
- LASES (Louisiana Automated Support Enforcement System)
- LAMI (TANF, Food Stamps, and FITAP)

The SAP vendor invoice through payment process supports the data entry process of the vendor invoice (PO and non PO related) through disbursing payment to vendor. In SAP, vendor invoices are classified as PO and non PO related. PO related invoices are invoices (also called Logistical Invoices) that require a purchase order (created in SRM module) prior to any invoice data entry or payment to vendor. Non PO related invoices (also called AP Invoices) are those invoices that do not require a PO prior to invoice data entry or payment to vendor. Purchasing policies outline what purchases require a PO and which do not require a PO. For additional information on the 'front end' purchase order process including purchasing policies, see Logistic Team's document LOG-PUR-PD005-PO Processing.

This document will outline the business design for invoice data entry, vendor credits, and vendor payments. Invoices and credit memos that are posted to SAP but not paid (cleared) are considered open items in the system. Posted open items update SAP Finance and related modules. This document will also discuss key configuration areas such as document number schema, logistical invoice configuration, custom validation rules and screen field status design for invoicing.

Design Decision – Vendor Invoice Data Entry (Logistical and AP Invoices)

Vendor invoices will continue to be received both de-centrally (at field branch offices) and centrally at the State Agency's central Accounts Payable office. The State Agencies agreed that the current design in place works well and there would be little value in moving to a one centralized data entry design. Accordingly, the current agency level office policies regarding manual desk procedures (vendor invoice filing, etc) will remain in place. The State Agencies have the opportunity to review the current manual practices and decide if they are still needed, however, the LaGov Team will not lead this task. It will be up to the individual State Agencies to decide which desk procedures should remain, be modified or be eliminated when SAP goes live.

The current design poses a challenge for training and go-live support. However, the organizations that attended the workshops agreed to follow a centralized training approach and require that the field branch offices come to the central State Agency Accounting office for training. Refer to Appendix section of this document to review the proposed field status settings for invoice and credit memo data entry screens.

Design Decision – Logistical Invoices

The current purchasing policies outline which invoices require a PO and which do not require a PO.

- However, it was decided during the Asset Accounting Blueprint sessions that capital asset purchases will always require a PO. This means that capital asset purchases are not

typically made using a procurement card or without a PO. This decision was made so that there would be more control on these types of purchases. For more information regarding capital asset acquisition see Asset Account (AA) Team's PDD FIN-AA-PDD030-AA Acquisitions.

- For non-capital tracked item acquisitions (which will be tracked with Notification Records in the Plant Maintenance module), refer to PDD FIN-AA-PDD030-AA Acquisitions.

It was also decided that Logistical invoices with invoice verification errors will be parked until the error can be resolved. Therefore we are NOT using the standard SAP workflow supporting invoice verification errors. The standard workflow requires that the invoice be posted (update to accounting) in order to trigger the workflow event. When the invoice posts, it will post with a special payment block depending on the invoice verification tolerance that was violated. The advantage of using the standard workflow is that it has built in workflow paths based on payment block. When an invoice is parked the special payment blocks are not activated because parked documents do not update accounting therefore no vendor payment is ever initiated. This means that we will need to customize a workflow solution based on parked documents. The Blueprint Workshop SME's decided that parking invoices would be better than posting because no one wanted to post expenditures that could be incorrect. Refer to Appendix section of this document for more information regarding the proposed invoice verification tolerance configuration settings.

Design Decision – Vendor Payments

This document will discuss the process supporting vendor payments. Vendor payments include clearing open invoices/credits, producing payment medium output (checks or ACH payment files), and producing the positive payment file. This document will outline key areas in the vendor payment process such as: what agency is responsible for managing vendor payment execution, what will be the pay schedule for check and ACH payments, identification of any output forms that are needed to support vendor payments and identification of any controls or audits that are required PRIOR to disbursing vendor payments.

The management of vendor payments will continue to be centralized. The payment program will be executed in an overnight batch process twice a week. There will be no centralized functional review of payment proposals prior to posting payment and producing payment output (checks or ACH bank files). As a standard practice, the payment proposals are reviewed for functional or business errors. Business errors include blocked vendor invoices, incorrect payment method, etc. The payment proposal review follows the invoicing data entry strategy. Since invoicing will be done de-centrally at each agency, the functional review of upcoming payments will also be done de-centrally. The payment process however will be centralized. The business review will be done by the agencies PRIOR to payment processing using standard vendor line item reporting. Each agency has the responsibility of making sure that invoices are posted in a timely manner and have the correct payment information (payment method, banking information, etc). It is more effective to have the business review done de-centrally because each agency has better knowledge of the business nature of the payment.

Proposals will be generated in batch and reviewed for technical errors. If a vendor is on the exception list of the proposal due to a common business exception scenario (blocked master record or invoice, etc) the state agency has the responsibility of dealing with that type of exception. OSRAP does not inform each agency of their functional exceptions. The agencies will execute reports in SAP to manage this process. If the proposal generation failed due to a technical error, OIS will resolve these issues prior to posting the payment. Payments will be posted and payment output generated on Tuesdays and Fridays. OSRAP will manage the check printing process. OIS will manage ACH file generation and transmission. Upon notification from OSRAP, OIS downloads the ACH bank files to a secure drive, encrypts the data, and transmits to bank via auto-script. The bank transmission triggers an automated Outlook email notification to the appropriate OSRAP mailing group indicating a successful transmission of the file. Accordingly, the automatic email notification will also detail transmission failures. In the case of transmission errors, OIS will resolve any technical issues.

There were two key business requirements was identified by OSRAP. Prior to any invoice clearing or vendor payments, a cash edit check must be performed on each invoice line item (by funding source). If the cash edit check fails, the invoice cannot be cleared and therefore the vendor payment cannot be made. Another type of validation check required prior to invoice clearing and vendor payment is a State Treasury Office vendor master data non compliance check. Payments made to vendors who are identified as Treasury non compliant are blocked from disbursement. Both of these validation requirements are not standard functionality in SAP and will require custom programming.

Lastly, this document will discuss the process of check management in SAP. Check management activities include voiding checks without re-issue, voiding checks with re-issue, canceling vendor payments/invoices, and management of stale checks. Check management also includes processing cashed check file received from the bank and maintaining check lot numbering. However, these bank reconciliation processes described above will be covered in the Cash Management (CM) Team's PDD FIN-CM-PDD010 Bank Accounting.

To-Be Process Description

Logistical Invoices

Logistical invoices are invoices that require a PO in order to be paid. Logistical invoicing in SAP can be performed by using either a 3-way match or 2-way match verification functionality. Logistical invoices that use 3-way match functionality validate the vendor's line item invoice amount by using the corresponding Purchase Order and Goods receipt information. Logistical invoices that use a 2-way match validation are invoices that support Purchase Orders that do not require a Goods Receipt. Therefore, the invoice verification validation compares the vendor invoice line item amount with the corresponding Purchase Order information only. Depending on the nature of the purchasing contract and what is being bought, logistical invoices may be 3-way or 2-way matched when received and entered into the system. The type of matching will depend on the type of PO made, goods receipt based versus no goods receipt expected. The types of purchases that typically require a PO are: commodity related purchases, asset related purchases, any purchase that requires a vendor bid and any purchase on a contract. Another constraint on logistical invoices is the type of vendor master record that can be used on the transaction. It was decided that all logistical related invoices have an established vendor master record on the PO and therefore on the invoice in order to be paid. This means that one-time vendor functionality will not be used on logistical invoices or purchase orders. One time vendors are allowed on non PO related invoices. This validation will be accomplished by creating the one time vendor master records without any purchasing views or data. Vendor master records require a purchasing view before it can be used in a purchasing related transaction. For more information concerning different types of Purchase Orders and how the Procurement process begins, see Logistic Team's PDD LOG-PUR-PD005-PO Processing.

Once the Purchase Order and necessary goods receipts are entered into the system, typically the vendor's invoice is sent to Accounts Payable or Purchasing. Some State Agencies require the vendor invoice to be reviewed by Purchasing Department or a project manager prior to data entry into SAP AP. Other agencies do not have this requirement. Since this is a manual desk procedure outside of SAP, each Agency will decide their vendor's invoice review process.

Depending on the State Agency, some vendor invoices are processed centrally at the State Agency's Accounting Office and some vendor invoices are processed de-centrally at a field branch office. The State Agencies took a different approach based on the business nature of the invoice. Invoices that support purchases that should be physically verified prior to payment are reviewed by personnel that actually received the goods or service. Because the goods or services may have been received at a field office location, the corresponding invoices are reviewed at the field office location as well. The State Agencies did not see much value in standardizing the data entry process across agencies or moving a centralized State process for AP. After reviewing the current infrastructure that supports Accounts Payable process (i.e. imaging, auto-fax, etc) it was decided that moving to a standard central data entry

strategy (shared service) would not provide a value added process to AP. Therefore the current business practices will remain in place when SAP goes live for AP.

The vendor's invoice is entered in SAP Logistical invoicing transaction by referencing the supporting Purchase Order(s) and verifying the defaulted invoicing information. The SAP system will use the Purchase Order number and default the expected invoice line item information based on PO data and relevant Goods Receipt data for each vendor line item. The AP department personnel will modify the defaulted information by comparing it to the physical vendor invoice received and making the necessary updates. If the vendor did not include a PO number, the PO number can be retrieved by doing a match code search based on PO reference field. The PO reference field may have the Vendor's sales order number information or some other cross reference information. If the PO number cannot be identified by AP, the Purchasing Department may be notified or the vendor may be called in order to receive the necessary information.

Each line item on the vendor's invoice is verified & entered in SAP. The invoice is simulated to review any budget availability errors (AVC), invoice verification tolerance errors and or Asset Accounting errors.

AVC validation is SAP functionality that is used to verify funding availability for each expense line item on the invoice. During the requisition and PO process, the requisition and follow on PO are entered with the required funding or accounting information provided for each line item on the PO. The requisition and PO approval process includes a Finance or Budget review step prior to the PO's final approval and use. AVC will be turned on during the PO process. Therefore budget must be in place prior to PO approval. AVC may be re-trigged during invoicing if the defaulted invoice line item amount (based on the PO) is changed during invoice data entry. If the AVC validation fails, the document is parked and the AP personnel will manually trigger a SAP workflow to the appropriate personnel in Budget. The detailed workflow procedure will be determined during Realization. The Budget personnel will have the responsibility of answering the workflow trigger, making the necessary adjustments in Accounting. If the necessary adjustments require a modification to the PO, Budget will cooperate with Purchasing to get the PO change order in the SAP. Budget will notify AP Department (using electronic SAP workflow) when the error has been corrected. The AP Department will continue with either a 1 tier or 2-tier review process.

The standard logistical invoice verification functionality provides system validation of invoice accuracy based on Procurement documents. If a vendor's invoice line item does not exactly match the expected billing line items based on the 3-way or 2-way match validation rules, the invoice is subject to invoice verification payment blocks. Invoice verification tolerance settings are used to single out invoices that violate acceptable variances. Invoice verification tolerances are defined in the system via IMG configuration. Invoice documents with line items that are within tolerance, pass the check, and are not blocked from payment when the document is posted. Vendor invoice documents that are entered into SAP and have line items that are not within tolerance are automatically blocked from payment when the document is posted. The LaGov Accounts Payable and Logistics teams will decide the invoice verification tolerance settings during Realization. The tolerance settings will support Purchasing Department and Accounting policies. Refer to the invoice verification tolerance setting spreadsheet in the Appendix section of this document for more details.

The State Agencies decided to forgo the standard automatic payment block upon posting and instead park invoices that simulate with an invoice verification tolerance error. The AP Department will manually trigger a workflow to the appropriate Procurement area (Purchasing Department, Buyer, Goods Receipt Department) so that the root cause of the error can be identified and resolved. The solution may require a change to the PO or an entry of a missing goods receipt. The solution may require a revised vendor invoice. When the root cause of the error has been resolved, the notified party will update the SAP workflow with the resolution and send it to the AP Department. The AP Department will continue with either a 1 tier or 2-tier review process.

Invoice simulation errors that are Asset Accounting related will be parked in the system. Asset related errors may include incorrect or blocked asset shells, incorrect account coding on an asset shell, etc. The

AP Department will manually trigger a workflow to the appropriate personnel in Asset Accounting. The Asset Accounting Department will research the issue, correct the root cause of the error, and send a workflow message back to AP Department. The AP Department will continue with either a 1 tier or 2-tier review process.

If the agency has a 2-tier invoice review process, the AP personnel entering the invoice will park the invoice as 'complete'. This special parking status will automatically trigger a SAP workflow to the appropriate second tier approval person(s). The AP personnel entering the data will also forward the physical vendor invoice to the approver. The second tier approver will compare the vendor's invoice with the data in SAP and upon approval post the document to the system. The posted document will update accounting and the vendor's account. The invoice is open for payment and will be selected during the next payment run.

If the agency has a single tiered approval process, the AP personnel entering the invoice will post the invoice directly. Agencies that want a single tiered process rely on the 'front end' validations during requisitioning and PO approvals for budget and accounting checks. Since budget is systematically checked again during invoicing, single tiered procedures do not require a second review of account coding prior to posting. Single tiered procedures also do not require a second check of data entry accuracy prior to posting. 2-tiered procedures provide a second manual review of account coding on the PO and invoice data entry accuracy. The State Agencies did not see any value in standardizing the review process because the business requirements vary across agencies.

Another type of logistical invoice functionality is Evaluated Receipt Settlement (ERS) functionality. ERS functionality provides a way to 'self' generate (post) a vendor invoice based on the PO data entered in the system and the goods receipt information entered to date. ERS functionality does not require the manual receipt of a vendor's invoice or the manual data entry of vendor invoice information. Vendor invoices will be automatically posted (using the ERS transaction) and will always match the PO and goods receipts in the system. ERS invoices are selected during the next schedule payment run since they seldom have errors. If an accounting or AVC error occurs during ERS program updating, the invoice is not posted (nor parked). The program will detail the error on a run log so that it can be manually researched and corrected. ERS functionality will be used for DOTD gas contracts only. The SAP security will be configured to limit the ERS transaction to designated DOTD personnel. Additionally, only DOTD gas contract purchase orders will be configured with ERS enabled. The ERS transaction will be executed manually by DOTD.

AP Invoices

AP invoices are invoices that do not require a PO for payment. Typical purchases that do not require a PO for payment are utility payments, payments to the procurement card bank, legal services, subscriptions, etc.

Recurring payments for lease, rent or subscriptions will be entered in the SAP system using recurring entry functionality in the AP module. Recurring entry functionality provides way to automatically generate (post) a vendor invoice directly into the AP module based on the vendor payment information stored in the recurring entry document or contract. Recurring entry documents will be maintained by designated personnel in State Agency central Accounting Departments. The recurring entry document includes information such as vendor account number, total payment amount due, payment schedule (start and end dates) and account coding for each expense line item. The recurring entry program is executed each night according to a batch schedule. According to the recurring entry contract parameters, a vendor invoice document is entered into SAP as an open item in AP. The invoice is selected during the next payment run. If there is any accounting or AVC errors during automatic invoice posting, the invoice is not posted (nor parked) in the system. The error is noted on the batch program run log. OIS will be responsible for managing recurring entries and will manually retrieve and review the night run logs.

If there are any errors, the State Agency personnel will research the error and correct it so that the contract can be reprocessed. The next recurring entry batch run will select the unfulfilled contract and post the invoice.

Depending on the agency, the vendor may send the invoice to a de-central field office, Purchasing Department or a central State Agency AP office. Regardless of where the invoice is sent, the appropriate party receiving the invoice must code it so that it can be entered using the correct account coding information. Unlike PO related invoices, non PO related invoice do not have a preceding SAP document that can be used to default the proper accounting coding into the SAP invoice screen. The vendor invoice is reviewed and coded accordingly. If the person initially receiving the invoice requires another party to actually code the invoice for accounting, the invoice can be started in SAP (invoice header and vendor line item information entered) and parked. The vendor invoice can be forwarded to the necessary personnel for review. A manual trigger to workflow can be set that will notify the appropriate personnel to review the vendor invoice document, add the missing accounting information and park as complete. The physical invoice would be routed back to AP. The 'parked as complete' status will trigger an automatic workflow that informs Budget office to review the document for budget. Upon Budget Office approval, the document is reviewed for accuracy and posted the system and accounting is updated. The document is free for payment and will be selected during the next payment run. The physical vendor invoice is filed or imaged according to the individual agency procedures.

Vendor Payments

As outlined above, the daily procurement and vendor invoicing process produces open items in the AP system (invoices and credits). The invoice documents will have a SAP determined due date using the invoice payment term and the document date entered on the invoice document. Invoices will have various statuses in the system: open for payment, parked or blocked from payment. Vendor master records are dynamic in nature as well. Vendor master records can be open for accounting transactions or blocked from accounting transactions (invoicing and or payments). The vendor open items and vendor master status will be the input basis for the vendor payment program.

The vendor payment program in SAP accomplishes several functions: clears open vendor invoices and associated credits (updating accounting accordingly), produces a vendor payment medium output (updating payment history tables, check register, etc accordingly). During the clearing process the applicable accounting entries are made in FI so that the liability and cash accounts are affected. OSRAP will generate payments for all state agencies using SAP AP module. Vendor payments will be managed centrally at OSRAP and will follow the same work schedule in place today: checks will be produced twice a week and ACH payments will be run daily. OSRAP will have a SAP security limitation on the payment program transaction (F110), limited by vendor account group. OSRAP will be limited to MM and AP vendor account groups. The current payroll process also uses a z-version of the standard SAP program. The payroll process will have a security limitation as well, to HR and payroll vendor account groups.

The vendor payment program will be managed in batch and online. The vendor payment program has four steps: (1) enter program parameters, (2) generate payment proposal and (3) post payments and (4) produce payment medium output. Monday and Thursday nights the payment program will be executed in batch, generating a payment proposal. The payment proposal details the selected items (documents) that match the run parameters and their proposed payment status: open for payment or exception (skipped for payment). Documents that are open for payment are documents that will be cleared and paid when the payment step is executed in the run. Documents can be on the exception list for several reasons: vendors are blocked from accounting or a payment transactions, invoices are blocked from payment, vendor has debit balance (more credit memos than open invoices), etc.

The following day, Tuesday and Friday work day, OSRAP will review the payment proposal for any technical/system related errors or vendor master data related errors. Technical related errors, i.e. system aborts or some other technical error will be resolved by OIS. Vendor master related errors will be

addressed by OSRAP. OSRAP or OIS will research the root cause of the error, make the necessary adjustments, and restart (online) the payment proposal generation.

As a standard business practice, the payment proposal is reviewed from a business point of view prior to posting payment; the SME's agreed that this type of open item management will be done prior to payment initiation (proposal generation). Also, it was agreed that going forward SAP business practice will be that any invoice that is selected for payment but did not get paid due to a functional error such as an invoice block, cash edit check failure or some other functional or accounting error, will be reviewed and addressed after the current payment run by agency AP personnel. The agency personnel will use reporting tools such as the payment log report, cash edit check report or vendor line item display report to review missed vendor payments.

Standard vendor line item reports can be used to identify (by agency) the vendor invoices that were due for payment but did not get cleared. Additionally, state agency personnel can have display access to the payment proposal report. The standard payment proposal report identifies why an invoice was skipped for payment. It is up to the state agency to resolve any skipped vendor payments. The invoice will then be selected during the next payment run and paid.

Once the proposal generation is technical error free, the payments are posted (online) to the system. The payment step of the payment run clears the open invoices and any related open credits, updates accounting and readies the data for payment output generation (check printing or ACH file creation). Similar to the payment proposal generation, OIS will be responsible for any technical errors that arise during payment posting. However, if there are functional or business errors such as accounting hard stops, the business area or agency is responsible for correcting the error post payment run. Similar to payment proposal reporting, state agencies will have display access to payment posting reports. If a vendor's invoice is not paid in a timely manner, the vendor will contact the State Agency, Purchasing, and or Accounting Office, to inquiry about the late payment. The State Agency AP personnel will have display access to payment run information, i.e. payment proposal logs and payment logs which contain information on blocked invoices or invoices that were selected for payment but not included in the final payment run. Therefore, it is the responsibility of the State Agency personnel to ensure that all vendor payments are made in a timely manner. Each State Agency will define desk procedures that monitor vendor payment processing.

After posting the payment and clearing the open invoices, the payment output (check or ACH file) will be generated (online) and sent to the vendor and or bank. OSRAP will verify the payment posting by comparing the payment posting with the payment proposal to make sure that all items cleared accordingly. It is recommended that the payment program be executed (end to end) by payment method. For example, there could be a run for checks and a separate run for ACH payments. For the check payment method, OSRAP will monitor the check printing to make sure there are no technical or printing errors. Checks will print (and sort) according to the specifications on the vendor master or invoice. Some vendors are defined with a consolidated check indicator meaning that all outstanding invoices (regardless of the initiating state agency) are paid using one check. Other vendors want single checks, meaning each invoice cleared will have its own check produced. Although this indicator is typically set at a vendor master level, there may be times when a particular invoice must 'override' the master data setting. An enhancement in SAP will be needed to accommodate the override.

Checks will also print/sort according to the specifications on the vendor master. If a vendor's check should be held for agency pick-up, a special payment method supplement should be defined on the vendor master record or invoice. Checks with a 'hold' supplement will be set aside for pick-up. Otherwise, the check is mailed to vendor directly.

There is a similar process supporting ACH payment output. Once OSRAP has verified that the payments have posted in full (balanced the payment posted with the payment proposal), they will notify OIS that the ACH file generation, and transmission is ready to proceed. Upon notification from OSRAP, OIS downloads the ACH bank files to a secure drive, encrypts the data, and transmits to bank via auto-script.

The bank transmission triggers an automated Outlook email notification to the appropriate OSRAP mailing group indicating a successful transmission of the file. Accordingly, the automatic email notification will also detail transmission failures. In the case of transmission errors, OIS will resolve any technical issues.

It is important to note the agency roles within the vendor payment process. The purchasing department has the responsibility of entering vendor invoices in a timely manner; resolving any invoice discrepancies so that the vendor can be paid on time. The Purchasing and Receiving Departments have the responsibility of supporting Accounts Payable in the event that there are questions or concerns about an invoice. OSRAP and OIS have the responsibility of executing the payment program on schedule and resolving any technical difficulties or errors that may occur during the program run. Technical errors include events such as aborted payment jobs, automatically cancelled proposals, etc. OIS priority is to execute the batch job on time, clearing the documents scheduled for payment, and producing the payment output on time so that vendors are paid in a timely fashion. Functional or business related errors are the responsibility of the state agencies.

Manual Warrants

Manual warrants are used for those agencies whose expenditure processing is executed outside of the SAP system. Therefore, manual warrant procedures will be used for those agencies/systems outlined in the Executive Summary where the system will be interfaced to SAP or a manual update will be used. It is also important to note that the actual payment output is also produced outside of the SAP system.

Although the legacy system supports expenditure tracking, the SAP system (and the general ledger) must be updated accordingly. The manual warrant supports this requirement. The SAP system will not produce an output. Manual warrant payment output uses different avenues: State Treasury Office manually produces a wire or ACH, the agency executes a manual ACH using online banking tools or the agency produces a manual check payment. The agency has the responsibility of outlining any desk procedures supporting the manual warrant process. The desk procedures include any approval signatures. Similar to the current business process, the manual warrant will be initiated by the agency and approved by the State Treasurer. However, the process will not include a paper based initiation.

Instead of completing a paper document, detailing the expenditure and nature of the warrant, the vendor, and expenditure information will be directly entered (suspended) in the system until approved. The State Agency will park a manual warrant document (with a unique vendor invoice document type). When the document is ready for Treasury approval, the State Agency will move the document to a 'parked as complete' status. Treasury will execute park document reporting and look for manual warrant documents with the 'parked as complete' status. The documents will be reviewed and posted (approved). If the document requires additional information or Treasury has questions about the document, State Treasury Office will contact the person who parked the document as complete.

Approved documents update the SAP Finance system. The SAP system has the ability to approve the expenditure in mass (multiple warrants using post parked document in mass) and individually (single posts). SAP security will be used to limit the document parking and posting process by document type of job role.

Once the manual warrant document has been entered (parked) by the state agency and approved (posted) by State Treasury Office, the open document must be cleared from AP. The State Treasurer's Office also has the responsibility of clearing the open documents. The manual warrant process will be configured with a unique payment method which will be configured with specific house bank/bank accounts. The payment method will also be configured *without* a payment medium or output. This is done so that a duplicate payment output is not produced by accident. Treasury will be able to clear multiple manual warrants (clearing in mass) using the standard payment program (transaction F110, outlined below). The payment program will be executed (separately) for the manual warrant payment method. If the business scenario dictates, Treasury will have access to clear manual warrants individually (transaction F-53). SAP security can be configured to limit Treasury access to payment transaction F110

and F-53 by payment method. State Agency personnel will be able to check the status of the manual warrant by executing standard vendor reports by document type and payment method. When the manual warrant documents have been cleared, the open item is considered closed in AP. No output from SAP AP is needed because the payment has been made outside of SAP and all approval forms were completed online.

Check Management

Check management includes the business transactions that are required in order to maintain vendor check production in SAP. Check management can be thought of from two perspectives: master data maintenance and operational or business data maintenance. Master data maintenance is those transactions that provide the master data used in day-to-day payment and checking SAP transactions. These transactions include: maintain a house bank, maintain check lots, and updating bank directories. Master data transactions are supportive transactions that provide the 'backbone' of SAP check management. Check master data maintenance is considered a Cash Management (CM) function in the system. Refer to CM Team's PDD FIN-CM-PDD010 Bank Accounting for more information on master data maintenance procedures for checks.

Another aspect of check management is the operational data maintenance involved with issuing checks. One operational data maintenance transaction is the posting of the cleared check file from the bank. The cleared check information is included on the electronic bank statement file processing for those accounts that are managed using the electronic bank statement (EBS) functionality. However, there are some accounts that will not be managed using this functionality, meaning the bank statement reconciliation will be more of a manual process. To automate the cleared check reconciliation for the accounts not using EBS, SAP has a standard inbound interface that can take a cleared check file from the bank and post the cleared checks to SAP. The inbound interface from the bank contains information about checks that were presented for payment and cleared by the bank. The interface takes the input file from the bank and accomplishes two goals: (1) clears the outstanding check from the check register and (2) updates accounting from a cash general ledger perspective. The cleared check file interface provides important reporting information to the CM module.

The normal business cycle for a vendor check is to be produced during the payment run, presented to the bank for payment, cashed by the vendor, and cleared in the SAP check register and general ledger. However, there are exceptions to this process. Each exception has a specific accounting effect in the system and in the check register. See table below for summary of operational check management processes:

Check Management Process	Business Scenario	Accounting	Check Register	Responsible Party
Interface of Cleared Check file	Daily interface from bank	Update to sub cash accounts and cash account general ledgers	Marks the check as cleared in the register with the appropriate cash date	State Agency Accounting Personnel
Manually recording a non SAP printed check in SAP check register	Imprest Account (petty cash) process for manual checking accounts	None	Updates check register with check information	State Agency Accounting Personnel
Clearing a check online	Used to 'clean up' missing checks or checks that were dropped from daily cash check file run	Update to sub cash accounts and cash account general ledgers	Marks the check as cleared in the register with the appropriate cash date	State Agency Accounting Personnel
Creating positive payment check file containing issued checks and voided	Part of the standard payment program business process	None	None	OIS

Check Management Process	Business Scenario	Accounting	Check Register	Responsible Party
checks				
Renumber checks	Wrong check number was used when manually entering check data into check register	None	Updates check register with check information	OSRAP or State Agency Accounting Personnel
Reassign checks to payment documents	Wrong check number was used when manually entering check data into check register	None	Updates check register with check information	OSRAP
Restart check printing (entire check file restart) Delete or reset check printing	Technical issue with check printer	None	Updates check register with correct information	OSRAP
Void check, reissue new check with same payment amount	Loss check, damaged check, etc	None	Updates check register with correct information	OSRAP
Reprint check (original check on-hand and was physically destroyed)	Damaged check prior to sending to vendor	None	Updates check register with correct information	OSRAP
Void check, do not reissue new check	Abandon property; checks that are greater than 180 days old (outstanding)	None; expense and all other accounting stays intact.	Updates check register with correct information	OSRAP
Void check and cancel payment	Invoice was not correct	Reverse all accounting transactions that took place PRIOR to payment (expenses, liabilities and cash entries)	Updates check register with correct information	Responsible purchasing state agency or OSRAP (see note below)

It is important to outline some special circumstances involved in voiding checks. The purchasing State Agency identifies a need to void a single check and reissue a vendor payment with the same payment amount but using a new check number. If the vendor payment can be issued during the upcoming payment run schedule, the purchasing state agency has the option of voiding the check. The purchasing state agency completes a non SAP online form similar to the legacy CX Type 1 form and forwards to the form to the appropriate personnel within their agency for approval. Additionally, the cancel payment transaction will be limited in SAP security by vendor account group. The approver will receive the online form via email and review it. If approved, the approver may cancel the payment. This transaction will void the original check and put the invoice back in an open status so that it is selected during the upcoming payment run. During Realization, it will be determined who will be responsible for the check void/cancellation process.

However, if state agency decides that a vendor check should be voided and reissued with the same payment information (using a new check number) and the vendor payment needs immediate generation, the current form based process is used where the initiating state agency manually completes the current CX Type 1 form and forwards the form to the State Treasury Office (STO). STO will review the form and process the request in SAP, immediately issuing a check accordingly. If the check is question is a consolidated check (check that clears invoices that cross agencies), then the CX Type 1 form is forwarded to OSRAP for payment processing.

If the state agency wants to void a check and no payment will be reissued to the vendor, the purchasing state agency will complete an online request form and route the form to key personnel within the agency for approval. Upon approval, the designated personnel will cancel the payment (voiding the check and

reversing the payment document) and reverse the vendor invoice (removing the liability from the ledger and removing the invoice from any payment run). During Realization, it will be determined who will be responsible for the check cancellation/void process.

Another special circumstance in check management is the stale dated checks. Checks that remain opened after 180 days are stale dated and cannot be cashed. Stale dated checks are remitted to the State Treasurer, Unclaimed Property section as they become non-negotiable. Each agency has the responsibility of monitoring their open checks using standard check register reports. Consolidated checks are monitored by OSRAP. The vendor should be contacted to inquiry why the check is still outstanding. If the vendor requests a new check, the check reissuance process described above can be used. If the vendor cannot be reached then the check will remain outstanding. Once a check has is over 180 days old (within 5 days of becoming stale dated), OSRAP will void the check (without cancelling the payment or effecting the original accounting entries). During Realization, the Unclaimed Property reporting and remittance to the State Treasurer will be refined to be in compliance with the Louisiana Revised Statutes.

The SAP business design will support the Fiscal Office directives supporting check management (voiding checks, stale dated checks, etc). In addition, State agencies must define the appropriate desk procedures or manual 'back up' documentation needed for each check management process/typical business scenario.

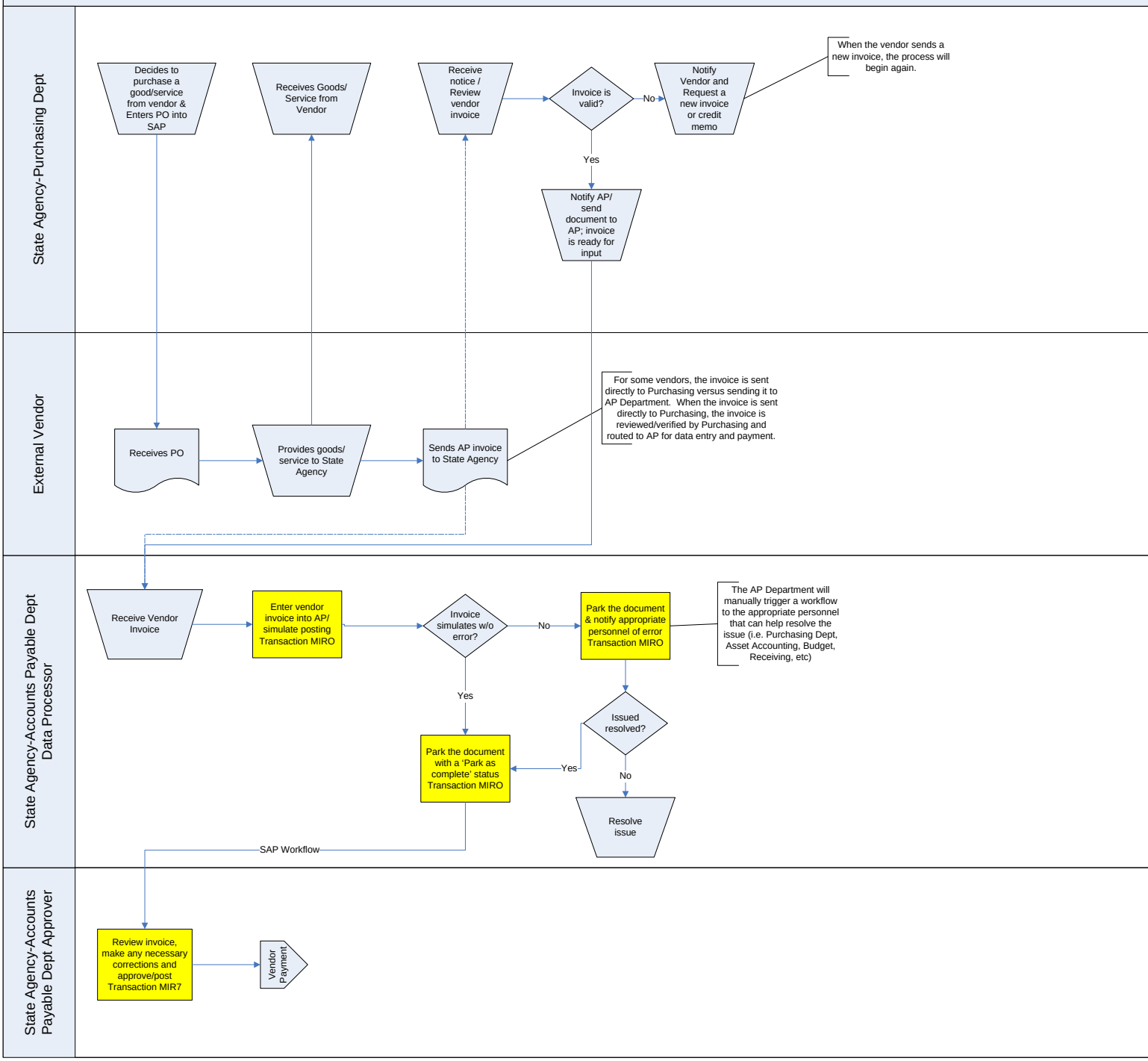
Process Terminology

#	Process Terminology	Description
1	PO related and Non PO related transactions	Transactions (invoices) that require (PO related) or do not require (Non PO related) a Purchase Order in order to be entered into the system and paid to the vendor.
2	Staging area (for data conversion)	An intermediary database where extracted legacy data can be compiled reviewed and modified prior to loading into SAP during data conversion.
3	SME's	Subject Matter Experts or personnel from each state agency that has been identified as key external resources for the LaGov project. SME's help identify business requirements and guide the configuration design.
4	Positive Payment file	Outbound interface from SAP to Bank that contains all issued check information from the current payment run and any relevant void check information since the last positive payment file submission.

To-Be Process Flows

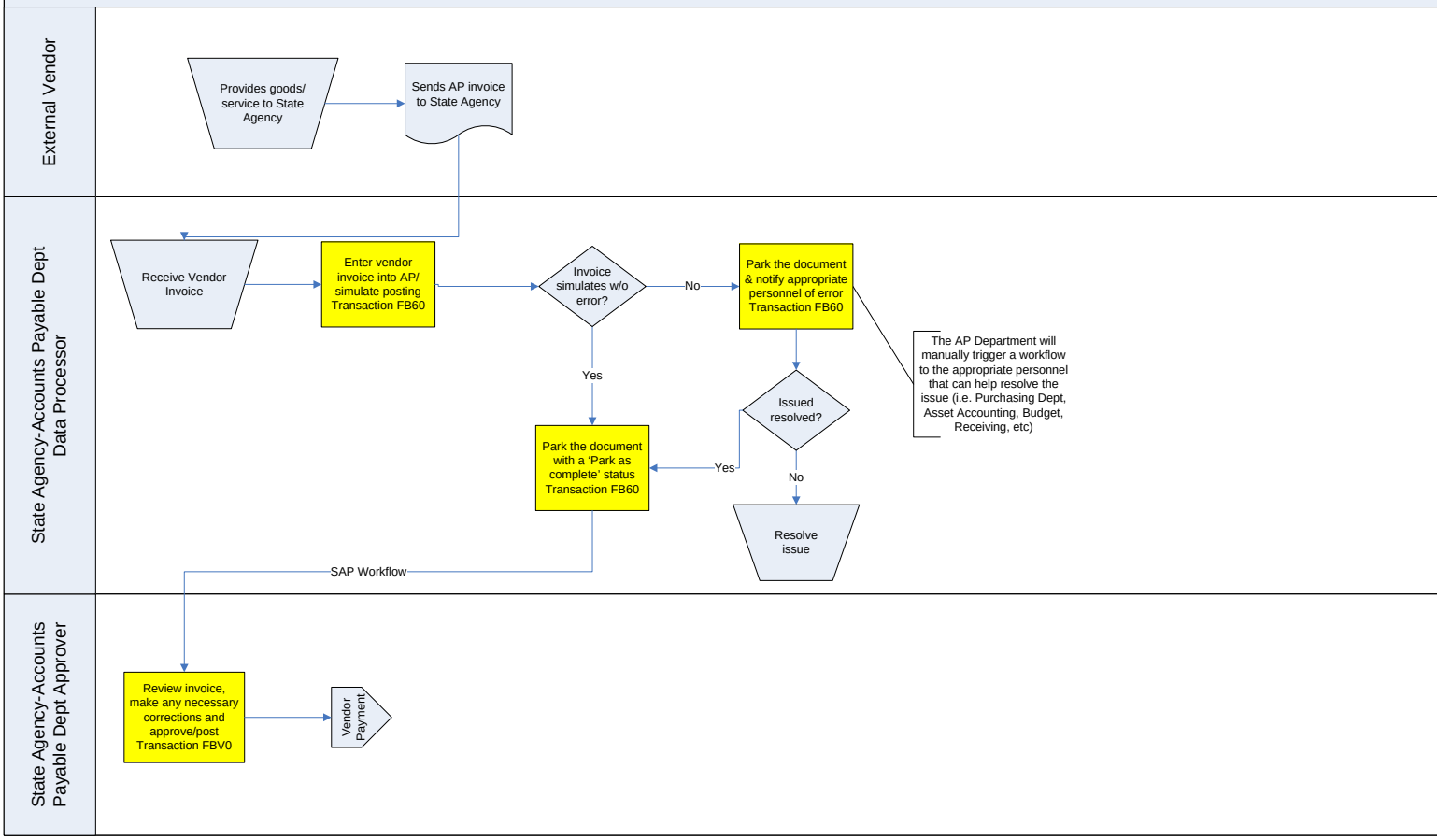
Process Name – B.08-FIN-AP-PDD020-Vendor Invoice through Vendor Payment

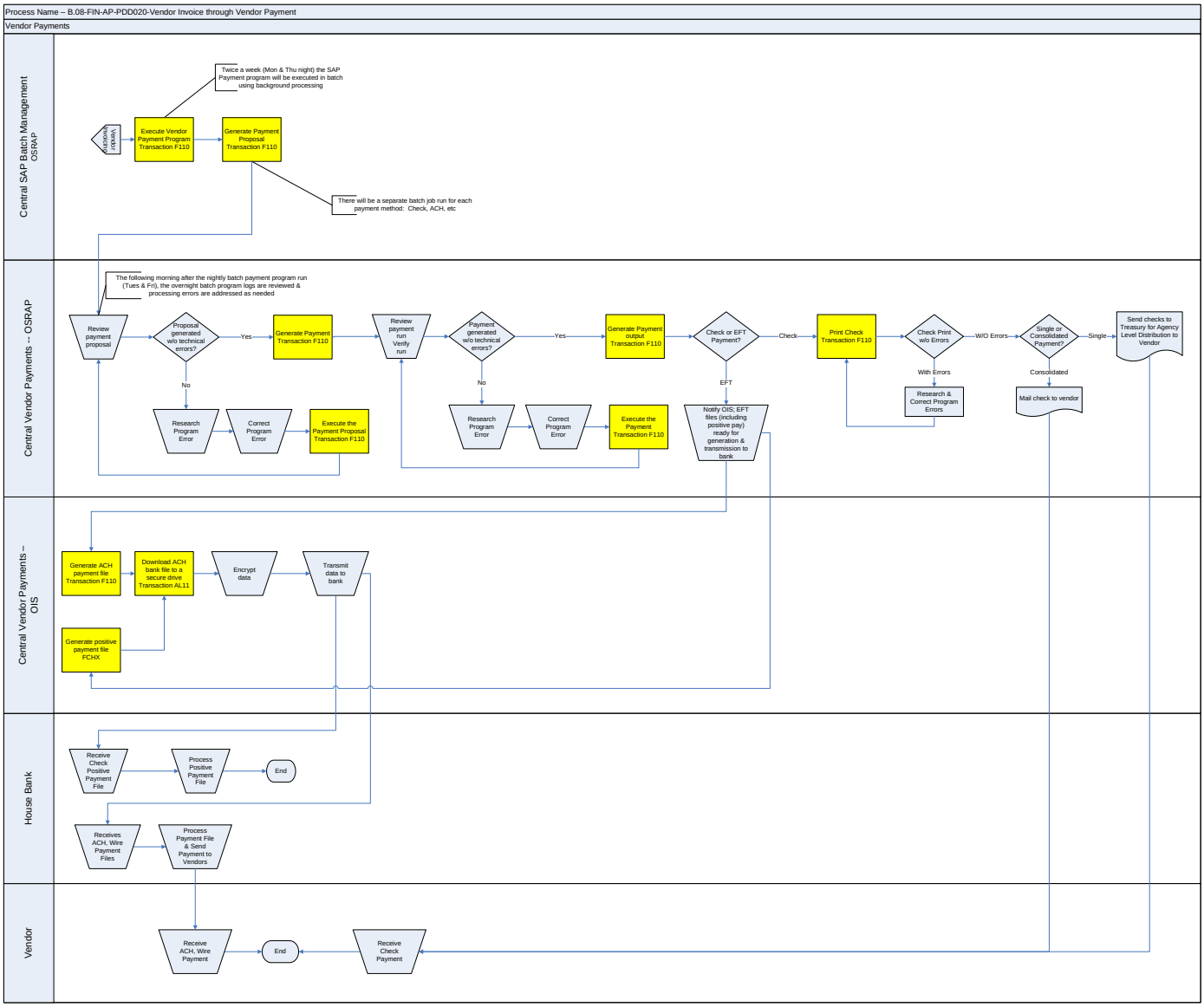
PO related Invoices



Process Name – B.08-FIN-AP-PDD020-Vendor Invoice through Vendor Payment

Non PO related invoices




Process Name – B.08-FIN-AP-PDD020-Vendor Invoice through Vendor Payment
Vendor Payments
Central SAP Batch Management OSRAP
Twice a week (Mon & Thu night) the SAP Payment program will be executed in batch using background processing
Execute Vendor Payment Program Transaction F110
Generate Payment Proposal Transaction F110
There will be a separate batch job run for each payment method: Check, ACH, etc
Central Vendor Payments – OSRAP
The following morning after the nightly batch payment program run (Tues & Fri), the overnight batch program logs are reviewed & processing errors are addressed as needed
Review payment proposal
Proposal generated w/o technical errors?
Yes
No
Generate Payment Transaction F110
Research Program Error
Correct Program Error
Execute the Payment Proposal Transaction F110
Review payment run Verify run
Payment generated w/o technical errors?
Yes
No
Generate Payment output Transaction F110
Research Program Error
Correct Program Error
Execute the Payment Transaction F110
Check or EFT Payment?
Check
EFT
Notify OIS: EFT files (including positive pay) ready for generation & transmission to bank
Print Check Transaction F110
Check Print w/o Errors
W/O Errors
With Errors
Research & Correct Program Errors
Single or Consolidated Payment?
Single
Consolidated
Mail check to vendor
Send checks to Treasury for Agency Level Distribution to Vendor
Central Vendor Payments – OIS
Generate ACH payment file Transaction F110
Download ACH bank file to a secure drive Transaction AL11
Encrypt data
Transmit data to bank
Generate positive payment file FCHX
House Bank
Receive Check Positive Payment File
Process Positive Payment File
End
Receives ACH, Wire Payment Files
Process Payment File & Send Payment to Vendors
Vendor
Receive ACH, Wire Payment
End
Receive Check Payment

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Workflow approval process for invoice simulation errors	More training may be needed for workflow related approval process	Each state agency must establish supporting desk procedures for workflow approvals
2	Vendor invoicing will continue to be centralized for some agencies and decentralized for others	The roll-out of training must consider this aspect of the organization	None
3	Vendor payments will be managed centrally at DOA	None	None
4	Manual warrant procedures will be included in SAP	Process will not be paper based	Treasury will need training on online approvals of manual warrants and clearing of manual warrants
5	Some void procedures may be done at the state agency level rather than STO	Process will not be paper based	Training for state agency personnel

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified.		

Currently there are not any significant changes to the business process that warrant any procedural and/or policy changes.

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: Vendor Invoice through Payment						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Vendor check remittance advice	Output for vendor check	X	X	Required for vendor payments	AP Team	
2.	Vendor ACH remittance advice	Output for vendor ACH	X	X	Required for vendor payments	AP Team	

R – Reports	Master List of Current and Future State Reports: Vendor Invoice through Payment						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Vendor payment report	Report used to publish to internet the invoices/payments that were made for vendor invoices	X	X	Current requirement	AP Team	It is the assumption of the AP Team that the project has the responsibility of providing the input data for the managers of the

R – Reports	Master List of Current and Future State Reports: Vendor Invoice through Payment						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
							website. The AP team is not responsible for actually updating the website. The report data will be the input data for the website.
2.	BI check register and payment document data by Agency	Agency level payment reporting	X	X	Current requirement	AP Team	None
3.	Disbursement with MOF	Report that used to verify funds before issuing payment	X	X	Current requirement	AP Team	None
4.	Cash edit report	Report that displays invoices that were not paid due to a failed cash edit check	X	X	Current requirement	AP Team	None
5.	Aged Outstanding Check Report	Report used to publish to internet the checks that have not been cashed as of a certain date	X	X	Current requirement	AP Team	It is the assumption of the AP Team that the project has the responsibility of providing the input data for the managers of the website. The AP team is not responsible for actually updating the website. The report data will be the input data for the website.

I – Interfaces	Master List of Current and Future State Interfaces: Vendor Invoice through Payment						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1	Chase Bank paid check file	Inbound interface with cleared check data for bank accounts not supported by EBS	X	X	Current requirement	AP Team	The interface spreadsheet lists this interface under CM-supporting bank accounts using EBS functionality. AP team will be responsible for those bank accounts NOT using EBS functionality.

I – Interfaces	Master List of Current and Future State Interfaces: Vendor Invoice through Payment						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
2	Chase Bank paid check file for manual warrants	Inbound interface with cleared check data for bank accounts not supported by EBS	X	X	Current requirement	AP Team	The interface spreadsheet lists this interface under CM-supporting bank accounts using EBS functionality. AP team will be responsible for those bank accounts NOT using EBS functionality.
3	Chase Bank returned ACH Federal file	Inbound interface with ACH data	X	X	Current requirement	AP Team	None
4	Chase Bank returned EFTs	Inbound interface with EFT data	X	X	Current requirement	AP Team	None
5	Chase Bank ACH Federal file	Outbound interface with ACH data	X	X	Current requirement	AP Team	None
6	Chase Bank ACH file	Outbound interface with ACH data	X	X	Current requirement	AP Team	None
7	Chase Bank positive pay file	Outbound interface with check data	X	X	Current requirement	AP Team	One positive pay file sent to STO and Bank
8	STO positive pay file	Outbound interface with check data	X	X	Current requirement	AP Team	One positive pay file sent to STO and Bank
9	DHH “PV Payment Voucher” activity	Inbound interface	X	X	Current requirement	AP Team	None
10	Elderly Affairs “PV Payment Voucher” activity	Inbound interface	X	X	Current Requirement	AP Team	None
11	Office of Risk Management (ORM)	Outbound interface with SAP payment activity	X	X	Current requirement	AP Team	None

C - Conversions	Master List of Future State Data Conversions: Vendor Invoice through Payment						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Open invoices & credits	Data conversion	DOTD legacy systems	SAP	Data Conversion	TBD	None
2.	Open invoices & credits	Data conversion	AFS (Advantage Financial System)	SAP	Data Conversion	TBD	None
3.	Open invoices & credits	Data conversion	CRAS (Const Rate Access	SAP	Data Conversion	TBD	None

C - Conversions		Master List of Future State Data Conversions: Vendor Invoice through Payment					
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
			Server)				

E – Enhancements		Master List of Future State Enhancements: Vendor Invoice through Payment			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Cash edit check	Cash edit check during payment proposal processing	Cash edit check	Current business requirement	The preliminary design will be reviewed and evaluated further during Realization.
2.	Vendor non compliance list check	Vendor non compliance list check during payment proposal processing	Vendor non compliance check	Current business requirement	None
3	Custom field and user exit during payment processing	Identification of single check by invoice	Custom field and user exit during payment processing	Current business requirement	None
4	User exit validation	Validation that one-time vendors are not used on requisitions or purchase orders	User exit	Used to manage use of one-time vendor functionality	This may be accomplished via configuration of account group (i.e. one time vendors will not have purchasing views on the master record.) More investigation will be done during Realization.

W – Workflow	Master List of Future State Workflow Events: Vendor Invoice through Payment		
No.	Description	Justification	Comments
1.	Parked documents due to logistical invoice simulation error	Approval process	None
2	Parked documents due to budget simulation error	Approval process	None
3	Parked documents due to asset accounting simulation error	Approval process	None
4	Parked document, general approval (parked as complete status)	Approval process	None
5	Parked FI Invoice - Missing Accounting information	Approval process	None
6	Parked FI Invoice - Approval	Approval process	None

Gaps

Gaps	Master List of Future Gaps: Vendor Invoice through Payment		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions:

Authorizations	Master List of Future State Roles/Authorizations: Vendor Invoice through Payment			
No.	Role	Description	Strategy	Special Considerations
1.	State Agency-Purchasing Dept	Buyers, Receivers	TBD	Limit by account group
2.	State Agency-Accounts Payable Dept Data Processor	Invoice data entry personnel at the State Agencies	Decentralized	Limit data input by business area
3.	State Agency-Accounts Payable Dept Approver	Invoice approver personnel at the State Agencies	Decentralized	Limit data input by business area
4.	Central SAP Batch Management	OIS	TBD	None
5.	Central Vendor Payments	OSRAP	TBD	None
6.	Central Vendor Payments – OIS	OIS		

Organizational Impact:

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Agency use of TMS/IMS system will be a manual update to SAP for the expenditures	The update to expenditures in book of record was automated in past; will be manual update in future	Agencies that choose to use TMS/IMS will have manual tasks. However, most of the volume should be reduced because SAP can support one-time vendor payment functionality. Legacy system could not support one time vendor payments so there was additional workload in TMS to handle the requirement. This workload will be answered using standard SAP AP and the standard payment program.
2.	DOTD will adhere to the current payment schedule: checks cut twice a week; ACH submitted daily	DOTD managed their own payments and cut checks/submitted ACH daily	DOTD agency must evaluate if there business environment (vendors) will accept a twice a week check schedule. There may be some issues with certain vendors.
3	Automated Budget Availability Check during invoice data entry	The budget check during invoicing is manual check using reporting	This requirement will require agencies to review/adhere to their budgets.
4.	Agencies have the opportunity to void/reissue checks	Manual paper based process that involved STO	Agency personnel will require additional training and new desk procedures.

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	(self managed) if the check: • is being reissued for the same payment amount • can be printed during the next payment run		

Training Impact:

- Some agencies have decentralize staff so training for invoice data processing

Appendix A – Configuration Settings

2/14/2009 Logistical Invoice Verification Company Code Level Tolerance Configuration Settings FI-AP-002 Workshop

#	Tolerance Key	Function	Is Functionality Needed?	Uniquie requirement By Agency?	Tolerance Setting	Comments
1	AN: Amount for item without order reference	SAP functionality allows a vendor invoice can be entered without a Purchase Order reference. Traditional invoice verification requires a PO to validate the vendor invoice line item amount(s). Accordingly, invoices that DO NOT has a PO reference will require this invoice verification setting. When activated, the system compares every line item in an invoice with the absolute upper limit defined in this setting.			Higher Limit:	
2	BD: Form small differences automatically	This configuration setting checks the balance of the invoice against the absolute upper limit defined. If the absolute upper limit IS NOT exceeded, the system automatically creates a posting line called Expense/Income from Small Differences, making the balance zero and allowing the system to post the document.			Higher Limit:	The system will not only need a default G/L Account but also default Business Area, Fund and Cost Object
3	AP: Amount for item with order reference	If there is a business need to block invoices based on invoice line item amount only, this configuration setting is used. The system checks specific line items in an invoice with PO reference against the absolute upper limit defined.			Higher Limit:	
	BR: Percentage	This configuration setting is used when a vendor invoice line item(s) are received/entered PRIOR to the corresponding Goods Receipt for the vendor invoice line item(s).			Lower Limit:	

#	Tolerance Key	Function	Is Functionality Needed?	Unique requirement By Agency?	Tolerance Setting	Comments
4	Percentage OPUn variance (IR before GR)	In this case, the system will compare the vendor invoice line item (quantity, unit of measure and amount) with the corresponding PO line item (quantity, unit of measure and amount). The system compares the variance with the upper and lower percentage tolerance limits.			Higher Limit:	• Lower limit: the variance amount can be up to x % lower than expected amount • Higher limit: the variance amount can be up to y % higher than expected amount
5	BW: Percentage OPUn variance (GR before IR)	This configuration setting is used when a vendor invoice line item(s) are received/entered AFTER the corresponding Goods Receipt for the vendor invoice line item(s).			Lower Limit:	Lower limit: the variance amount can be up to x % lower than expected amount
		In this case, the system will compare the Quantity received via GR with the Quantity Invoiced from vendor. Accordingly, the system will also compare the PO line item price with the vendors' invoice price. When there is a variance in comparisons, the system will compare the variance the upper and lower percentage limits defined.			Higher Limit:	Higher limit: the variance amount can be up to y % higher than expected amount
6	DQ: Exceed amount: Quantity Variance	If a goods receipt has been defined for a PO order item and a goods receipt has already been posted, the system checks if the invoice quantity (on vendor invoice) is within tolerance based on the total goods received to date.			Lower Limit:	Lower limit: the variance amount can be up to x % lower than expected amount but no more than z (flat amount)
		Tolerance can be based on a combination of invoice % and flat amount or just %/just a flat amount.			Higher Limit:	can be up to y % higher than expected amount but no more than z (flat amount0

#	Tolerance Key	Function	Is Functionality Needed?	Uniquie requirement By Agency?	Tolerance Setting	Comments
7	DW: Quantity variance when GR quantity = zero	If a goods receipt is defined for an order item but none has as yet been posted prior to invoice receipt, the system can be configured to allow up to a flat amount ($) of an invoice to post without a goods receipt. Any invoice receipt above the tolerance is blocked.				
		You can also skip this tolerance key and in this case the system will always expect a Goods Receipt prior to Invoice Receipt and block all invoices that don't comply. If you don't want this check, set to 'Do not check'.			Higher Limit:	Higher limit: the variance amount can be up to $ flat amount
8	KW: Variance from Condition Value	If the PO included planned delivery (freight) as a condition (separate component) of price, then this key compare the PO planned delivery cost (per line item) with the vendor's invoiced delivery cost.			Lower Limit:	Lower limit: the variance amount can be up to x % lower than expected amount but no more than z (flat amount)
		It compares the variance with the upper and lower limits defined (absolute limits and percentage limits).			Higher Limit:	Higher limit: the variance amount can be up to y % higher than expected amount but no more than z (flat amount0
9	LA: Amount of blanket purchase	This check ensures that the current invoice (if posted) exceeds the value limit on a blanket PO by adding the sum of the value invoiced so far (for the order item) and the value of the corresponding vendor invoice line item and compares that total with the value limit of the purchase order (by line item)			Lower Limit:	

#	Tolerance Key	Function	Is Functionality Needed?	Unique requirement By Agency?	Tolerance Setting	Comments
	order	It can be configured to check upper percentage and absolute (flat dollar amounts)			Higher Limit:	Higher limit: the variance amount can % higher than expected but no more than $ flat amount
10	LD: Blanket purchase order time limit exceeded	The system determines the number of days by which the invoice is outside the planned time interval defined on the blanket PO.				
		The system compares the number of days with the with the absolute upper limit defined.			Higher Limit:	
11	PP: Price variance	The system determines by how much each vendor invoice item price varies from the PO line item price.			Lower Limit:	
		It then compares the variance with the upper and lower limits defined (absolute limits and percentage limits).	Yes	No	Higher Limit:	
12	PS: Price Estimate	The system determines by how much each vendor invoice item price varies from the PO estimated line item price.			Lower Limit:	
		It then compares the variance with the upper and lower limits defined (absolute limits and percentage limits).			Higher Limit:	
13	ST: Date variance (value x days)	The system compares the schedule delivery date (on PO) with the invoice date to see if we are getting invoice prior to our scheduled delivery date				
		The variance is validated against absolute upper limits defined (if checked).			Higher Limit:	

#	Tolerance Key	Function	Is Functionality Needed?	Unique requirement By Agency?	Tolerance Setting	Comments
14	VP: Moving average price variance	When a stock posting line is created as a result of an invoice item, the system calculates the new moving average price that results from the posting. It compares the percentage variance of the new moving average price to the old price using the percentage tolerance limits defined.			Lower Limit:	
		Variances are allowed within predefined tolerance limits. If a variance exceeds a tolerance limit, however, the system issues a message informing the user.			Higher Limit:	

Doc Type	RE	KR
Number Range	5100000000-	5200000000-5299999999
Internal or External Assignment	Internal assignment	

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Header	Invoice Date	Document Date printed on invoice output form	R	N/A	N/A	Date = current system date	Cannot be changed once posted	N/A
Header	Posting Date	Date used when updating the accounting ledger	R	N/A	N/A	Date = current system date	Cannot be changed once posted	N/A
Header	Reference	TBD	R	N/A	N/A	N/A	Can be changed once posted	N/A
Header	Period	Defaults based on posting date	R	N/A	N/A	Defaults based on posting date	Cannot be changed once posted	N/A
Header	Document Type	Used to identify invoices from credits	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Header	Company code	Defaults based on user settings	R	N/A	N/A	Defaults based on user settings	Cannot be changed once posted	N/A
Header	Lot No	DO NOT USE	S	N/A	N/A	N/A	N/A	N/A
Header	Doc Header Text	TBD	O	N/A	N/A	N/A	Can be changed once posted	N/A
Header	Payment Terms	Defaults based on vendor	R	N/A	N/A	Defaults based on customer master data	Can be changed once posted	N/A

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Line Item	Vendor	SAP Account Number	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Amount	Total amount of document	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Tax amount	Total tax amount of invoice	S	N/A	N/A	N/A	N/A	N/A
Line Item	Tax code	Tax code used to determine tax amount	S	N/A	N/A	N/A	N/A	N/A
Line Item	Text	Field is open for individual agency use	R	N/A	N/A	N/A	Can be changed once posted	N/A
Line Item	GL Account	Expense, Revenue or Balance Sheet Account	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Short Text -- GL	Short text description of GL	R	N/A	N/A	Defaults based on GL used	Cannot be changed once posted	N/A
Line Item	D/C	Debit or Credit indicator	R	N/A	N/A	N/A	N/A	N/A
Line Item	Amount in doc currency	Line item billing amount	R	N/A	N/A	N/A	N/A	N/A
Line Item	Amount in local currency	Calculated field based on currency code used and current exchange rate	S	N/A	N/A	N/A	N/A	N/A
Line Item	Tax code	Tax code	S	N/A	N/A	N/A	N/A	N/A
Line Item	Tax jurisdiction code	Tax jurisdiction	S	N/A	N/A	N/A	N/A	N/A
Line Item	W/O cash discount	Indicator that specifies if the billing line item should be included in cash discount	S	N/A	N/A	N/A	N/A	N/A
Line Item	Assignment Number	Field is open for individual agency use	O	N/A	N/A	N/A	N/A	N/A

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Line Item	Value Date	Used in CM	O	N/A	N/A	N/A	N/A	N/A
Line Item	Text	Field is open for individual agency use	R	N/A	N/A	N/A	Can be changed once posted	N/A
Line Item	Long text	Field is open for individual agency use	O	N/A	N/A	N/A	Can be changed once posted	N/A
Line Item	Trading Partner	Used in GL for consolidations	S	N/A	N/A	N/A	N/A	N/A
Line Item	Business Area	Agency	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Partner Business Area	Used in GL for consolidations	S	N/A	N/A	N/A	N/A	N/A
Line Item	Cost Center	Organization	C	Revenue GL requires some type of cost object (cost center, order or WBS)	N/A	N/A	N/A	N/A
Line Item	Internal order (Cost ID)	Reporting Category	C	Revenue GL requires some type of cost object (cost center, order or WBS)	N/A	N/A	N/A	N/A
Line Item	WBS Element	Project/Sub project/Phase	C	Revenue GL requires some type of cost object (cost center, order or WBS)	N/A	N/A	N/A	N/A

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Line Item	Cost Object	Used in CO	C	Revenue GL requires some type of cost object (cost center, order or WBS)	N/A	N/A	N/A	N/A
Line Item	Fin. Budget item	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Sales Order	Used in GM/SD	S	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Sales Order Item	Used in GM/SD	S	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Schedule delivery in Sales Order	Used in GM/SD	S	N/A	N/A	N/A	N/A	N/A
Line Item	Plant	Used in MM	O	N/A	N/A	N/A	N/A	N/A
Line Item	PO	Used in MM; Required for Logistical Invoices/Optional for AP Invoices	C	Used in MM; Required for Logistical Invoices/Optional for AP Invoices	N/A	N/A	N/A	N/A
Line Item	PO line item	Used in MM; Required for Logistical Invoices/Optional for AP Invoices	C	Used in MM; Required for Logistical Invoices/Optional for AP Invoices	N/A	N/A	N/A	N/A
Line Item	Profit Center	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Partner Profit Center	Used in CO	S	N/A	N/A	N/A	N/A	N/A

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Line Item	FM Area	Organizational unit in FM	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Fund Center	Defaults based on Cost Center	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Commitment Item	Defaults based on GL	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Fund	Fund/Appropriation Unit	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Grant	Grant	C	Some Revenue GL requires grants	N/A	N/A	N/A	N/A
Line Item	Profit Segment	Used in CO	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Network	Used in CO	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Base UOM	Used in MM	O	N/A	N/A	N/A	N/A	N/A
Line Item	Activity Type	Used in CO	O	N/A	N/A	N/A	N/A	N/A
Line Item	Controlling Area	Defaults based on Co Code	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Personnel Number	SAP HR Employee ID Number	S	N/A	N/A	N/A	N/A	N/A
Line Item	Transaction No	Used in CO	O	N/A	N/A	N/A	N/A	N/A
Line Item	Material	Used in SD/MM	O	N/A	N/A	N/A	N/A	N/A
Line Item	Material Valuation Type	Used in SD/MM	O	N/A	N/A	N/A	N/A	N/A

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Line Item	Earmarked Funds Document No	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Earmarked Funds Document Line Item No	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Earmark Funds Completion Indicator	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Functional area	Defaults based on Co Code	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Dunning area	Represents an agency for dunning procedure purposes	S	N/A	N/A	N/A	N/A	N/A
Line Item	Ref key 1	Field is open for individual agency use	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Ref key 2	Field is open for individual agency use	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Ref key 3	Field is open for individual agency use	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Business Process	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Business Process Entity	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Property Number	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Line Item	Rental Unit Number	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Lease out	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Service charge key	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Settlement unit	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Venture	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Equity Group	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Real Estate Contract Number	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Val. Date	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Mgmt Center	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Partner	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Recovery Indicator	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Prod. Month	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Segment	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Partner Segment	Used in CO	S	N/A	N/A	N/A	N/A	N/A

Doc Type	RE	KG
Number Range	5100000000-	6200000000-6299999999
Internal or External		
Assignment	Internal assignment	

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Header	Invoice Date	Document Date printed on invoice output form	R	N/A	N/A	Date = current system date	Cannot be changed once posted	N/A
Header	Posting Date	Date used when updating the accounting ledger	R	N/A	N/A	Date = current system date	Cannot be changed once posted	N/A
Header	Reference	TBD	R	N/A	N/A	N/A	Can be changed once posted	N/A
Header	Period	Defaults based on posting date	R	N/A	N/A	Defaults based on posting date	Cannot be changed once posted	N/A
Header	Document Type	Used to identify invoices from credits	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Header	Company code	Defaults based on user settings	R	N/A	N/A	Defaults based on user settings	Cannot be changed once posted	N/A
Header	Lot No	DO NOT USE	S	N/A	N/A	N/A	N/A	N/A
Header	Doc Header Text	TBD	O	N/A	N/A	N/A	Can be changed once posted	N/A
Header	Payment Terms	Defaults based on vendor	R	N/A	N/A	Defaults based on customer master data	Can be changed once posted	N/A
Line Item	Vendor	SAP Account Number	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Amount	Total amount of document	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Tax amount	Total tax amount of invoice	S	N/A	N/A	N/A	N/A	N/A
Line Item	Tax code	Tax code used to determine tax amount	S	N/A	N/A	N/A	N/A	N/A
Line Item	Text	Field is open for individual agency use	R	N/A	N/A	N/A	Can be changed once posted	N/A

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Line Item	GL Account	Expense, Revenue or Balance Sheet Account	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Short Text -- GL	Short text description of GL	R	N/A	N/A	Defaults based on GL used	Cannot be changed once posted	N/A
Line Item	D/C	Debit or Credit indicator	R	N/A	N/A	N/A	N/A	N/A
Line Item	Amount in doc currency	Line item billing amount	R	N/A	N/A	N/A	N/A	N/A
Line Item	Amount in local currency	Calculated field based on currency code used and current exchange rate	S	N/A	N/A	N/A	N/A	N/A
Line Item	Tax code	Tax code	S	N/A	N/A	N/A	N/A	N/A
Line Item	Tax jurisdiction code	Tax jurisdiction	S	N/A	N/A	N/A	N/A	N/A
Line Item	W/O cash discount	Indicator that specifies if the billing line item should be included in cash discount	S	N/A	N/A	N/A	N/A	N/A
Line Item	Assignment Number	Field is open for individual agency use	O	N/A	N/A	N/A	N/A	N/A
Line Item	Value Date	Used in CM	O	N/A	N/A	N/A	N/A	N/A
Line Item	Text	Field is open for individual agency use	R	N/A	N/A	N/A	Can be changed once posted	N/A
Line Item	Long text	Field is open for individual agency use	O	N/A	N/A	N/A	Can be changed once posted	N/A
Line Item	Trading Partner	Used in GL for consolidations	S	N/A	N/A	N/A	N/A	N/A
Line Item	Business Area	Agency	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Partner Business Area	Used in GL for consolidations	S	N/A	N/A	N/A	N/A	N/A

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Line Item	Cost Center	Organization	C	Revenue GL requires some type of cost object (cost center, order or WBS)	N/A	N/A	N/A	N/A
Line Item	Internal order (Cost ID)	Reporting Category	C	Revenue GL requires some type of cost object (cost center, order or WBS)	N/A	N/A	N/A	N/A
Line Item	WBS Element	Project/Sub project/Phase	C	Revenue GL requires some type of cost object (cost center, order or WBS)	N/A	N/A	N/A	N/A
Line Item	Cost Object	Used in CO	C	Revenue GL requires some type of cost object (cost center, order or WBS)	N/A	N/A	N/A	N/A
Line Item	Fin. Budget item	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Sales Order	Used in GM/SD	S	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Sales Order Item	Used in GM/SD	S	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Schedule delivery in Sales Order	Used in GM/SD	S	N/A	N/A	N/A	N/A	N/A
Line Item	Plant	Used in MM	O	N/A	N/A	N/A	N/A	N/A

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Line Item	PO	Used in MM; Required for Logistical Invoices/Optional for AP Invoices	C	Used in MM; Required for Logistical Invoices/Optional for AP Invoices	N/A	N/A	N/A	N/A
Line Item	PO line item	Used in MM; Required for Logistical Invoices/Optional for AP Invoices	C	Used in MM; Required for Logistical Invoices/Optional for AP Invoices	N/A	N/A	N/A	N/A
Line Item	Profit Center	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Partner Profit Center	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	FM Area	Organizational unit in FM	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Fund Center	Defaults based on Cost Center	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Commitment Item	Defaults based on GL	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Fund	Fund/Appropriation Unit	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Grant	Grant	C	Some Revenue GL requires grants	N/A	N/A	N/A	N/A
Line Item	Profit Segment	Used in CO	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Network	Used in CO	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Base UOM	Used in MM	O	N/A	N/A	N/A	N/A	N/A
Line Item	Activity Type	Used in CO	O	N/A	N/A	N/A	N/A	N/A
Line Item	Controlling Area	Defaults based on Co Code	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Line Item	Personnel Number	SAP HR Employee ID Number	S	N/A	N/A	N/A	N/A	N/A
Line Item	Transaction No	Used in CO	O	N/A	N/A	N/A	N/A	N/A
Line Item	Material	Used in SD/MM	O	N/A	N/A	N/A	N/A	N/A
Line Item	Material Valuation Type	Used in SD/MM	O	N/A	N/A	N/A	N/A	N/A
Line Item	Earmarked Funds Document No	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Earmarked Funds Document Line Item No	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Earmark Funds Completion Indicator	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Functional area	Defaults based on Co Code	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Dunning area	Represents an agency for dunning procedure purposes	S	N/A	N/A	N/A	N/A	N/A
Line Item	Ref key 1	Field is open for individual agency use	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Ref key 2	Field is open for individual agency use	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Ref key 3	Field is open for individual agency use	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Business Process	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Business Process Entity	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Property Number	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Rental Unit Number	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Lease out	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A

Invoice Layout	Field	LA Gov Use	Field Status	Conditional Field Status Notes	Validation Notes	Substitutions Notes	Change Rules Notes	Invoice Form Notes
Line Item	Service charge key	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Settlement unit	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Venture	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Equity Group	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Real Estate Contract Number	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Val. Date	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Mgmt Center	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Partner	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Recovery Indicator	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Prod. Month	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Segment	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Partner Segment	Used in CO	S	N/A	N/A	N/A	N/A	N/A

Team:	Finance – Accounts Payable
PDD Name:	1099 Reporting
PDD Number:	FIN-AP-PDD030-1099 Reporting
Business Process Owner:	Afranie Adomako
Functional Lead:	Marietta Holiday
Functional Consultant:	Mary Walker

Executive Summary

1099 vendor filing takes place when the State purchases from an IRS defined 1099 vendors. Typically, 1099 vendors are service providers and exclude corporations, unless the service provided is for medical or health care services or attorneys fees. The State is required to submit a 1099 filing (electronic and paper) for all 1099 vendors that received over $600 (total payments) from the State Agency within a calendar year. The IRS requires filing by state agency tax identification number or FEIN.

Currently many business areas have their own tax identification number with the IRS. This approach was used in order to handle reporting and exception or correction processing more easily. There have been discussions at project management and business owner level whether to keep the current model or move to a single tax identification number. The decision to keep the current model or change to a single tax identification model is considered a business owner decision due to its potential tax ramifications. The SAP system can support both models without any additional costs so there is no advantage or disadvantage from a systems point of view.

Design Decision

The design supports a single FEIN tax model (state wide) or a multi FEIN tax model (by agency).

1099 reporting is dependent on the vendor master record specifications and the business purpose of the purchase. Vendors are considered 1099 vendors in SAP if the IRS considers the vendor 1099 relevant (i.e. vendor has 1099 status at IRS). A vendor's status at the IRS is not variable from day to day. However, because a vendor may provide multiple goods and services, the particular purchase may or may not be 1099 reportable. Because this process has integration with vendor master data and invoicing, this document will detail the 1099 reporting relevant SAP business process dealing with vendor master and vendor invoicing.

Design Decision

Payments will be selected as 1099 reportable where the payment was made to a 1099 vendor (as defined on the vendor master record) and the invoice expense line item(s) are indicated as 1099 reportable. The LaGov project team has two design options. Design options include: vendor invoice with a custom field on the expense line item or custom z-table that indicates which general ledger accounts are 1099 reportable. This document will discuss the custom z-table design option.

Finally, this document will discuss the 1099 reporting and filing process with the IRS. It is important to note that the 1099 reporting and communications with the IRS will use SAP.

Design Decision

Final 1099 reporting will use SAP 1099 reporting functionality. The standard SAP system provides generic 1099 electronic data file format and forms. There will be a development effort to enhance

the base file formats provided and enhance standard forms. The design described in this document is an alternative to the design that was developed during the Blueprint workshop. During Realization, the LaGov project team will review the current design with the Blueprint workshop participants (i.e. state agency personnel support 1099 business process and OSRAP).

It is important to note that not all purchasing activity will take place in SAP. Some specialized procurement systems will not be replaced by SAP nor will they interface to SAP on a vendor payment basis. These systems will update SAP on a summarized general ledger basis only. Therefore that 1099 payment information will not be stored in SAP but de-centrally in the legacy systems.

Design Decision

Because not all state agency payments to vendors will be generated out of SAP, not all 1099 reporting can be done using SAP. 1099 relevant payments made from 'out of scope' legacy systems will be reported to the Federal Government separately using the current 1099 reporting and filing procedures that are in place for non SAP systems.

This document will also give a high level design overview of the 1098 reporting process.

Design Decision

SAP does not provide a standard 1098 reporting program for forms or electronic data file generation. Therefore, 1098 reporting will require custom development in SAP.

To-Be Process Description

Master Data Integration with 1099 Reporting

Vendor Master

A payment is only 1099 relevant if the purchase was made to a 1099 vendor and the business purpose of the purchase are considered 1099 reportable to the Federal Government. The vendor master data is the first (and most important) step in deciding if a payment is 1099 reportable. Vendor master data will be centrally maintained at OSRAP. One of the screening tasks performed at OSRAP is to decide if a vendor should be defined as a 1099 vendor in the system. 1099 vendors require a federal tax identification number (social security number or tax id number) and a 1099 withholding tax code on their vendor master record.

The vendor master maintenance form will have the 1099 fields available so that 1099 vendor information can be documented on the record. It is important to note that OSRAP, not the end user requesting the new record, makes the final determination of whether a vendor is 1099 or not. If OSRAP decides that a particular vendor should be defined as 1099 in the system, the record will be entered using the 1099 vendor account group and with the required 1099 field data. The end user may be contacted if additional vendor information is needed. Refer to Accounts Payable (AP) Team PDD B.08.FIN-AP-PDD010-Account Structure Vendors for details on vendor data management.

Once a vendor has been defined with a tax identification number and a withholding tax code (1099 filing status) in SAP; the system considers the vendor a 1099 vendor. Requests to change a vendor's tax identification number or withholding tax code will require additional 'back up' documentation that substantiates the request.

The key required information for 1099 reporting is the tax identification number and the withholding tax code. However, SAP provides additional 1099 informational fields such as exemption certificate information (exemption number and validity date), birth name and birth place. This information will be optional on the vendor master record. In SAP the withholding tax code reflects the vendor 1099 filing type such as, Rent, Royalties, Misc, etc. Because a vendor may provide multiple services that fall under different filing categories, the withholding tax code defined on the vendor master is the vendor's primary filing status. During invoice data entry the primary code can be changed as needed.

One Time Vendors

One time vendors may be 1099 vendors from an IRS point of view. However, one time vendors 'by pass' the scrutiny of OSRAP for data integrity. One time vendor functionality allows a vendor's master data information (name, address, phone, etc) to be entered directly into the invoice or purchasing transaction; no established vendor master record (account number) is needed. To make sure that all payments to 1099 vendors are being reported to the IRS, the system will be designed with custom reporting and extract capabilities, with policy restrictions placed on using one-time vendor functionality.

One time vendors are not allowed on requisitions or purchase orders. If a purchase requires a requisition or purchase order according to State Procurement Department policy, then the vendor must be a vendor in the SAP vendor database. This means that one time vendors will only be used on non PO related AP invoices and Imprest Account payments. Accordingly, one time vendor master records will be created without any purchasing views. This will naturally restrict the master records use in purchasing related transactions.

Since one time vendors may or may not be 1099 reportable, SAP will have at least 2 categories of one time vendors: 1099 one time vendors and Non 1099 one time vendors. 1099 one time vendors will be created with a vendor 'shell' that requires the tax identification information and withholding tax code fields during invoice data entry. Non 1099 one time vendors will not require tax identification information and withholding tax code fields during invoice data entry. The end user will have the responsibility of choosing the correct one time vendor master record to use in the transaction and entering the applicable 1099 information in the vendor master record section of the invoice document.

If a 1099 one time vendor is used then the end user will have the responsibility of marking the applicable expenses 1099 reportable as needed. If an end user marks an expense 1099 reportable but did not enter the applicable 1099 information in the vendor master section of the document, then the system will not allow the document to be saved until the correction has been made.

As stated earlier, the end user will have the responsibility of selecting the correct one time vendor (1099 vendor on Non 1099 vendor). OSRAP will monitor the use of one time vendors via reporting. If an invoice uses a onetime vendor and by OSRAP's standards this vendor and the purchase is 1099 reportable, then OSRAP will have the capability of updating the one time vendor master data information stored in the document.

Vendor Master Data with 'Back Up' Withholding

Typically, 1099 vendor transactions do not require actual 1099 'back up' withholding. Back up withholding is when the State deducts a percentage of the payment due from the vendor and remits this deduction to the Federal Government. SAP provides functionality to execute 'back up' withholding as needed by configuring special withholding tax codes in the IMG. It was decided that although this is not an everyday practice, the option needs to be available in the system so back up withholding will be configured in SAP. Vendors that require actual 1099 back up withholding will be defined with the back up withholding tax code. When these types of vendors are used in an invoicing transaction the system will automatically deduct the configured deduction percentage from the total amount due and generate a withholding general ledger line item on the invoice. The vendor will be paid the 'net' amount after the deduction.

A separate AP invoice must be entered to clear the withholding general ledger account and remit payment to the Federal Government. The State Agency's Accounts Payable Department will have the responsibility of monitoring actual back up withholding and paying the IRS for 1099 withholdings by entering the AP invoice. The vendor (IRS) is paid using the standard payment program.

Invoice Data Entry Integration with 1099 Reporting

A design decision was made to use a 1099 custom table to identify which expenses are 1099 reportable. This table will include the general ledger accounts that are 1099 reportable. During SAP invoice data entry, key information defaults into the SAP vendor invoice screen from two sources: PO, if the invoice

being entered is PO related and/or the vendor master record (for all invoices, PO and non PO related). Information that defaults from the vendor master is field data such as: payment terms and withholding tax code. If a 1099 vendor is used in an invoicing transaction then the vendor line item of the invoice will have the vendor's withholding tax code information found on the master record. This 1099 relevant default information will populate the vendor line of the document and typically is not changed during invoicing. The end user completes the invoice data entry by entering the appropriate expense account coding (i.e. general ledger account, fund, business area, etc.). The 1099 data filing program will use the vendor and expense code data from the invoice to determine which expense line items are 1099 reportable.

1099 Filing Procedures

Invoices are entered into the system and paid throughout the calendar year. Prior to 1099 reporting due date (i.e. final transmission to IRS); OSRAP will execute a tentative filing report for each State Agency detailing the 1099 vendor payment activity. The report will require custom development. The report will be electronically sent to each State Agency's Accounts Payable Department. The report will include information such as: 1099 reportable expenditures (by vendor), non 1099 reportable expenditures (by vendor). The purpose of the report is to review expenditures that were deemed non 1099 reportable and make sure that the 1099 filing for their business area is accurate. If there are any discrepancies found, end users must correct invoice line item(s) and/or vendor master data. Refer to PDD FIN-AP-PDD010-Account Code Structures-Vendors.

1098 Reporting

Mortgage interest payments that are received from mortgages initiated in the Real Estate (RE) module are reported to the IRS using the 1098 Form (Mortgage Interest Statement). Agencies must submit a 1098 report if they are engaged in a trade or business that allows them to receive from an individual, including a sole proprietor, $600 or more of mortgage interest during the calendar year. The 1098 reporting details the interest portion of the mortgage payment. Each mortgage is reported to the IRS.

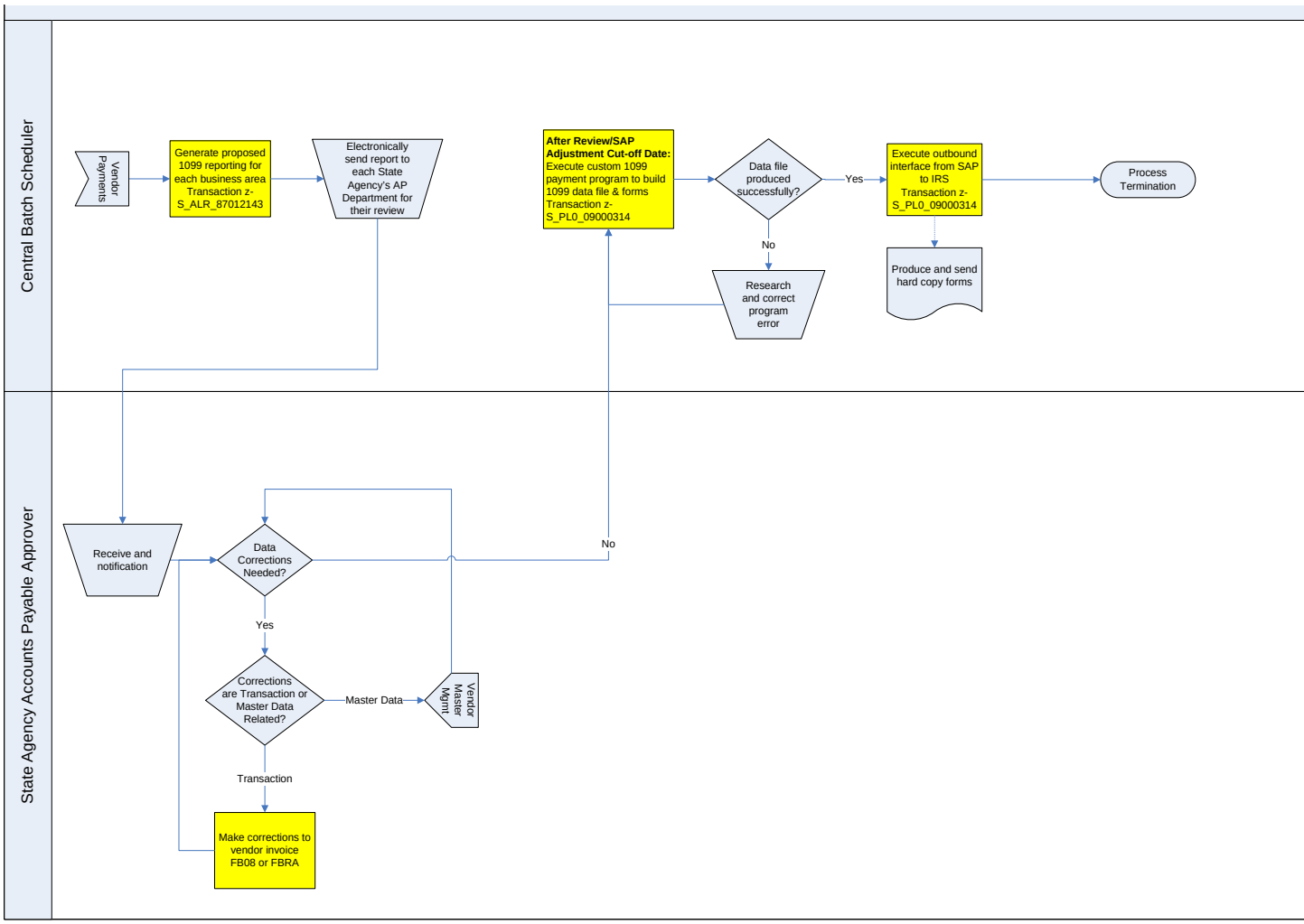
The mortgage contract will be defined in the Real Estate module. The recurring receivables will be generated from RE and post to AR module via natural integration. The customer payment will be received (posted) using the standard AR payment transaction.

SAP does not provide a standard 1098 reporting option. A custom program will be developed in SAP to support 1098 reporting (i.e. file transmission and forms). 1098 reporting is limited to a few agencies within the state. Business requirement and business process details will be further refined during Realization.

Process Terminology

#	Process Terminology	Description
1	1099 reportable	Expenses that made supporting a 1099 vendor purchase and should be reported to the IRS
2	1099 vendor	Vendor that has 1099 relevant fields completed on their master record
3	Back up withholding	Deduction made to vendor payment based on IRS guidelines. The deduction is then remitted to the Federal Government (quarterly) and reported during 1099 reporting year end reporting
4	One time vendor	Functionality that allows the vendor information to be stored within the invoice document.

To-Be Process Flows



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	The design supports a single FEIN tax model (state wide) or a multi FEIN tax model (by agency).	None	None
2	Payments will be selected as 1099 reporting where the payment was made to a 1099 vendor (as defined on the vendor master record) and the invoice expense line item(s) were indicated as 1099 reportable using a custom table defined in SAP.	New business process since the current system will not be used. Supporting desk procedures must be developed.	Additional training for end users supporting 1099 & 1098 filing procedures.
3	Final 1099 & 1098 reporting will use SAP	New business process since the current system will not be used. Supporting desk procedures must be developed.	Additional training for end users supporting 1099 & 1098 filing procedures.
4	Because not all state agency payments to vendors will be generated out of SAP, not all 1099 reporting use SAP. 1099 relevant payments made from 'out of scope' legacy systems will be reported to the Federal Government separately using their current 1099 reporting and filing procedures that are currently in place.	None, current procedure will be used.	None, current procedure will be used.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified.		

Currently there are not any significant changes to the business process that warrant any procedural and/or policy changes.

Identified Development Objects (FRICE-W):

F – Forms		Master List of Current and Future State Forms: Vendor Invoice through Payment					
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	1099 form	IRS business requirement	X	X	IRS business requirement	AP Team	None
2.	1098 form	IRS business requirement	X	X	IRS business requirements	AP Team	None

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R – Reports	Master List of Current and Future State Reports: Vendor Invoice through Payment						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Purchases made to one-time vendors	Review for missing 1099 reportable payments		X	IRS business requirement	AP Team	None
2.	Proposed 1099 reporting by business area	Review 1099 reporting prior to actual filing	X	X	Internal control used to audit the filing process	AP Team	None
3.	Proposed 1098 reporting by business area	Review 1098 reporting prior to actual filing	X	X	Internal control used to audit the filing process	AP Team	None

I – Interfaces	Master List of Current and Future State Interfaces: Vendor Invoice through Payment						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	1099 reporting data interface to IRS	Outbound interface that sends SAP 1099 reporting data to IRS for 1099 filing		X	IRS business requirement	AP Team	None
2.	1098 reporting data interface to IRS	Outbound interface that sends SAP 1098 reporting data to IRS for 1098 filing`		X	IRS business requirement	AP Team	None

C - Conversions	Master List of Future State Data Conversions: Vendor Invoice through Payment						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified.						

E – Enhancements	Master List of Future State Enhancements: Vendor Invoice through Payment				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Custom table for 1099 reportable GL accounts	Custom table	1099 reportable expenses	IRS business requirement	None
2.	Standard field made visible during invoicing	Standard withholding tax code field made available for input during invoicing with a one-time vendor	Standard field made usable during invoicing	IRS business requirement	This may be a 'bug' in the Sandbox. More investigation is needed during Realization.

E – Enhancements		Master List of Future State Enhancements: Vendor Invoice through Payment			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
3.	Warning message: User exit that checks the custom table for discrepancy coding	User exit during vendor invoicing that checks 1099 expense table	1099 reportable expense validation	Improvement to data entry process	Warning message issued.
4.	Improvement to standard 1099 filing program that produces the file data for transmission	Standard program must be changed to include determination logic based on custom table and expense line item data.	Enhancement to standard SAP program	IRS business requirement	None
5.	Custom program to produce 1098 files	Custom program that produces a 1098 file	Custom program	IRS business requirement	None

W – Workflow		Master List of Future State Workflow Events: Vendor Invoice through Payment	
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps		Master List of Future Gaps: Vendor Invoice through Payment	
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: Vendor Invoice through Payment		
No.	Role	Description	Strategy	Special Considerations
1.	Central SAP Batch Management	Team responsible for scheduling, executing batch programs	TBD	None
2.	State Agency Accounts Payable Approver	Reviews 1099 report audit and makes necessary changes to invoice data	TBD	None

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	1099 coding will include indicating 1099 reportable expenses using a custom table.	Simplifies reporting	None

Training Impact

- There will be a training effort needed to educate the end users on the importance of accurate coding during invoicing

Appendix

Not applicable.

5. Accounts Receivable

Team:	Finance – Accounts Receivable
PDD Name:	Account Code Structure – Customers
PDD Number:	FIN-AR-PDD010-Account Code Structure – Customers
Business Process Owner:	Afranie Adomako
Functional Lead:	Ashley Peak
Functional Consultant:	Mary Walker

Executive Summary

The SAP customer master is a master data object that contains all the necessary information required to conduct business between the customer and the seller or billing State Agency. Customer master data information is used when executing business transactions in the Accounts Receivable (AR), Sales and Distribution (SD), Grants Management (GM) and Accounts Payable (AP) modules. Customer master data is used in the AR, module for customer invoicing, credit memo processing, applying customer payments and account management reporting. Customer master data is used in the SD and GM modules for customer invoicing, credit memo processing and account management reporting. Customer master data is used in the AP module when it has been determined (approved) that a customer credit should be cleared with an outgoing check or ACH payment.

Design Decision

The SD billing functionality will be limited to the functionality needed for GM related billing only. Full use and configuration of the SD module is not in scope. Full AR invoicing, credit memo processing, payment and account management functionality will be used.

Design Decision

On a limited basis, customer credits can be cleared using outgoing AP payments. However, customer/vendor clearing functionality will not be used. Customer/vendor clearing functionality allows two master records (customer and vendor) to be 'linked' in the SAP system. This connection allows open debits and credits on each individual record to offset and therefore reduce the potential outgoing payment to the vendor.

Customer master data maintenance is only relevant for those agencies that are using SAP Accounts Receivable functionality. According to project scope, the Accounts Receivable functionality is not being rolled out across all agencies. Agencies were evaluated during the Business Blueprint workshops and a determination was made as to whether the agency's Accounts Receivable business processes will be done in SAP AR. An agency was deemed a 'good fit' for SAP AR if the current Account Receivable business processes used generic tracking tools such as Excel, Access or Lotus Notes. Standard SAP AR functionality provides reporting data and data management improvement opportunities for those agencies using these types of manual tracking tools. Additionally, agencies that use a non integrated stand alone AR system such as QuickBooks or some other legacy system were also considered a good fit because the legacy functionality could easily be replaced and improved by SAP AR and the overall integration in SAP. Agencies that currently use a specialized billing software system or specialized case management software system were not a good fit for SAP AR. The pilot roll-out for SAP AR will focus on the agencies that were deemed a good fit.

Design Decision

Agencies that are targeted for the pilot roll-out are: Department of Transportation and Development (DOTD)-AREC system, Department of Public Safety & Corrections, Correction Services-QuickBooks system, Department of Wildlife and Fishery (WLF)-QuickBooks system and Ethics Administration Program-Lotus Notes based tracking system.

All other agencies Accounts Receivable business processes include master data maintenance, invoicing and credits, payments and account management will be done in their respective specialized legacy systems.

Design Decision

It is important to note that although some agencies will not manage their day-to-day Accounts Receivable in SAP AR, these agencies will update the Finance General Ledger (FI-GL) accounts to record revenue and cash payments.

Agencies that do not use SAP AR will not have detailed Accounts Receivable information available in SAP. Accordingly, their customer master information will not be maintained in SAP. Therefore, this document will not discuss non SAP AR agencies.
This document will describe the data maintenance process for the agencies that will use SAP AR. The maintenance process includes: creating new customer master records, changing existing customer master records, blocking or unblocking customer master records and marking records for deletion. The master data maintenance process begins when a billing State Agency end user identifies a business need for a new customer record or an update to an existing record in SAP.

For example, a new customer master data request would be needed when an invoice cannot be created because the required customer is not in the SAP system. Additionally, an end user can request customer master data modifications when information such as customer address or name is not correct. To facilitate the request, the end user manually completes an online form and emails the form to a centralized data administrative group. The centralized group reviews the master data maintenance request and upon approval, updates SAP accordingly. The requestor is then notified via email of the update.

Design Decision

DOA will maintain and execute the customer master data requests. End users will complete an online Excel or Access based form and send it to DOA. DOA will be the central customer master custodian responsible for maintaining customer master data integrity.

This document will also explain the master data make-up for the customer record from a configuration point of view. This document will discuss customer account group design, customer account numbering schema and field status requirements for the customer master record. Field status requirements describe how the fields, which are available on the customer master record using standard SAP configuration, will be used: required field, optional field or suppressed field. The customer account group is a central piece of master data configuration that controls the fields that are available on a master data record, specifies if the record uses one-time functionality and defines the account numbering schema. The customer account group strategy defines how the records will be used in business transactions and reporting. Multiple customer account groups are defined when there is need to define varying field status definition, one-time functionality or distinct account numbering across customer groups.

Design Decision

There will be one customer master record and one customer account group used across all agencies. The account group will use internally assigned account numbers with the 8 digit numbering schema 10000000-99999999. One-time functionality will not be used. Vendor/Customer integration for AR to AP payment clearing will not be used.

To-Be Process Description

The SAP customer master is a master data object that contains all the information required to conduct business between the external customer and the seller or billing state agency. The customer master data maintenance process includes business activities such as: creating new customer master records, changing or updating existing customer master records, blocking or unblocking customer master records from invoicing and payment transactions or marking customer master records for deletion.

Each SAP business transaction requires some type of master data in order to enter the document into the system. Data integrity is a central component in master data maintenance. The business transactional data is directly dependent on the integrity of the master data used in the transaction. If the master data contains incorrect data, then the business transactions using the master data are incorrect as well. The customer master record will be used in the AR module for data entry and reporting of customer invoices, customer credits, entering customer payments and overall customer account management. Because integrity is so important, the maintenance of customer master data is essential to the entire Accounts Receivable business processes. To ensure that the customer master data maintains data integrity, the updating of data records will be performed by a central group. By limiting the personnel having access to update customer master records; it will be easier to control and monitor.

The Accounts Receivable functionality will not be rolled out to all state agencies conducting Accounts Receivable business processes. Agencies that attended the Business Blueprint workshops were evaluated during the workshop sessions and follow-on meetings. The AR team along with LaGov project management, determined only the state agencies where SAP AR can completely replace the legacy Accounts Receivable business process will be included in the project scope. Agencies currently using a specialized billing software system or specialized case management software system will not be included in the project scope because the specific business processes (calculating billing line item and totals, payments, etc) cannot be done solely in SAP but would require parallel updates (data entry in the legacy AR systems and SAP AR).

SAP AR will focus on the following agencies for the initial roll-out: Department of Transportation and Development (DOTD)-AREC system, Department of Public Safety & Corrections, Correction Services-QuickBooks system, Department of Wildlife and Fishery (WLF)-QuickBooks system and Ethics Administration Program-Lotus Notes based tracking system. The remaining state agencies will continue to conduct their day to day AR business processes in their respective legacy systems. The detailed AR billing information will be managed in the legacy systems. When customer payment has been received, the billing state agencies will manually enter their revenue classification and cash deposits in the SAP FI-GL system using journal voucher documents.

Customer Master Maintenance Process: Data Conversion

The customer master database will be populated during go live data conversion. The legacy systems will provide the basis for data conversion. The customer master information will be extracted from the legacy systems, the agencies will be provided a conversion layout to prepare and cleanse their data. The cleansed data will be put in a staging area where duplicate records are removed. A final SAP data file will be constructed using the cleansed data from the staging area. The cleansed data will be loaded into the SAP AR customer master database using a conversion program.

Customer Master Maintenance Process: Creating new customer records

The maintenance process begins when an end user at the billing State Agency identifies a need for a new customer master record. A new customer master record is needed in SAP when the billing State Agency wants to enter a customer invoice but the customer is not in the system. The end user will research the customer master records using standard customer master data reports and the customer master account number match code look-up function available in the Accounts Receivable module. If the customer is not in the customer master database then a new customer master record is needed. The end user will complete a customer master maintenance form. The customer master maintenance form will be an Excel,

Adobe or Access database form completed online and sent via email to the centralized customer master custodian group.

Customer Master Maintenance Process: Changing customer records

The customer master record is a shared data object across all agencies. For this reason, changes that are made to the central record affect all agencies that use the record. Modifications to existing records will be monitored closely. This management is needed because a customer may play different roles within the billing systems. For example, a customer may have a corporate address but a different address is used for invoicing, a different address is used for dunning and separate addresses used for various contacts (sales, Accounts Payable, etc). These various customer roles are called business partners in SAP. The standard SAP functionality allows unique business partners to be created in the system and linked to the central customer record that represent the customer's corporate or main office. The business partner functionality allows flexible data management with consolidated reporting. The business partner functionality that will be used is the Head office/Branch functionality for multiple invoice or branch locations, dunning recipient for alternative dunning addresses and customer master contacts for multiple business contact information.

In addition to supporting end user requests for new customer master records, the customer master maintenance form will support requests to modify existing records. Customer address information, business contact information and additional business partners are the typical maintenance requests required by end users. Modifications to customer master address information must be done only if the customer has truly changed their address information. If a customer has identified a different business partner address then an additional new business partner is needed; not a modification to the central customer record. The end user will clarify this need by contacting the customer to confirm if the address in the SAP system is valid as a central or corporate address. Changes to policy driven fields such as reconciliation accounts, payment terms, dunning procedures, etc are not typically initiated by State Agency end users but by a controlling agency such as OSRAP.

Similar to new customer master requests, change requests are communicated using the customer master maintenance form. The form will be completed online by the billing State Agency end user and sent via email to the centralized customer master custodian group.

It will be up to the State Agency to decide who will have the capability and responsibility of submitting customer master data maintenance requests. Each billing State Agency must decide how their own office procedures/approvals will be done prior to submitting the request.

Customer Master Maintenance Process: Centralized data maintenance by the customer master custodian group

Because data integrity is so crucial to SAP business transactions it is a best practice to centralize the data maintenance and limit it to a select few end users. During the workshops it was recommended that the best agency to be customer master data custodian or manage the SAP updating of customer master records is DOA. Data integrity can best be maintained by limiting the number of end users with update access to the records.

The customer master maintenance form will be received by the customer master custodian group and reviewed for completeness. If the form is not complete, the form is rejected and sent via email back to the requester with the reject reason. The requester has the option of updating the form and sending it back to the centralized customer master custodian group or ending the request. When the form is complete, the customer master custodian group will confirm the business need for the request. The customer master custodian group will use standard match code look up functions and customer master data reporting to verify if the request is not already in the system. If the new customer master record is in the SAP system, the request is then rejected; the request form is updated and emailed back to the requester. If a customer master change request is received the end user may be contacted to verify the change need. Once it has been confirmed that the record update is needed the customer master maintenance form will be used as input data to automate the data creating new records in SAP. The customer master

request form will follow the input format of the customer master data conversion program so that the customer master custodian can leverage the conversion program during daily maintenance for new requests. Changes will be done manually. Accordingly, the customer master maintenance form will be manually updated with new account number or confirmation of change request. The customer master maintenance form is then sent back to requestor via standard office email.

Customer Master Maintenance Process: Block/unblock customer master records

End user requests to block or unblock customer master records or to mark a customer master record for deletion are treated slightly differently than new customer master requests or change requests. The customer master blocking functionality allows a customer master record to be restricted from any accounting transactions such as invoicing, incoming payments, etc. The customer master is a shared record across all agencies; one agency's request to block or unblock a record would restrict use for all agencies that use or plan to use the record. Customer master records are blocked when the State decides that no agency will do business with the customer. Customer master records are blocked when an organization goes out of business or files bankruptcy. Customer's are unblocked when there has been a business decision (at a State level) to resume business with the customer. Because the blocking function in AR restricts all accounting transactions including receipt of customer payments, the customer's account is reviewed prior to blocking the account. If there are any open items (invoices, credits, payments) on the account these items must be resolved (cleared off) prior to blocking the record.

Customer Master Maintenance Process: Mark customer master record for deletion

The customer master deletion process is a two step procedure. First the record is blocked from accounting postings then the record is marked for deletion. The end user requesting the change must document the business case for the change and send all documentation to the customer master custodian so that they can make an informed decision. End users requesting the deletion must first review the customer's account and clear any of their agency's open items. If the open items cross agencies, then the customer master custodian (controlling agency) must inform all agencies involved with the customer of the business reason that the customer's record is to be blocked from future transactions and all open items must be cleared. The controlling agency will decide if the record should be deleted. If the request is approved the customer master record is blocked and the record is marked for deletion. The business justification for the action will be documented in the customer master record long text. The customer master maintenance request form is updated with the applicable information and emailed back to the end user.

Although a record is marked for deletion it still resides in the SAP database. The SAP system uses archive programs to remove customer master records that are no longer needed. When data is archived, it is extracted from the SAP database, deleted, and placed in a file. The file is then transferred to an external archive system. Prior to actual data removal, the customer master record is blocked from accounting postings. Customer master records that are identified for deletion should be reviewed for open accounting activity. If there are any open items on the customer's account, the open items must be cleared using customer payments or accounting write-offs. In addition to clearing open items, a master record cannot be deleted if there are any transactional data in the system that refers the data object. Transactional data included cleared invoices, credits and payments. Accordingly, the customer's transactional data must be archived prior to the customer master record archiving. Typically historical customer data such as invoicing and payments are still needed in reporting even if the state decides to stop doing business with the customer. For this reason deletion requests may be initiated by end users but the overall customer archiving (deletion) will follow a Statewide SAP archiving strategy that supports archiving of all SAP master data and transactional data objects. The State will define its archiving strategy.

Customer Master Configuration

There are several design decisions for customer master configuration: customer account group approach, customer master field status approach, customer tolerance group approach and reconciliation

account approach. The customer master will have one account group. Account groups control the fields available on the customer master record, called field status in SAP. Account groups also control the account number schema assigned to a record and determine if the record is a one-time customer record or not. The customer master account group that will be used for all customers will have an 8 digit account numbering schema, account number range 10000000-99999999. Refer to the attached spreadsheet to review the fields that will be required, optional or suppressed on the customer master record. The spreadsheet also defines how each field is typically used.

The customer tolerance group is another central piece of customer master configuration. The customer tolerance group defines the allowed clearing procedures, permitted payment differences and how residual invoices will post in the case of short payments. The customer tolerance group definition will be:

- Zero (0) grace days to extend payment due date for open invoices
- Customer invoice due date will be determined based on the customer invoice document date
- Allowed automatic payment difference write-off for variance from amount expected based on invoice amount and amount received based on customer payment will be zero (0)

It is important to note that there will not be an automatic write-off of small payment differences because the standard SAP automatic write-off functionality assumes that the write off will use a single general ledger account and does not include (as a customizing option) the use of other accounting objects such as fund.

Although automatic write-off will not be used, manual write-off at an agency level can be used. During the workshops, the participants felt that a zero tolerance for any payment difference (automatic or manual) should be configured in the system. This means that any payment difference must be processed as a partial payment to the invoice. After discussing this procedure with various team members and project management, it was decided to initially try using the SAP manual write-off functionality. Small difference write-off is a good practice because it helps 'clean up' small dollar balances that 'clog' up open item reporting. Small difference write-off also helps during dunning and debt collection so that agencies can prioritize open debt. The configuration setting below illustrates the allowed manual adjustment (write-off) for customer payments during agency level invoice clearing. This setting can be reviewed and adjusted as more agencies fold into the SAP AR system. The billing agencies will decide when it is acceptable to use the manual write-off functionality.

- Allowed payment difference for manual adjustments (variance from amount expected and amount received) will be $10.00 or 2% (2% of the invoice up to $10)

Another key area in customer master configuration is the AR reconciliation account. In SAP, the General Ledger records all G/L account activity (transactions). The Chart of Accounts is used to organize these G/L accounts. G/L accounts are categorized by (1) P&L income statement related accounts or (2) Balance sheet related accounts. Detailed customer accounting transactions are recorded in the customer subsidiary ledgers and this same activity is summarized and recorded in the general ledger via a reconciliation account. SAP's natural integration makes parallel accounting entries in the customer subsidiary ledger and the AR reconciliation account whenever an AR related transaction is posted in accounting. Each customer master record is assigned to one AR reconciliation account. SAP allows the flexibility to override the standard AR reconciliation account during data entry of invoicing or credit memo transactions. However, it was determined that this override functionality would not be needed. There will be one reconciliation account defined for every customer on their master record and this account will be used during each accounting transaction. This means that all AR accounting activity will post to a single reconciliation account. It is important to note that the accounting transactions will also have the agency's business area so the AR balance sheet activity can be viewed by business area if needed.

Other standard functionality that will NOT be used:

- One time customer functionality
- Vendor/Customer integration

- Credit Management

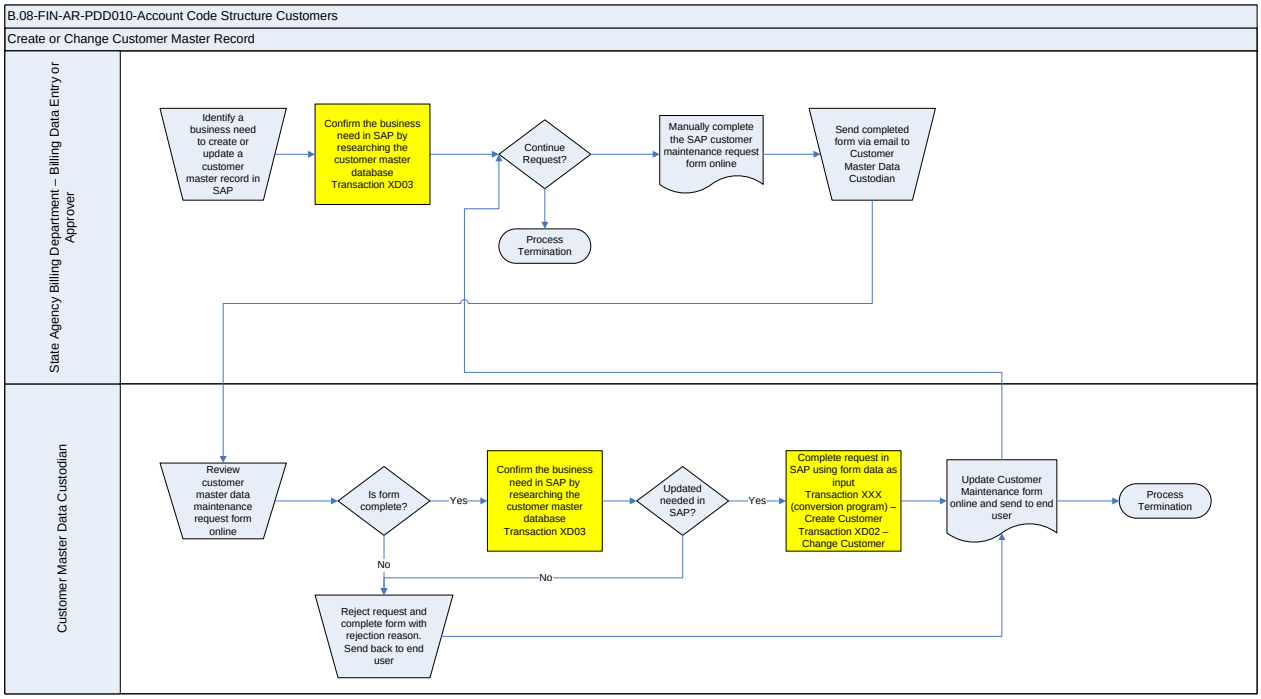
Customer Master Integration

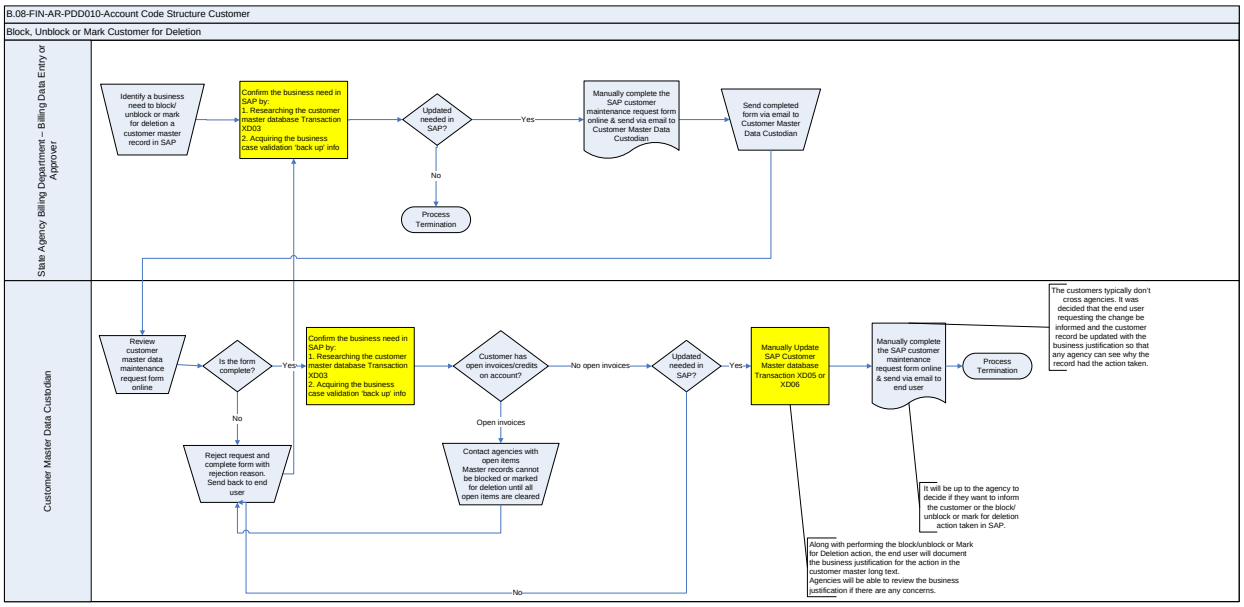
The AR customer master has integration points with other master data records in Finance. The AR customer master can be 'extended' to include master data views (module functionality) from other Finance modules. The AR record can be 'extended' to have a SD view to support the master records' use in Sales and Distribution module related transactions. The AR record can be 'extended' to have a GM view to support the master records' use in Grants Management module related transactions. The GM 'extension' is done by creating a Grant Sponsor business partner from the AR record. The AR record can also be 'extended' in the Real Estate module to create tenants. Regardless of how the AR customer master record is extended in the various modules, all customer master maintenance requests will follow the same maintenance procedure outline above. The requestor will then have the opportunity to 'extend' the record in the appropriate module as needed. The customer master extension includes adding module specific master data to the central AR record. The extension does not add a new account number so the account number assigned in AR is the same account number used in all other modules.

	Process Terminology	Description
1	Match code look up	Standard SAP functionality that allows an end user to select a particular database record (e.g. customer account number) by entering search criteria such as customer name, address information, etc that is contained in the record. The system then displays a list of records matching the specifications.
2	Head Office & Branch	SAP business partner functionality that allows a customer to have a single corporate address and multiple sales or accounting addresses (branches)
3	Dunning Recipient	SAP business partner functionality that allows a customer to have a single corporate address and a separate address used to send dunning notices or payment reminder letters.
4	Contact Data	SAP customer master functionality that allows multiple customer business contacts (sales persons, accounting contacts, etc) to be stored centrally as a part of the customer master record.
5	Customer master data request form	Access , Adobe or Excel based form used to communicate customer master data update requests
6	Deletion program	Program used to remove customer master data from SAP system
7	Block/unblock	Functionality that allows a customer to be blocked from either Sales transactions (sales orders, shipping, etc) and/or Accounting transactions (invoicing, credits, payments).
8	Account group	Configuration item that controls how a customer is defined in the system. Account groups dictate: account number schema assigned to a customer, fields that will be available on the customer master record and if the customer is a one-time customer or regular customer.
9	Payment terms	Configurable data used to determine the customer payment due date on an invoice
10	Reconciliation account	Balance sheet account used to summarize AR activity for GL reporting
11	Dunning procedure	Configurable data used to determine the dunning schedule assigned to an invoice or customer. Dunning procedures determine the number of reminder notices sent to the customer, intervals of payment reminders,

	Process Terminology	Description
		letter text, etc.
12	One-time customer	SAP functionality that allows customer master data (name, address, phone, etc) to be stored directly in the invoice instead of storing it in a separate record in the customer master database.
12	Field status configuration	Configuration that determines what fields will be available on a screen and the behavior of the field within the transaction (i.e. required data, optional data, displayed only or suppressed from view).
14	Tolerance group	SAP configuration that determines how payment variances will be handled in the system.
15	Grant's Sponsor Record	SAP functionality that allows a FI-AR customer record to be used in the GM module

To-Be Process Flows





Key Business Process Decisions.

#	Decision	Process Impact	Organizational Impact
1	The following agencies will use SAP AR functionality for invoicing, credits, payments and account management: • DOTD-AREC system • WLF-QuickBooks system • DOC-QuickBooks system • Ethics-Lotus Notes system	DOTD, WLF, and DOC systems will be completely replaced with SAP AR functionality. Ethics Lotus Notes database will remain in place for initial customer debt tracking but customer AR management will be done in AR. Manual desk procedures must be reviewed and updated to support SAP system.	Standard AR business process will be followed for the pilot agencies replacing their current stand alone procedures.
2	Customer master data maintenance form will contain data supporting: creating, modifying, unblock/block and mark for deletion requests The request form will be an Excel, Adobe or Access based form that will be manually completed online and sent to the central master data custodian group via email	This will be a new process for the end users. Since the end users had full control over the master data in the past, this new process is a loss of control. DOA must establish clear service level agreements supporting the customer master maintenance process and communicate the service levels to the end users.	State agency end users must be trained on the use of the online request form and business procedures supporting the data maintenance.
3	DOA will be the centralized data maintenance (customer	This will be a new process for DOA; previously the end users had full control	This is a new responsibility for DOA that will increase their work volume.

#	Decision	Process Impact	Organizational Impact
	custodian) group	over the master data.	
4	There will be one customer master record that is shared across all agencies	End users must be educated on the business partner functionality so that customer master change requests will not cause confusion across agencies. This topic is of particular interest where customers are 'shared' across agencies. Primarily customers do not do business across agencies in SAP, but it can happen.	Modifications to customer master records such as block/unblock, or mark for deletion will affect all state agencies. OSRAP must establish guidelines on communicating change request to all state agencies.
5	Business partner requirements will be satisfied using standard SAP AR functionality: • Invoicing Partner-Head Office/Branch • Dunning Partner-Dunning Recipient • Business Contacts-Contacts	End users must be educated on the business partner functionality so that customer master change requests will not cause confusion across agencies. This topic is of particular interest where customers are 'shared' across agencies. Primarily customers do not do business across agencies in SAP, but it can happen.	Training on new functionality will be needed for OSRAP and state agency personnel.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	A policy will be needed that designates DOA as the customer master data custodian and outlines the service level details and necessary approvals for customer master creation/maintenance	None	Afranie Adomako
2	A guideline policy on manual adjustments or write-offs	None	Afranie Adomako

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: Customer master data maintenance						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1	None identified						

Note: *Excel or Access based form that is used to communicate customer master data requests for end users to OSRAP.*

R – Reports	Master List of Current and Future State Reports: Customer master data maintenance						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: Customer master data maintenance						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: Customer master data maintenance						
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
1.	Customer master data	Used for AR invoicing, payments and reporting	QuickBooks	SAP AR			DOC WLF
2.	Customer master data	Used for AR invoicing, payments and reporting	AREC	SAP AR			DOTD
3.	Customer master data	Used for AR invoicing, payments and reporting	Lotus Notes	SAP AR			Ethics

E – Enhancements	Master List of Future State Enhancements: Customer master data maintenance				
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	Multiple legacy account number fields on customer master record (custom fields)	For those customers that cross agencies, there is a need for more than one previous account number field	Custom field	Used for data look-up and transactional data conversion	Low priority

W – Workflow	Master List of Future State Workflow Events: Customer master data maintenance		
No.	**Description**	**Justification**	**Comments**
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: Customer master data maintenance		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: Customer master data maintenance			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	Customer Master Custodian	Centralized personnel that will have responsibility of maintaining customer master data	Central maintenance	None
2.	State Agency Billing Department – Billing Data Entry	Decentralized personnel that will have responsibility of entering invoice and credit memo transactions	De-central and central data entry	None
3.	State Agency Billing Department – Approver	Decentralized personnel that will have responsibility of reviewing and approving customer invoices, credit memos and payments. They will also oversee overall account management.	Central	None

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Establish desk procedure including service levels for data maintenance specifically, block/unblock; mark deletion for deletion	Independently managed in legacy systems because each agency had their own AR system	None
2.	One customer, shared across agencies, maintained centrally at DOA	Independently managed in legacy systems because each agency had their own AR system	Unknown
3.	Training the end users to use the request process	Independently managed in legacy systems because each agency had their own AR system	None

Training Impact

1. End user will need training on new process
2. DOA will need training on customer master design and new process

It is not known at this time the exact training impact this process will have on the state. The Training team will need to do more analysis at each billing state agency using SAP and DOA to determine potential number of people to be trained, their organizational alignment, etc.

Appendix A – Customer configuration

Customer Account Group					**All SAP AR Customers**				
Account Number Schema (External/Internal)					**Internal Numbered:** Number Range - 10000000-99999999				
Data View	**Field**	**Use**	**Field Length**	**Field Type**	**Required**	**Optional**	**Suppressed**	**Display**	**Notes**
Company code Data	Double invoice validation	Indicator that checks if an invoice has been entered twice.	1	CHAR			X		Used in AP
Company code Data	House bank	The default bank used to pay the vendor	5	CHAR			X		Used In AP
Company code Data	Payment methods	Payment methods used for vendor payment: check, ACH, EFT, wire, etc.	1	CHAR			X		Used In AP
Company code Data	Reconciliation account	General ledger reconciliation account used to reflect the summarized customer receivable (asset) on the balance sheet.	10	CHAR	X				
Company	Terms of payment	Specifies the payment	4	CHAR	X				Default Net 30

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					Internal Numbered: Number Range - 10000000-99999999				
Data View	**Field**	**Use**	**Field Length**	**Field Type**	**Required**	**Optional**	**Suppressed**	**Display**	**Notes**
code Data		agreement made between buyer and seller, (Pay immediately Due Net; Within 30 days due net).							
Company code Data	Tolerance group	Configurable tolerance settings that control allowed cash discount and payment difference processing. These settings become effective during payment transactions.	4	CHAR			X		
Company code Data	Credit memo terms of payment	Payment terms used on credit memo related transactions	4	CHAR		X			
Company code Data	Sort key	Indicates field data to be copied to general ledger line item information (stored in assignment field on GL line item).	N/A	N/A			X		Especially useful on one-time customers to store customer specific information on general ledger line items.
Company code Data	Withholding tax code (1)	The withholding tax code can be compared to a tax sub-category which must be taken into consideration when reporting tax to the tax authorities. (Standard withholding tax field).	N/A	N/A			X		
Company code Data	Wthld.tax exempt., wthld.ta	Number of the certificate which is issued for temporary exemption from withholding tax & exemption period. (Standard withholding tax field).	N/A	N/A			X		
Company code Data	Cash management group	In cash management, customers and vendors are allocated to planning groups by means of an entry made in the master record.				??			To be determined by Cash Management Team
Company code Data	Cashed checks duration	Number of days which usually pass until the vendor has cashed your check.	N/A	N/A			X		Used in AP
Company code Data	W/hold.tax country, w/h tax 2	Used for extended withholding tax and replaces standard withholding tax	N/A	N/A			X		

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					Internal Numbered: Number Range - 10000000-99999999				
Data View	Field	Use	Field Length	Field Type	Required	Optional	Suppressed	Display	Notes
		fields.							
Company code Data	W/holding tax cat., w/h tax 2	Used for extended withholding tax and replaces standard withholding tax fields.	N/A	N/A			X		
Company code Data	W/holding tax exemp.,w/h tax	Used for extended withholding tax and replaces standard withholding tax fields.	N/A	N/A			X		
Company code Data	W/holding tax reg. number (2)	Used for extended withholding tax and replaces standard withholding tax fields.	N/A	N/A			X		
Company code Data	Withholding tax code,w/h tax	Used for extended withholding tax and replaces standard withholding tax fields.	N/A	N/A			X		
Company code Data	Account at customer	Our account number at in customer's AP system	12	CHAR		X			
Company code Data	Account memo	Internal memo of the accounting department.	30	CHAR		X			
Company code Data	Acctng clerk's communication	Customer's Accounts Payable contact person's: email address, tel.no., fax	130	CHAR		X			
Company code Data	Alternative payee account	Vendor SAP account number used to specify an alternative payer when invoices are paid.	N/A	N/A			x		
Company code Data	Alternative payee in document	Functionality used to allow an alternative payee to be defined in the invoice document instead of being defined on the vendor's master record.	N/A	N/A			x		
Company code Data	Authorization	Field used to add additional security control for groups of customer master records.	4	CHAR		X			Best practice is to leave this field optional so that security strategies can easily grow/adapt if needed
Company code Data	Head office	Field used to indicate the customer's head office	10	CHAR		X			

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					Internal Numbered: Number Range - 10000000-99999999				
Data View	Field	Use	Field Length	Field Type	Required	Optional	Suppressed	Display	Notes
		account number.							
Company code Data	Local processing	Indicates that payment transactions are created for the branch. Normally automatic payment transactions created for the head office.	1	CHAR		X			
Company code Data	Minority indicator	Configurable drop-down list that is used to define the minority vendor status of a vendor.		CHAR			X		
Company code Data	Payment block	Indicator used to block all payments made to the vendor. Indicator does not block invoicing, just payments.	N/A	N/A			X		Used in AP
Company code Data	Prepayment	Indicator that specifies if the vendor is prepaid or not: (1) vendor is never prepaid, (2) vendor is always prepaid, (3) prepayment is optional.	N/A	N/A			X		Used in AP
Company code Data	Single pmnt, grp key, PM sup	Indicators that specify if the vendor's invoices are grouped together during payment or always paid individually. Also an indicator that controls how the vendor's checks are sorted during printing.	N/A	N/A			X		Used in AP
Company code Data	Users at Customer	Customer's contact person's name.	15	CHAR		X			
Company code Data	Withholding tax category	Used for extended withholding tax and replaces standard withholding tax fields.	N/A	N/A			X		Used in AP
Company code Data	Withh.tax cat.,exemp.reason	In 1042 tax report, exemption authority and reason.	N/A	N/A			X		Used in AP
Company code Data	Personnel number	Used for employee customers	N/A	N/A			X		Used in AP
Company code Data	Withholding Tax Country	In 1042 tax report, exemption country.	N/A	N/A			X		Used in AP
Company code Data	Accounting clerks	The name of our accounting clerk that has responsibilities for this customer. Can be	N/A	N/A			X		

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					Internal Numbered: Number Range - 10000000-99999999				
Data View	**Field**	**Use**	**Field Length**	**Field Type**	**Required**	**Optional**	**Suppressed**	**Display**	**Notes**
		used for segregation of data during reporting used in payment processing transactions and other reporting functions.							
Company code Data	Bank Statement	You can store an indicator in the master record so that the system includes an account when creating periodic account statements.	N/A	N/A			X		
Company code Data	Bill of exchange limit	Maximum amount which may be issued on a bill of exchange if it is to be used in payment transactions with the customer/vendor.	N/A	N/A			X		Not used in US
Company code Data	Clearing with customer	Indicator that specifies that the vendor is also a customer. During vendor payment transactions, customer related open items are also taken into account.	N/A	N/A			X		
Company code Data	Dunning data	Used to notify customer's of late payments.	N/A	N/A			X		
Company code Data	Gross income tax	Tax indicators used in Argentina	N/A	N/A			X		
Company code Data	Interest calculation	Interest calculation indicator indicators for vendors who are also customers and there is a business practice to charge automatic interest on late payments.	N/A	N/A			X		
Company code Data	Invoice verification tol.gro	Tolerance settings that are configured according to business need and defined to a vendor. These tolerance settings will 'override' any company code 'general' tolerance settings defined in configuration. Tolerance settings are used during PO related invoice processing and control how invoicing discrepancies (overbilling, unplanned freight, etc) are handled.	N/A	N/A			X		
Company code Data	Payment advice via EDI	This indicator specifies that the vendor should be sent all	N/A	N/A			X		

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					**Internal Numbered:** Number Range - 10000000-99999999				
Data View	**Field**	**Use**	**Field Length**	**Field Type**	**Required**	**Optional**	**Suppressed**	**Display**	**Notes**
		payment advice information by EDI.							
Company code Data	Preference indicator	For company codes with their headquarters in Berlin, you can use this indicator to determine which reduction rate is to be taken into consideration according to the Berlin subsidy law	N/A	N/A			X		Not used in US
Company code Data	Previous account number	Account number from legacy system	N/A	N/A			X		When we have converted data from more than one legacy system this field is suppressed and a custom table or custom fields are defined to support storing the customer's previous account number.
General Data	Contact Persons	Customer contact persons name, address, phone, fax, etc				X			
General Data	Language	The language key designates the language in which you will display texts, enter texts and print documents. This is the preferred language used when communicating with the customer.	1	CHAR	X				
General Data	Name 1	Address component: Name of Customer	35	CHAR	X				
General Data	Postal code, city	Zip code & city supporting customer's address	10	CHAR	X				
General Data	Region	State	3	CHAR	X				
General Data	Search term	Short description used for search helps. Only capital letters are saved in this field.	20	CHAR		X			

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					Internal Numbered: Number Range - 10000000-99999999				
Data View	Field	Use	Field Length	Field Type	Required	Optional	Suppressed	Display	Notes
		All entries are automatically converted into capital letters.							
General Data	Street	Sometimes referred to as Street 1; street address & House number. The data can be entered in one field (Street) or address info can be stored in a separate field.	60	CHAR		X			See how easy to make it conditional
General Data	Tax code 1	Social security number	9	CHAR		X			
General Data	Tax code 2	Federal Tax Identification Number	9	CHAR		X			
General Data	Industry	An industry is a distinct group of companies with the same basic business activity. The industry key is defined in configuration and used in reporting.	4	CHAR	X				
General Data	Existing quality assur.systems	If a QM system is maintained by the vendors, you can store a description of the QM system with this field.					X		Used in Purchasing
General Data	Proof of delivery	Indicator used to specify if proof of delivery is needed when doing business with vendor.					X		Used in Purchasing
General Data	Transport statistics	Refers to a statistics group for transportation service agent and is used to determine the data that the system updates in the Logistics Information System (Transportation Information System).					X		Used in Purchasing
General Data	Transportation zone	Regional zone of supplier					X		Used in Purchasing
General Data	Alternative place of residence (Different City)	City of residence which is different from the postal city used as main address. Standard SAP forms DO NOT print this data.	40	CHAR		X			
General Data	Authorization	Field used to add additional security control for groups of master records.	4	CHAR		X			Best practice is to leave this field optional so that security

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					Internal Numbered: Number Range - 10000000-99999999				
Data View	Field	Use	Field Length	Field Type	Required	Optional	Suppressed	Display	Notes
									strategies can easily grow/adapt if needed
General Data	Bank details	Bank country, ABA routing and bank account number used for EFT, wire or ACH payments to vendor	??	CHAR		X			* If ACH, EFT or Wire payments are specified then this a required field.
General Data	Buildings	Number or abbreviation of a building in an address. Standard SAP forms DO NOT print this information.	20	CHAR		X			
General Data	c/o name	Part of the address (c/o = care of) if the recipient is different from the occupant and the names are not similar (e.g. subtenants). Note that this field is NOT automatically printed on standard SAP forms. Additionally programming will be required if this field should be printed.	40	CHAR		X			
General Data	Comments	Address notes (used internally, not printed on any form)	50	CHAR		X			
General Data	Corporate group	If the customer belongs to a group, this field is used to define the customer group. The group key field is freely assignable (not configured) and can be configured to be used as a custom match code.				X			
General Data	Credit information	External number as a reference for a credit agency (for information only).				X			
General Data	District	City or District supplement. Standard SAP print forms DO NOT print this data.	40	CHAR		X			
General Data	Floor	Floor of the building as more exact specification of an address. Standard SAP forms DO NOT print this information.	10	CHAR		X			

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					Internal Numbered: Number Range - 10000000-99999999				
Data View	**Field**	**Use**	**Field Length**	**Field Type**	**Required**	**Optional**	**Suppressed**	**Display**	**Notes**
General Data	Internet mail address	Customer's email address	241	CHAR		X			
General Data	Mobile Telephone	Customer's mobile phone number	30	CHAR		X			
General Data	Name 2	Address component: Name of Customer	40	CHAR		X			
General Data	Name 3, name 4	Address component: Name of Customer	40	CHAR		X			
General Data	P.O. Box city	City of PO Box	40	CHAR		X			
General Data	P.O. box postal code	Zip code of PO Box	10	CHAR		X			
General Data	P.O. box without number	Indicator that specifies that the PO box does not have a number.	1	CHAR		X			
General Data	PO Box	PO Box number. The text 'PO BOX' will automatically be displayed on standard SAP reports and forms if/when this field is populated.	10	CHAR		X			
General Data	PO box country	PO Box's country	3	CHAR		X			
General Data	PO Box Region	PO Box's state	3	CHAR		X			
General Data	Room number	Apartment or room number in an a address. Standard SAP forms DO NOT print this information.	10	CHAR		X			
General Data	Search term B	Short description used for search helps. Only capital letters are saved in this field. All entries are automatically converted into capital letters.	20	CHAR		X			
General Data	Standard comm. type	Standard drop-down list specifying the preferred method of communication with the vendor.	3	CHAR		X			
General Data	Street 2	Additional address field. If populated, standard SAP forms will print this data ABOVE Street 1.	40	CHAR		X			
General Data	Street 3	Additional address field. If populated, standard SAP forms will print this data	40	CHAR		X			

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					Internal Numbered: Number Range - 10000000-99999999				
Data View	Field	Use	Field Length	Field Type	Required	Optional	Suppressed	Display	Notes
		ABOVE Street 1 (after Street 2).							
General Data	Telex, fax, tel.	Telephone, Fax and Telex numbers.	30	CHAR		X			All 3 fields are controlled as a group.
General Data	Time zone	Vendor's time zone	6	CHAR		X			
General Data	Title	Preferred title used when addressing the vendor: Mr., Mrs., Company, etc.	4	CHAR		X			
General Data	Undeliverable PO Box	Configurable short text reason describing returned mail.	4	CHAR		X			
General Data	Undeliverable Street	Configurable short text reason describing returned mail.	4	CHAR		X			
General Data	Business Place	Name of Representative at Vendor (free form text), Type of Business (configurable drop-down list), Type of industry (configurable drop-down list)	N/A	N/A			X		
General Data	Reference account group (OTA)	Used to control the transactional behavior of one-time accounts. Required field for one-time vendors.	N/A	N/A			X		For one time vendors required
General Data	Alternative payee account	Vendor SAP account number used to specify an alternative payer when invoices are paid.	N/A	N/A			X		
General Data	Alternative payee in document	Functionality used to allow an alternative payee to be defined in the invoice document instead of being defined on the vendor's master record.	N/A	N/A			X		
General Data	Carrier details	The Standard Carrier Access Code (SCAC) is an indicator used by forwarding agents in North America. In addition to the SCAC field, there is a freight group field and service agent group field also used for forwarding agents.	N/A	N/A			X		
General Data	Company postal	This field is used for	N/A	N/A			X		

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					Internal Numbered: Number Range - 10000000-99999999				
Data View	Field	Use	Field Length	Field Type	Required	Optional	Suppressed	Display	Notes
	code	countries where major companies are assigned their own postal code by the national post office.							
General Data	Customer	Used to cross reference the vendor's SAP customer number. This field is only used if Vendor/Customer integration functionality is being used.	N/A	N/A			X		
General Data	Data line	Extension used for data transmissions	N/A	N/A			X		
General Data	DME details	Used for foreign payments; in Germany this field controls whether the contents of the single data record are also included in the report to the Bundesbank when being made by the paying financial institution	N/A	N/A			X		
General Data	Ext. manufacturer	Vendor's account number assigned externally (not by SAP)	N/A	N/A			X		
General Data	Fiscal address	Specifies an additional master record in which the official address is stored.	N/A	N/A			X		Used in Italy only
General Data	International location number	First 7 digits of the international location number	N/A	N/A			X		Used in Germany
General Data	ISR Subscriber Number	ISR stands for in payment slip with reference number, a special payment procedure of the Swiss Postal Service	N/A	N/A			X		Not used in US
General Data	Natural person	Indicator that directs the system to check for a valid tax ID number.	N/A	N/A			X		Not used in US
General Data	Person subject to withhold. tax	If a vendor is subject to withholding, the following fields are available: date of birth, sex, place of birth and profession. (Standard withholding tax field).	N/A	N/A			X		
General Data	Reduced tax base	Tax calculation indicator used in Brazil.	N/A	N/A			X		
General Data	Sales Equalization Tax	Indicator that specifies if the vendor is subject to	N/A	N/A			X		Used in Spain only

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					Internal Numbered: Number Range - 10000000-99999999				
Data View	**Field**	**Use**	**Field Length**	**Field Type**	**Required**	**Optional**	**Suppressed**	**Display**	**Notes**
		equalization tax?							
General Data	Social insurance	Social insurance and social insurance code	N/A	N/A			X		Used in Argentina
General Data	Street 4	Additional address field. If populated, standard SAP forms will print this data ABOVE Street 1 (after Street 3).	N/A	N/A			X		
General Data	Street 5	Additional address field. If populated, standard SAP forms will print this data ABOVE Street 1 (after Street 4).	N/A	N/A			X		
General Data	Tax categories	This indicator is used to allocate customers and vendors to different tax categories.	N/A	N/A			X		Not used in US
General Data	Tax jurisdiction code	US tax jurisdiction code for vendor; used for sales and use tax related transactions.	N/A	N/A			X		Not used for this project
General Data	Tax number 3	Tax identification number	N/A	N/A			X		Not used in US
General Data	Tax number 4	Tax identification number	N/A	N/A			X		Not used in US
General Data	Tax office responsible	Tax authority responsible for vendor	N/A	N/A			X		Not used in US
General Data	Tax split	Tax calculation indicator used in Brazil.	N/A	N/A			X		
General Data	Tax type	Tax number and tax number type	N/A	N/A			X		Used in Argentina
General Data	Taxes on sales/purchases	Determines whether the company is liable to value-added tax (VAT).	N/A	N/A			X		Not used for this project
General Data	Telebox	Telebox number	N/A	N/A			X		Used in European Union
General Data	Teletex	Teletex number	N/A	N/A			X		Used in European Union
General Data	Trading partner	Company ID standard for the whole group.	N/A	N/A			X		Used in Germany

Customer Account Group					All SAP AR Customers				
Account Number Schema (External/Internal)					**Internal Numbered:** Number Range - 10000000-99999999				
Data View	**Field**	**Use**	**Field Length**	**Field Type**	**Required**	**Optional**	**Suppressed**	**Display**	**Notes**
General Data	Train station	The name of the train station that the vendor uses for receiving routine deliveries.	N/A	N/A			X		
General Data	VAT registration number	VAT registration number (VAT reg.no.) of the customer, vendor or your company code.	N/A	N/A			X		Used in European Union

Team:	Finance – Accounts Receivable
PDD Name:	Customer Invoice through Payment
PDD Number:	FIN-AR-PDD020-Customer Invoice through Payment
Business Process Owner:	Afranie Adomako
Functional Lead:	Ashley Peak
Functional Consultant:	Mary Walker

Executive Summary

The SAP customer invoicing through payment process deals with transactions that support entering a customer's invoice (recognizing a receivable and revenue) through the transaction used to clear the customer invoice (accepting payment). The time that transpires between entering the invoice and clearing the invoice via the customer payment is considered customer account management or debt management. This document will deal with customer invoicing (recognizing receivables and revenue in the ledger), applying payments and making deposits.

Customer invoicing in SAP is primarily performed in the Accounts Receivable (AR) module. Customer invoices can also be entered into SAP using billing transactions in the Sales and Distribution (SD) and Real Estate (RE) modules. These modules have a natural integration point with AR and when customer billing is performed. SAP's natural integration takes the information from the billing modules and posts an open receivable to FI-AR. In addition to posting receivables, the standard invoicing process posts revenue.

> ***Design Decision***
>
> The SD billing functionality will be limited to the functionality needed for GM related billing only. Full use and configuration of the SD module is not in scope. Full AR invoicing, credit memo processing, payment and account management functionality will be used.

The customer invoicing process includes entering and applying customer credits. Similar to customer invoices, customer credits can be entered directly in AR or via integration from the modules mention above. Customer credits reduce the net amount due on customer invoice or to the account as a whole.

> ***Design Decision***
>
> On a limited basis, customer credits (without invoice reference) can be cleared using outgoing AP payments if the credit is the only balance left on the customer's account and there are no plans to do future business with the customer. However, customer/vendor clearing functionality will not be used. Customer/vendor clearing functionality allows two master records (customer and vendor) to be 'linked' in the SAP system. This connection allows open debits and credits on each individual record to offset and therefore reduce the potential outgoing payment to the vendor.

Lastly, this document will also explain the proposed customer payment process. Customer payments include check and EFT payments from customers. This document will provide an outline of the payment process including exception process for short or over payment of invoices.

Project Scope

Customer invoice through payment process outlined in this document is only relevant for those agencies that are using SAP Accounts Receivable functionality. According to project scope, the Accounts

Receivable functionality is not being rolled out across all agencies. Agencies were evaluated during the Business Blueprint workshops and a determination was made as to whether the agency's Accounts Receivable business processes will be done in SAP AR. An agency was deemed a 'good fit' for SAP AR if the current Account Receivable business processes used a generic tracking tools such as Excel, Access or Lotus Notes. Standard SAP AR functionality provides reporting data and data management improvement opportunities for those agencies using these types of manual tracking tools. Additionally, agencies that use a non integrated stand alone AR system such as QuickBooks or some other legacy system were also considered a good fit because the legacy functionality could easily be replaced and improved by SAP AR and the overall integration in SAP. Agencies that currently use a specialized billing software system or specialized case management software system were not a good fit for SAP AR. The pilot roll-out for SAP AR will focus on the agencies that were deemed a good fit.

Design Decision

Agencies that are targeted for the pilot roll-out are: Department of Transportation and Development (DOTD)-AREC system, Department of Public Safety & Corrections, Correction Services-QuickBooks system, Department of Wildlife and Fishery (WLF)-QuickBooks system and Ethics Administration Program-Lotus Notes based tracking system.

All other agencies Accounts Receivable business processes including master data maintenance, invoicing and credits, payments and account management will be done in their respective specialized legacy systems.

Design Decision

It is important to note that some agencies will not manage their day-to-day Accounts Receivable in SAP AR. These agencies will update the Finance General Ledger (FI-GL) to record revenue and cash payments.

Agencies that do not use SAP AR will not have detailed Accounts Receivable information available in SAP. Accordingly their customer open item reporting information and any supporting account management activities will not be maintained in SAP. Therefore, this document will not discuss non SAP AR agencies.

Configuration

This document will also explain the AR invoicing transaction from a screen configuration point of view. Additionally, this document will discuss transaction field status design or fields that will make up the invoicing screen. See spreadsheet in the Appendix section of this document for details.

Design Decision

Customer documents will be entered using standard SAP document types for AR:

- DA Customer document / 16000000-16999999
- DG Customer credit memo / 1900000000-1999999999
- DR Customer invoice / 1800000000-1899999999
- DZ Customer payment / 2600000000-2699999999
- R1- Revenue G/L posting / R10000000000-R19999999999

Standard AR functionality that will NOT be used for pilot programs:

- Foreign currency translation
- Recurring entry
- Sales tax calculation, posting and remittance to tax authorities
- Lockbox, EFT payment acceptance
- Credit card payment acceptance
- Complete SD billing
- Credit management

- Net procedure invoice posting for cash discounts
- EDI invoicing
- Payment advice
- Auto write-off for short/over payments
- Down payments
- Bills of exchange
- Reserve for bad debt

To-Be Process Description

The Accounts Receivable functionality will not be rolled out to all state agencies conducting Accounts Receivable business processes. Agencies that attended the Business Blueprint workshops were evaluated during the workshop sessions and follow-on meetings. The AR team along with LaGov project management determined that only the state agencies where SAP AR can completely replace the legacy Accounts Receivable business process will be included in the project scope. Agencies that currently use a specialized billing software system or specialized case management software system will not be included in the project scope because the specific business processes (calculating billing line item and totals, payments, etc) cannot be done solely in SAP but would require parallel updates (data entry in the legacy AR systems and SAP AR).

The pilot roll-out for SAP AR will focus on the agencies that were deemed a good fit were: Department of Transportation and Development (DOTD) AREC system, Ethics Administration Program' Lotus Notes database system, Department of Corrections and Department of Wildlife and Fishery QuickBooks systems. The remaining state agencies will continue to conduct their day to day AR business processes in their respective legacy systems. The detailed AR billing information will be managed in the legacy systems and when customer payment has been received the billing state agencies will manually enter their revenue classification and cash deposits in the SAP FI-GL system using journal voucher documents. For more information on customer payment deposits and revenue classification refer to Cash Management (CM) document FIN-CM-PDD010.

Customer Invoicing

The AR invoice to payment process begins with customer invoicing. Customer invoicing is done when a state agency provides a good or service, charges registration fee or fines a customer. The customer invoicing is done de-centrally for some agencies and centrally for others. For data entry, the current billing strategy for each agency will remain in place.

Once it has been established that the revenue event has completed or a legal claim can be made, a customer invoice is entered in SAP. Because the billing process is sometimes done de-centrally, the person performing the billing activity may or may not have access to the SAP AR system. If the agency billing personnel has access to SAP, the agency billing personnel will enter the data into SAP AR. If the agency billing personnel does not have direct access to SAP, they will have the option of entering the customer invoicing data into a predefined, excel based invoice data sheet. The data sheet can then be sent to someone within the Accounting department of the agency who does have access to SAP AR. The invoice spreadsheet will serve as input data to invoice upload tool.

Whether entered directly into SAP AR or uploaded into the module via the custom upload program, SAP AR invoices require one customer and one or more general ledger account funding strings. Since AR documents require a customer, the desired customer must be defined in the system as a valid (unblocked) SAP customer master prior to any invoicing activity. If the customer in question is not in the system, it must be made using the defined customer master maintenance design. For more information on customer master data maintenance refer to Accounts Receivable (AR) document FIN-AR-PDD010-Account Structure Customers.

The customer line item in the invoice is the debit side and the general ledger account funding string(s) is the credit side of the document. In SAP, debits and credits must balance before the document can be posted in Finance. Additionally, the accounting document must 'simulate' without any accounting errors prior to posting or updating Finance. If an accounting document simulates with an error, the error must be corrected before the document can be posted. Accounting simulation errors occur for a variety of reasons: invalid data, missing required information, violation of configured validation rules, etc. If there is an accounting error, the document can be corrected or left as-is and parked.

The AR design is flexible for customer invoicing. If an agency uses the 2-step process where a document is entered by someone who has billing responsibilities then approved by someone who has management responsibilities, the SAP security can be configured to support this design. In this case, some personnel will have AR invoice data entry and park access only with no posting authority. Accordingly, other personnel (identified by the state agency) will have data entry and posting authority.

Documents that are in park status are considered under the data entry phase of the billing process. Once the document has no accounting simulation errors and should be passed to a State Agency approver, the document park status is changed to 'park complete'.

The 'park complete' status is a trigger for the State Agency approver to review the document and approve or post the document. The 'park complete' trigger is not an electronic workflow or e-mail based notification. The State Agency approver will execute a standard SAP parked document report by document type (AR invoice or credit documents) and the appropriate business area. From this report the approver can review the documents, make any needed updates and post. The transaction allows mass postings, so a reviewer can post a group of documents if required.

If an agency uses a single data entry process, meaning personnel that enter the data also posts the data, the SAP security can be configured to support this design. This design suits agencies that want a more simplified billing approach. The personnel within these agencies will have security profiles that allow both data entry and posting authority. The parking function can still be used, but it won't be an 'official' part of the invoicing process. Parking will be used under the discretion of the person entering the data. For example, if an invoice is being entered and there is a question in accounting or billing amount the document can be parked until the question is resolved.

In terms of SAP security, it is important to note that transactional limitation based on business area will be used during invoicing. Agency personnel can be limited in posting/parking functions where they have business area authority according to their job duties. In general, data entry authority can be limited by several document objects in SAP; business area, document type, etc. Security restrictions will be further defined during the Realization phase of the project.

Customer Credit Memos

Although not issued as regularly as customer invoices, there are times when customer credit memos are entered into the AR system, printed and sent to the customer. AR credit memos are typically tied to a specific invoice, reducing the invoices net balance due. There are times, however, when a credit memo is issued to the customer's account in general and can be used towards any open invoice. Customer credit memos follow the same accounting rules as the customer invoice; balanced document debits equal to credits, documents must simulate without error, etc. Customer credit memos can be printed from SAP and sent to the customer.

Recognition of Revenue

During the AR Blueprint workshop, the state agency participants described a business requirement for recognizing revenue. It was stated that although a receivable can be established (recognized in accounting) at the time invoicing, revenue cannot be recognized at this time. This means that when a customer invoice or credit memo is posted in AR, the customer's account is updated accordingly but the balancing credit side of the document <u>cannot post to a revenue</u> general ledger account. From a general ledger point of view, the accounting document that is created posts to an AR receivable reconciliation

account (debit line item) and the balance side of the document (credit line item) would then post to a non revenue account like an AR clearing account. According to the workshop participants, revenue is recognized in accounting at the time of cash receipt at bank.

This invoice accounting approach does not follow standard SAP configuration for AR. Standard SAP assumes that during invoicing a revenue account will be used as the general ledger side of the document. Although the system allows for expense or balance sheet accounts for direct entry AR invoices, typically revenue accounts are used for invoicing. The standard configuration was presented as a design option during the Blueprint workshop, but the SMEs felt that it did not meet the business requirement. It was pointed out that the control agencies policies and procedures manual (May 2003, chapter 12), supports recognizing revenue at the time of invoicing rather than at the time of cash receipt at bank. The SMEs still felt that the business requirement was to post revenue during cash receipt at bank.

To accommodate this business requirement for revenue recognition, one design option is to develop a custom overnight batch program will be designed to 'set up' a revenue G/L document for each invoice entered in the system. The overnight batch program will evaluate each open invoice in the AR module to verify that a revenue G/L document has not been created for it. Once the program has determined that the revenue document has not been created, it will create (park) a one-sided entry G/L document that has a debit line item (cash account) equal to the total amount of the invoice.

The document will be parked (suspended) in the finance system until cash payment has been received. The document will be cross referenced with its supporting AR invoice document. The custom program will have several functions:

- It will have a routine that reverses any revenue G/L document where its supporting AR invoice document has been reversed or cleared with a credit memo.
- It will list any revenue G/L documents that support invoices that have been cleared with customer payment but have not been moved to a 'parked complete' status (more information about this status later on in the document.)

The State Agency AR personnel will have the <u>option</u> of adding the expected revenue line item(s) to the parked revenue document (adding credit side of revenue G/L document) and re-parking the document. Only specified personnel will have the security to delete this type of special revenue G/L document. The documents will have a unique document type (R1) and security/reporting can be used to limit actions based on this document type. If the agency does not want to add the credit side of the entry prior to payment receipt, the document will remain one-sided until payment has been received. See section *Customer Payment Receipt* for final steps in revenue recognition under this design option.

During the PDD documentation development process the AR, GM and Budget teams discussed the business requirements supporting revenue recognition for customer invoicing. During the GM and Budget workshops, the SMEs identified no need to recognize revenue during cash receipt and identified a design that followed standard SAP. Consequently, there is a different design between the two modules: AR and GM. The invoicing process should be consistent from an accounting point of view.

Following standard SAP configuration is the best option because: it does not require custom programming, it does not require manual reconciliation between payment documents and electronic bank statement postings (cash receipts at bank) and allows consistently between AR and GM modules and in reporting.

An issue has been raised to LaGov project management and documented in Solution Manager (Issue #8000000414). The final design solution will be determined during Realization.

Printing Invoice and Distribute to Customer

Some agencies prefer to print their own AR invoice form outside of SAP and others have elected to print a customized AR invoice from SAP. Each agency has the option of designing their own SAP forms for invoices and credit memos. There will be an AR document print program that can print one or more

documents according to user defined selection criteria. Agencies that prefer to generate their own AR document outside of SAP will do this manually and send the documents to their customers. Agencies that prefer to generate the AR documents within SAP will execute the print transaction (on demand or in a batch schedule) and send their AR documents to the customer. Accordingly, the AR team will need example forms during Realization so that the custom program work can proceed in a timely fashion. The example forms can be given in MS Word, Excel or hard copy format. The example forms are used as a guide for the SAP programmer.

Regardless of the print method, the customer receives the invoice or credit memo and pays the billing State Agency accordingly. Currently, customers pay with a check. However the SAP AR functionality can support electronic payment mediums such as lockbox files or EFT payments. The pilot agencies did not express a requirement to configure/program support of electronic payment method receipt, so the initial roll-out of AR will not include this type of customer payment.

Customer Payment Receipt

The customer sends payment (typically a check) to the billing State Agency (AR) in order to clear the invoice. The accounting personnel receive the payment and verify that the payment has the invoice number(s) identified. Typically, customers identify which invoice(s) are to be cleared by including the invoice remittance information on the check or including the invoice 'stub' with the payment.

If the customer has identified the invoices to be cleared, the accounting personnel manually apply the payment using a standard customer payment transaction. The standard payment transaction clears the open invoice(s) and increases cash general ledger. However, if the invoice(s) to be cleared are not identified, then the customer's payment can be processed using one of the following methods: (1) apply unknown payment to the customer's account as a general credit or (2) follow other State Agency desk procedure. Whether payment applied on customer's account or directly to an invoice(s), the same standard customer payment transaction is used.

SAP payment transactions create payment documents and follow the same accounting rules as invoice or credits; debits equal credits and the document must simulate without accounting error prior to posting. Unlike invoicing, payments cannot be parked in the system. Any accounting errors must be corrected prior to posting. Using standard SAP, the accounting entries that are made during payment posting are: debit to cash general ledger account and credit to the Customer (and via integration the AR reconciliation account tied to the customer master record). The debit entry increases cash and the credit entry clears the open item customer account and clears receivable from the sub ledger.

A modification may be required if revenue is recognized when cash is received at bank. The modification requires a 2-step procedure: (1) apply payment to customer and after the payment has been received and accepted at the bank (2) recognize revenue. Because of the timing issues between applying customer payment and posting revenue upon cash acceptance at bank; this design option is a challenge without a high benefit. Under the state's alternative approach, the customer invoice to payment cycle includes:

Accounting entries during invoicing

Dr. Customer Account (AR Reconciliation Account)

Cr. AR Suspense/Clearing Account

We will need to build logic that determines the correct cash bank account to use on the revenue document (automatically generated during the overnight batch run) based on the AR clearing account used on the invoice.

Accounting entries <u>parked</u> on revenue document (created during the overnight batch job run)

Dr. Cash sub bank account

Cr. Revenue (manually entered by billing state agency)

Accounting entries during customer payment

Dr. AR Suspense/Clearing Account

Cr. Customer Account (AR Reconciliation Account)

The personnel entering the customer payments will need to manually update each payment document with the deposit slip information. This cross referencing of documents is needed so that the agencies will know which invoices require revenue posting. In SAP, the payment documents tie back to invoice document(s); only those invoices that were cleared (paid) and payment accepted by the bank require revenue posting. Revenue document remains parked until the payment is accepted at the bank.

Accounting entries made during electronic bank statement processing (identifies that payment has been accepted at bank)

Dr. Cash bank account

Cr. Cash sub bank account

State agency personnel must monitor the cash sub bank account using standard general ledger or cash management reporting to see when deposits have been accepted at the bank. Once it has been determined an invoice related deposit has updated SAP via EBS, the revenue G/L document that was initiated when the invoice was originally entered into the SAP system must be posted. The billing state agency will post the appropriate parked revenue documents, balancing or clearing the cash bank sub account balance. It is important to note that revenue posting is not done until the billing state agency has manually determined (via reporting) that the cash side has already been accepted (posted) by STO.

Accounting entries during state agency revenue recognition (i.e. posting the parked revenue document)

Dr. Cash sub bank account

Cr. Revenue (manually entered by billing state agency)

Standard SAP Process for Customer Invoice through Payment

Standard SAP for invoicing is a more streamlined process. This process does not require State Treasury Office (STO) approvals. This is a change from the current payment process. Instead of monitoring cash receipts on a document by document basis, STO will manage the payment process using cash management or general ledger reporting. The bank reconciliation will continue to be a STO responsibility. Using standard SAP the accounting entries throughout the customer invoice through payment process are:

Accounting entries during invoicing

Dr. Customer Account (AR Reconciliation Account)

Cr. Revenue

There will be no need for any custom programming of any kind for customer invoicing. There will be no need for a separate revenue document.

Accounting entries during customer payment

Dr. Cash sub bank account

Cr. Customer Account (AR Reconciliation Account)

There will be no need to have the state agency personnel manually update the payment documents with the deposit slip information. Bank statement reconciliation will be done automatically using EBS functionality.

Accounting entries made during electronic bank statement (EBS) processing (identifies that payment has been accepted at bank)

Dr. Cash bank account

Cr. Cash sub bank account

STO does not have oversight of revenue accounting meaning they did not monitor the revenue documents for correct revenue accounting. STO manages the cash accounts from a bank reconciliation point of view. Using standard SAP, STO can still execute bank reconciliation without adding approval steps during customer payment processing. The standard process saves time because it eliminates unnecessary approval steps at inappropriate times and eliminates manual reconciliation on the state billing agency side. STO will continue to manage the cash process but it will be done using reporting and the electronic bank statement functionality. Refer to CM team's PDD FIN-CM-PDD010 for more information on electronic bank statement functionality.

Customer Payment- Exception Scenarios

Regardless of the revenue recognition method used in the AR design, there will be times when a customer's payment does not meet the open invoices being paid. The standard SAP customer payment transaction supports various customer payment scenarios. The typical customer payment scenarios are:

Scenario 1. Customer payment equals open invoice(s) to be cleared (including any applicable credits):

The open invoice(s) and any applicable credit(s) are cleared from the customer's account and the general ledger reconciliation account. The open invoice(s) and applicable credit(s) stop aging and are reported as cleared items in customer reporting.

Scenario 2. Customer payment is less/more than open invoice(s) to be cleared (including any applicable credits); small difference or variance in payment

SAP functionality can be configured to have a standard small difference write-off amount. The configuration is in the customer tolerance settings. Currently, each State Agency establishes individual desk procedures concerning small difference write-off. By establishing a configured universal standard, each state agency has the option of allowing the small difference write-off (up to the configured setting). Small difference write-offs clear the invoice. Agency may opt to not use the functionality then all under payments are considered partial payments. Refer to AR team's PDD FIN-AR-PDD010-Account Structure – Customer for more information on manual write-off limits for customer tolerance groups.

Scenario 3. Customer payment is less/more than open invoice(s) to be cleared (including any applicable credits); partial payment

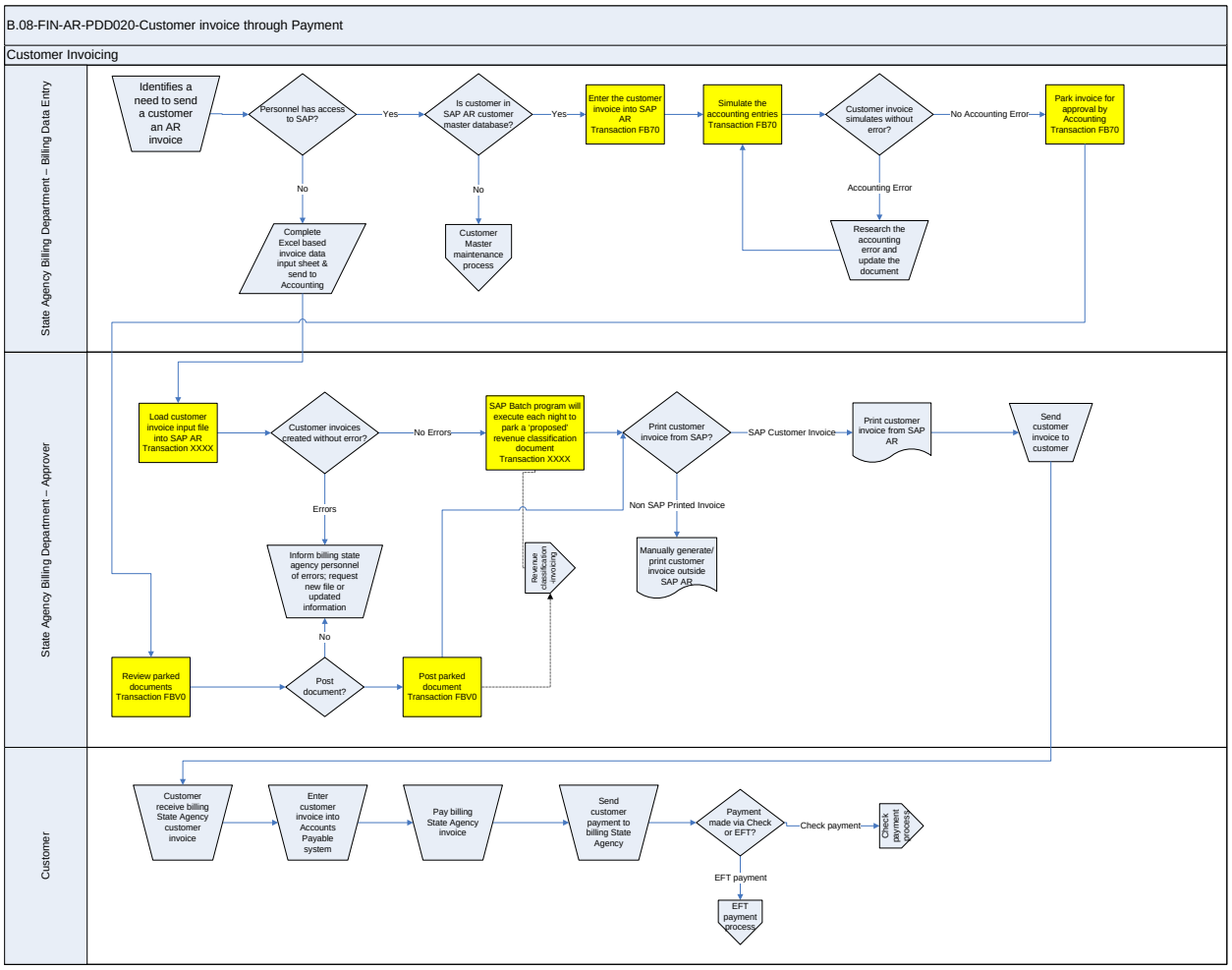
Under this scenario there are two posting options in SAP: apply a partial payment leaving the original invoice and the partial payment credit open on the customer's account or clear original invoice(s) with the partial payment and (at the same time) post a new residual invoice that reflects the net amount due. Each billing State Agency must decide the proper procedure to follow: partial payment or residual invoicing.

After payment has been entered into the SAP system, the checks are deposited into the bank. Each billing State Agency will define the appropriate desk procedures that support check deposits. This activity is outside of the SAP system.

#	Process Terminology	Description

#	Process Terminology	Description
1	Parked document	Functionality that allows accounting documents to be suspended in the FI Accounting system rather than post the document to update accounting.
2	Document type	Field on the accounting document that classifies the document for reporting purposes and determines the document number assigned.
3	Lockbox	Service offered at the bank where customer's send check payments to a central bank PO box, the bank processes the payments (in electronic file format) and deposits the payments in the billing State Agency's bank account. The lockbox payment file is then sent to the billing State Agency where it is interfaced into SAP AR to clear the necessary open invoices.
4	Payment applied on customer's account	Payment business process where unidentified customer payments (payments that do not reference an open invoice number) are applied as general credits to the customer's account. Payments are typically applied to an invoice; clearing the open balance. General payments on account do not clear any particular invoice but simply reduce the overall balance of the customer's account.
5	State Agency desk procedure	Manual business processes that are performed outside of SAP.
6	Partial payment	Customer payments that are less than the amount due on the invoice
7	Residual invoice	Payment business process where a customer's partial payment is applied to an open invoice, clearing the invoice and automatically creating a 'net balance' invoice that represents the net amount due after payment.

To-Be Process Flows



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	The following agencies will use SAP AR functionality for invoicing, credits, payments and account management: • DOTD-AREC system • WLF-QuickBooks system • DOC-QuickBooks system • Ethics-Lotus Notes system	DOTD, WLF, and DOC systems will be completely replaced with SAP AR functionality. Ethics Lotus Notes database will remain in place for initial customer debt tracking but customer AR management will be done in AR Manual desk procedures must be reviewed and updates so that they support SAP system.	Standard AR business process will be followed for the pilot agencies replacing their current stand alone procedures.
2	Each billing State Agency will define the proper desk	Establishment of desk procedures	Training will be needed on new business procedures.

	procedures supporting how short or over payments will be treated in SAP		
3	Each billing State Agency will define the proper desk procedures supporting how check deposits will occur when the new AR system is in place	Establishment of desk procedures	Training will be needed on new business procedures.
4	Billing State Agencies and Treasury must decide the appropriate desk procedures to follow when there is a bottleneck in the process or some other type of error holding back the process from completing.	Establishment of desk procedures	Training will be needed on new business procedures.
5.	Customer payment deposit accounting information is not sent to STO via paper based form process. STO manages cash using EBS functionality and reporting.	Design procedure require training for STO	Training will be needed on new business procedures.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	A guideline policy on manual adjustments or write-offs	None	Afranie Adomako

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: Customer Invoice through Payment						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	Customer Invoice-WLF	Agency specific customer invoice	X	X			
2.	Customer Invoice-Ethics	Agency specific customer invoice	X	X			
3.	Customer Invoice-DOTD	Agency specific customer invoice	X	X			
4.	Customer Invoice-DOC	Agency specific customer invoice	X	X			
5.	Customer Credit	General customer credit memo document		X			

Note: *Non SAP excel based form used as input to AR invoice upload tool.*

R – Reports	Master List of Current and Future State Reports: Customer Invoice through Payment						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	Report that will list cleared invoices & supporting revenue GL documents based on deposit slip number found on the payment document	Used to reconcile and post revenue		X	Needed to post revenue	AR Team	This report will be needed if standard SAP configuration is NOT used for revenue posting.
2.	Receivables by Fund Report	Used to report open receivables by fund		X	Used to manage open AR	AR Team	

I – Interfaces	Master List of Current and Future State Interfaces: Customer Invoice through Payment						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified.						

C - Conversions	Master List of Future State Data Conversions: Customer Invoice through Payment						
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
1.	Open Customer Invoices and payments	Used for AR invoicing, payments and reporting	QuickBooks	SAP AR	Initial data conversion to populate SAP database	TBD	DOC
2.	Open Customer Invoices and payments	Used for AR invoicing, payments and reporting	QuickBooks	SAP AR	Initial data conversion to populate SAP database	TBD	WLF
3.	Open Customer Invoices and payments	Used for AR invoicing, payments and reporting	AREC	SAP AR	Initial data conversion to populate SAP database	TBD	DOTD
4.	Open Customer Invoices and payments	Used for AR invoicing, payments and reporting	Lotus Notes	SAP AR	Initial data conversion to populate SAP database	TBD	Ethics

E – Enhancements	Master List of Future State Enhancements: Customer Invoice through Payment				
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	AR upload tool	Program that will create AR invoices and or credits based on input data from an Excel spreadsheet	Upload tool for AR invoicing	Used to create AR invoices	
2.	Revenue document tool	Program to create parked revenue document at time of invoicing	Park revenue document based on invoice data	Used to support revenue recognition at the time of cash acceptance at bank rather than at invoicing	These enhancements are only needed if revenue is recognized at time of cash acceptance at bank.

W – Workflow	Master List of Future State Workflow Events: Customer Invoice through Payment		
No.	**Description**	**Justification**	**Comments**
1.	None identified.		

Gaps

Gaps	Master List of Future Gaps: Customer Invoice through Payment		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: Customer Invoice through Payment			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	State Agency Billing Dept – Billing Data entry	Personnel who enter customer invoices and credits	Limited by business area	None
2.	State Agency	Personnel who enter	Limited by business area for invoice	None

	Billing Dept - Approver	or approve customer invoices and credits or complete revenue classification	and credit data entry/approval Limited by business area, doc type and posting key for revenue documents	
3.	State Agency AR Payment Processor	Personnel that enter customer payments	Limited by business area	None

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	If revenue is recognized during cash acceptance at bank, State Agencies will not depend on paper based forms for revenue recognition trigger	State Agencies will monitor the cash deposit using ECC reporting tools and post revenue based on deposit updates to the General Ledger rather than paper based forms received from Treasury.	State Agency personnel will require training on bank account management in order to know when a deposit has been accepted at the bank. Currently, Treasury informs the state agency of the deposit acceptance. The ECC design requires the state agency personnel to run reports in order to manage this procedure.
2.	If revenue is recognized during invoicing, Treasury will not be involved in the cash payment side of the process but monitor cash using EBS functionality and reporting	Moving from management on a document by document basis and towards management on a account basis using standard automated EBS functionality	Treasury personnel will require training on EBS functionality and supporting reporting tools.
3.	Customers invoice can be produced using SAP	Invoices were manually created using excel or word	State agency personnel will have the opportunity of using a standard document. Eliminates the need for manual data entry (double entry of data)
4.	Agencies have the option of doing invoice approvals online using the parking functionality	Approving was done manually	State Agency desk procedures will be needed that outline the service level agreements for invoice approvals.
5.	Partial payments are automatically tracked using standard functionality and standard reporting	Manual process for the agencies that used manual billing	None
6.	Customer payment deposit accounting information is not sent to STO via paper based form process. STO manages cash using EBS functionality and	STO uses the paper based process to do accounting entries and manage cash. Now postings will be done by the agencies and management of cash will be using reporting and EBS functionality	Treasury personnel will require training on EBS functionality and supporting reporting tools.

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	reporting		

Training Impact

1. End user will need training on new process
2. Treasury training on revenue/cash posting process

It is not known at this time the exact training impact this process will have on the state. The Training team will need to do more analysis at each billing state agency using SAP and Treasury to determine potential number of people to be trained, their organizational alignment, etc.

Appendix A – Invoice and Credit memo document field status

Doc Type			DG					
Number Range			16000000-16999999					
Internal or External Assignment			Internal assignment					
Invoice Layout	**Field**	**LA Gov Use**	**Field Status**	**Conditional Field Status Notes**	**Validation Notes**	**Substitutions Notes**	**Change Rules Notes**	**Invoice Form Notes**
Header	Invoice Date	Document Date printed on invoice output form	R	N/A	N/A	Date = current system date	Cannot be changed once posted	N/A
Header	Posting Date	Date used when updating the accounting ledger	R	N/A	N/A	Date = current system date	Cannot be changed once posted	N/A
Header	Reference	Cross reference information like customer's PO	R	N/A	N/A	N/A	Can be changed once posted	N/A
Header	Period	Defaults based on posting date	R	N/A	N/A	Defaults based on posting date	Cannot be changed once posted	N/A
Header	Document Type	Used to identify invoices from credits	R	N/A	N/A	Default using standard SAP doc type 'DR' for AR invoices	Cannot be changed once posted	N/A
Header	Company code	Defaults based on user settings	R	N/A	N/A	Defaults based on user settings	Cannot be changed once posted	N/A

Doc Type			DG					
Number Range			16000000-16999999					
Internal or External Assignment			Internal assignment					
Invoice Layout	**Field**	**LA Gov Use**	**Field Status**	**Conditional Field Status Notes**	**Validation Notes**	**Substitutions Notes**	**Change Rules Notes**	**Invoice Form Notes**
Header	Lot No	DO NOT USE	S	N/A	N/A	N/A	N/A	N/A
Header	Doc Header Text	Revenue GL Doc Number	O	N/A	N/A	N/A	Can be changed once posted	N/A
Header	Payment Terms	What are your terms?	R	N/A	N/A	Defaults based on customer master data	Can be changed once posted	N/A
Line Item	Customer	SAP Customer Account Number	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Amount	Total amount of customer invoice	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Tax amount	Total tax amount of invoice	S	N/A	N/A	N/A	N/A	N/A
Line Item	Tax code	Tax code used to determine tax amount	S	N/A	N/A	N/A	N/A	N/A
Line Item	Text	Field is open for individual agency use	R	N/A	N/A	N/A	Can be changed once posted	N/A
Line Item	GL Account	Revenue or Bal Sheet account used to capture the GL side of the invoice	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Short Text -- GL	Short text description of GL	R	N/A	N/A	Defaults based on GL used	Cannot be changed once posted	N/A
Line Item	D/C	Debit or Credit indicator	R	N/A	N/A	N/A	N/A	N/A
Line Item	Amount in doc currency	Line item billing amount	R	N/A	N/A	N/A	N/A	N/A

Doc Type			DG					
Number Range			16000000-16999999					
Internal or External Assignment			Internal assignment					
Invoice Layout	**Field**	**LA Gov Use**	**Field Status**	**Conditional Field Status Notes**	**Validation Notes**	**Substitutions Notes**	**Change Rules Notes**	**Invoice Form Notes**
Line Item	Amount in local currency	Calculated field based on currency code used and current exchange rate	S	N/A	N/A	N/A	N/A	N/A
Line Item	Tax code	Sales tax code	S	N/A	N/A	N/A	N/A	N/A
Line Item	Tax jurisdiction code	Sales tax jurisdiction code	S	N/A	N/A	N/A	N/A	N/A
Line Item	W/O cash discount	Indicator that specifies if the billing line item should be included in cash discount	S	N/A	N/A	N/A	N/A	N/A
Line Item	Assignment Number	Field is open for individual agency use	O	N/A	N/A	N/A	N/A	N/A
Line Item	Value Date	Used in CM	O	N/A	N/A	N/A	N/A	N/A
Line Item	Text	Field is open for individual agency use	R	N/A	N/A	N/A	Can be changed once posted	N/A
Line Item	Long text	Field is open for individual agency use	O	N/A	N/A	N/A	Can be changed once posted	N/A
Line Item	Trading Partner	Used in GL for consolidations	S	N/A	N/A	N/A	N/A	N/A
Line Item	Business Area	Agency	R	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Partner Business Area	Used in GL for consolidations	S	N/A	N/A	N/A	N/A	N/A
Line Item	Cost Center	Organization	C	Revenue GL requires some type of	N/A	N/A	N/A	N/A

Doc Type			DG					
Number Range			16000000-16999999					
Internal or External Assignment			Internal assignment					
Invoice Layout	**Field**	**LA Gov Use**	**Field Status**	**Conditional Field Status Notes**	**Validation Notes**	**Substitutions Notes**	**Change Rules Notes**	**Invoice Form Notes**
				cost object (cost center, order or WBS)				
Line Item	Internal order (Cost ID)	Reporting Category	C	Revenue GL requires some type of cost object (cost center, order or WBS)	N/A	N/A	N/A	N/A
Line Item	WBS Element	Project/Sub project/Phase	C	Revenue GL requires some type of cost object (cost center, order or WBS)	N/A	N/A	N/A	N/A
Line Item	Cost Object	Used in CO	C	Revenue GL requires some type of cost object (cost center, order or WBS)	N/A	N/A	N/A	N/A
Line Item	Fin. Budget item	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Sales Order	Used in GM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Sales Order Item	Used in GM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Schedule delivery in Sales Order	Used in GM	S	N/A	N/A	N/A	N/A	N/A
Line Item	Plant	Used in MM	S	N/A	N/A	N/A	N/A	N/A
Line Item	PO	Used in MM	S	N/A	N/A	N/A	N/A	N/A

Doc Type			DG					
Number Range			16000000-16999999					
Internal or External Assignment			Internal assignment					
Invoice Layout	**Field**	**LA Gov Use**	**Field Status**	**Conditional Field Status Notes**	**Validation Notes**	**Substitutions Notes**	**Change Rules Notes**	**Invoice Form Notes**
Line Item	PO line item	Used in MM	S	N/A	N/A	N/A	N/A	N/A
Line Item	Profit Center	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Partner Profit Center	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	FM Area	Organizational unit in FM	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Fund Center	Defaults based on Cost Center	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Commitment Item	Defaults based on GL	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Fund	Fund/Appropriation Unit	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Grant	Grant	C	Some Revenue GL requires grants	N/A	N/A	N/A	N/A
Line Item	Profit Segment	Used in CO	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Network	Used in CO	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Base UOM	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Activity Type	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Controlling Area	Defaults based on Co Code	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A

Doc Type			DG					
Number Range			16000000-16999999					
Internal or External Assignment			Internal assignment					
Invoice Layout	**Field**	**LA Gov Use**	**Field Status**	**Conditional Field Status Notes**	**Validation Notes**	**Substitutions Notes**	**Change Rules Notes**	**Invoice Form Notes**
Line Item	Personnel Number	SAP HR Employee ID Number	S	N/A	N/A	N/A	N/A	N/A
Line Item	Transaction No	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Material	Used in SD/MM	S	N/A	N/A	N/A	N/A	N/A
Line Item	Material Valuation Type	Used in SD/MM	S	N/A	N/A	N/A	N/A	N/A
Line Item	Earmarked Funds Document No	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Earmarked Funds Document Line Item No	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Earmark Funds Completion Indicator	Used in FM	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Functional area	Defaults based on Co Code	R	N/A	N/A	Defaults based on configuration	Cannot be changed once posted	N/A
Line Item	Dunning area	Represents an agency for dunning procedure purposes	R	N/A	N/A	Sub based on business area	Can be changed once posted	N/A
Line Item	Ref key 1	Field is open for individual agency use	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Ref key 2	Field is open for individual agency use	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Ref key 3	Field is open	O	N/A	N/A	N/A	Cannot be	N/A

Doc Type			DG					
Number Range			16000000-16999999					
Internal or External Assignment			Internal assignment					
Invoice Layout	**Field**	**LA Gov Use**	**Field Status**	**Conditional Field Status Notes**	**Validation Notes**	**Substitutions Notes**	**Change Rules Notes**	**Invoice Form Notes**
		for individual agency use					changed once posted	
Line Item	Business Process	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Business Process Entity	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Property Number	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Rental Unit Number	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Lease out	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Service charge key	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Settlement unit	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Venture	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Equity Group	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Real Estate Contract	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed	N/A

Doc Type			DG					
Number Range			16000000-16999999					
Internal or External Assignment			Internal assignment					
Invoice Layout	**Field**	**LA Gov Use**	**Field Status**	**Conditional Field Status Notes**	**Validation Notes**	**Substitutions Notes**	**Change Rules Notes**	**Invoice Form Notes**
	Number						once posted	
Line Item	Val. Date	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Mgmt Center	Used in Real Estate	O	N/A	N/A	N/A	Cannot be changed once posted	N/A
Line Item	Partner	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Recovery Indicator	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Prod. Month	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Segment	Used in CO	S	N/A	N/A	N/A	N/A	N/A
Line Item	Partner Segment	Used in CO	S	N/A	N/A	N/A	N/A	N/A

Team:	Finance – Accounts Receivable
PDD Name:	Customer Account Management
PDD Number:	FIN-AR-PDD030-Customer Account Management
Business Process Owner:	Afranie Adomako
Functional Lead:	Ashley Peak
Functional Consultant:	Mary Walker

Executive Summary

The SAP customer account management process deals with debt collection and customer account clearing and reporting. To facilitate customer account management activities, reports are executed and manual activities outside of SAP are performed (i.e. phone calls, e-mails etc). The time that transpires between entering the invoice and clearing the invoice via the customer payment is considered customer account management or debt management. This document will deal with explaining the SAP activities involved in customer account management. Customer account management is primarily performed using functionality provided in the Accounts Receivable (AR) module. This document will outline SAP design for: day-to-day account management/reporting functions, period end account management activities and uncollectible debt activities

The customer account management process outlined in this document is only relevant for those agencies that are using SAP Accounts Receivable functionality. According to project scope, the Accounts Receivable functionality is not being rolled out across all agencies. Agencies were evaluated during the Business Blueprint workshops and a determination was made as to whether the agency's Accounts Receivable business processes will be done in SAP AR. An agency was deemed a 'good fit' for SAP AR if the current Account Receivable business processes used a generic tracking tools such as Excel, Access or Lotus Notes. Standard SAP AR functionality provides reporting data and data management improvement opportunities for those agencies using these types of manual tracking tools. Additionally, agencies that use a non integrated stand alone AR system such as QuickBooks or some other legacy system were also considered a good fit because the legacy functionality could easily be replaced and improved by SAP AR and the overall integration in SAP. Agencies that currently use a specialized billing software system or specialized case management software system were not a good fit for SAP AR. The pilot roll-out for SAP AR will focus on the agencies that were deemed a good fit.

Design Decision

Agencies that are targeted for the pilot roll-out are: Department of Transportation and Development (DOTD)-AREC system, Department of Public Safety & Corrections, Correction Services-QuickBooks system, Department of Wildlife and Fishery (WLF)-QuickBooks system and Ethics Administration Program-Lotus Notes based tracking system.

All other agencies Accounts Receivable business processes including master data maintenance, invoicing and credits, payments and account management will be done in their respective specialized legacy systems.

Design Decision

It is important to note that although some agencies will not manage their day-to-day Accounts Receivable in SAP AR, these agencies will update the Finance General Ledger (FI-GL) accounts to record revenue and cash payments.

Agencies that do not use SAP AR will not have detailed Accounts Receivable information available in SAP. Accordingly their customer open item reporting information and any supporting account management activities will not be maintained in SAP. Therefore, this document will not discuss non SAP AR agencies.

To-Be Process Description

Day-to-Day Account Management

Customer account management is the business procedure used to manage open debt in the SAP system. The key aspect in daily account management is reporting and credit/open payment clearing. SAP provides several standard reporting options that can be used to review open items on the customer's account. Key ECC reports that can be included: Customer Line Item Display Report, Due Date Analysis Report and Customer Payment History report. Standard SAP reports can be generated by business area (State Agency) or across agencies (by Company Code). SAP security will not limit State Agency end user's to view only their business area information. This was decided because there may be business circumstances where consolidated customer reporting (across agencies) is needed in order to make general customer business decisions. However, end user's will typically only need to view their business area information so business area specific reporting variants will be created and used during day-to-day account management. Security will be used to limit specific reporting transactions to specific State Agency personnel based on their job responsibilities.

Customer reports will be used to collect bad debt and gain an overall understanding of the customer's account status in the system. During the AR Business Blueprint workshops, the Subject Matter Experts (SMEs) identified standard SAP reporting that would satisfy reporting requirements of the state. However it was decided that in order to remain flexible in AR reporting, standard BI cubes will be populated daily with standard AR information (invoice data, payment data, credit data, etc). For the pilot AR roll-out, the standard BI queries will be used. Key personnel in each billing State Agency and supporting Accounting personnel will be identified as 'super users' in BI. It is recommended that these super users will have the ability to define custom queries in BI and help identify new reporting requirements (fields, key figures, etc). By utilizing SAP BI, the state agencies have the opportunity to get to better understand the SAP system and customer account data. BI queries provide flexibility in reporting.

All SAP reports (ECC or BI) can be viewed online, printed or downloaded into Excel or Word documents. Each billing State Agency must define the proper desk procedure to use when managing customer accounts. The desk procedure should include the key reports that should be used.

In addition to standard ECC and BI reports, the customer account management business process also requires some custom reporting. One key custom report will be the aging report. During the Blueprint workshop, the SMEs identified a need to produce quarterly consolidated customer aging reports across all billing State Agencies. This cannot be accomplished using standard ECC aging reports because not all billing State Agencies will be using SAP AR for their customer billing and payment activities. The current business process supporting quarterly aging reporting utilizes a manual Excel based process that requires each billing State Agency to compile their open customer aging (using their billing systems) and manually enter the totals into a spreadsheet. The spreadsheets are then sent to OSRAP where they are compiled into one report. This current business procedure used to produce quarterly aging reports will remain in place.

Period End Account Management

A customer's account is managed throughout the month; however there are some specific period end tasks that should be completed prior to closing one period and opening the next.

One task is clearing small balances and unknown payments (payments on account) from the customer's account. A small balance can occur when a customer remits partial payments or residual payments that do not completely clear the debt. These small balances sit on the customer's account until they are paid by the customer or manually cleared off by the billing State Agency. Payments on account occur when customers send payment but do not specify which invoice(s) should be cleared. Each billing State Agency must define the appropriate desk procedures that should be used when evaluating small balances and payments on account. The desk procedure should include dollar limits for clearing and any manual approvals that are needed prior to clearing from SAP account. Small balances and payments on account are cleared from a customer's account prior to dunning or customer account statement generation in order to clearly prioritize debt collection.

It is important to note that SAP provides automatic clearing functionality that will match open debits and credits on the customer's account and clear them accordingly. The functionality also provides an 'auto write-off' feature so the small difference can be written off to a general write-off account. The functionality was discussed during the workshops and it was decided that the automatic clearing functionality will be used but the 'auto write-off' feature will not be configured. Due to fund accounting constraints one general write-off account coding cannot support all State Agencies.

Another task in AR period end is clearing up any parked documents in the system. Customer invoice and credit documents can be parked for various reasons such as, missing account code data or missing billing line item amount data, etc. If a document is parked, the reasons why it is parked should be addressed in a timely manner. It is a good practice to review parked document periodically throughout the period and post any document that is ready for posting in a timely manner. Invoices should be posted in a timely manner so that customers can receive notice and make payment.

In addition to parked customer invoices and credits, revenue documents may also be parked in the system. For more information regarding revenue classification refer to AR PDD FIN-AR-PDD020-Customer invoice through payment.

Dunning

The key task in period end closing is generating customer dunning notices and customer account statements. Customer dunning notices are letters sent to the customer that serve as reminders of past due debt. Customer account statements are consolidated customer reporting that summarizes the open documents (invoices, credits, payments) on the customer's account as of a specified point in time. These two documents, dunning letters and customer account statements, facilitate debt collection efforts. Customer account statements are generated on demand according to the desk procedures of the state agency. Dunning letters are produced according to a monthly schedule.

Dunning is controlled in SAP IMG configuration of the dunning program. Dunning specifications (behavior) can be agency specific (by business area) or standard for all agencies (by company code). It was decided that come aspects of dunning will be agency specific and some would be standard across agencies. Dunning frequency will be standard across agencies. There will be 4 dunning levels: 30 days past due, 60 days past due, 90 days past due and 120+ days past due. The minimum dunning amount will be standard across agencies: $1.00. The other aspects of dunning will be agency specific such as: dunning text per dunning level, amount of penalty or interest charged on late payments and any manual desk procedures (follow up phone calls, etc) that should be done in addition to sending dunning notices.

In SAP dunning letters are generated using the dunning program transaction. It was decided that dunning letter generation will be done centrally at each agency. Therefore each agency will execute the dunning program transaction, limited to their specific business areas' AR transactional data. SAP security will limit the dunning transaction by business/dunning area.

The dunning program has 3 parts: parameter definition, dunning proposal review and dunning letter generation. Each state billing agency will enter the necessary dunning parameters (by business area). Variants can be saved and re-used to save on data entry time and minimize mistakes. SAP security will

serve as a 'back up' to make sure business area data does not cross during dunning. The program is executed and based on the parameters defined by the end user, a dunning proposal is generated. The generation of the dunning proposal can be executed online by an end user in the background according to a batch schedule. Initially, each state agency will generate a dunning proposal online.

The dunning proposal details the customer accounts/data that should be dunning and at what level.

Each billing State Agency must decide how/if the dunning proposal report will be reviewed and modified or not. Manual dunning blocks can be added at the dunning proposal phase if needed. The final step is to accept the proposal and print the letters. It is important to note that if a customer does business with more than one billing State Agency then the customer will receive multiple dunning notices at period end. This does not happen often so there is minimal concern in this area. Letters are printed in mass and mailed to the customer. The SAP system automatically updates the customer's account with the new dunning level achieved. Dunning letters can be reprinted at any time.

Not all open invoices and credits are automatically included on dunning notices. Dunning blocks can be manually assigned to open AR documents or dunning blocks can be set for a customer. Dunning blocks defined on the customer master record level block all open documents on the customer account. Each billing State Agency, when it is appropriate, enters a manual dunning block on an invoice(s) or on the customer master. Dunning blocks are configurable in SAP and can reflect the business purpose behind the dunning blocks (i.e. customer in bankruptcy).

Uncollectible Debt Collections

Debt is deemed uncollectible in SAP when all efforts to collect the debt have been exhausted: dunning letters have been sent, manual desk procedures have been followed, etc. Each agency has a different practice when it comes to managing uncollectible debt and the practice depends on the nature of the billing, expected revenue funding, etc. Some agencies, such as DOTD, have 'in house' legal counsel that serve to pursue uncollectible debt. Some agencies hire external collection firms to pursue the debt. Other agencies turn the invoices to the Attorney General's Office and the AG's office acts as the collection firm for the debt. Each billing State Agency must define the proper practice to follow for pursuing uncollectible debt. This document will outline the key design decisions for the open debt during 3 distinct phases in the collections process: (1) uncollectible debt – managed by billing State Agency, (2) uncollectible debt – managed by a second level of collection agency (in-house counsel, external collection agency or AG office) and (3) uncollectible debt – reclassify to doubtful accounts.

When invoices are at the first phase, uncollectible debt – managed by billing State Agency, the invoices are being managed using the day-to-day account management procedures and period end dunning procedures. Once the invoice has reach the final dunning phase (i.e. greater that 120 days past due), the debt is reviewed and a decision is made as to how the second level of debt collection will be done. The second level of debt collection can be use of an in-house counsel, hiring external collections firms or turning the invoices over to the AG's office to pursue the debt. The business decision on which avenue should be used will vary based on the dollar amount of the debt, the business relationship with the customer, funding source, etc. While in this first phase the debt is open on the customer's account, aging accordingly, open for dunning and included on all SAP reporting.

Once the billing State Agency has decided the proper second level collection avenue, the invoice(s) are blocked from SAP dunning with the appropriate dunning block status (i.e. turned over to AG or turned over to external collection agency, etc). Any manual correspondence such as phone calls and emails should be documented directly in the SAP invoice document using the long text functionality. This provides a central repository that can be used to document all the collection efforts. The invoice should be blocked from SAP dunning because there is another agency pursuing the debt. Each billing State Agency must define the manual desk procedures (external forms, approvals, etc) that will be used to facilitate moving a debt to the second level of collection effort. While in this second phase the debt is open on the customer's account, aging accordingly, blocked from dunning and included on all SAP reporting.

If the second level of debt collection can recover the outstanding debt, collection fees, etc then the payment must be applied to the invoice in SAP. Since the personnel in the second level of debt collection are outside of SAP and therefore will not necessarily have access to the system, they cannot directly apply the payment. The second level debt collection personnel will complete a manual form (per invoice) that details how much of the money recovered goes to: outstanding debt, collection fees, penalties or interest etc. This breakdown is needed so that the payment can be coded correctly. The money is deposited in the bank by the billing State Agency. The billing State Agency will apply the payment to the invoice and complete the revenue recognition process. Refer to AR PDD FIN-AR-PDD020-Customer Invoice through Payment for details on the customer payment process. It is important to note that the account coding that can be used will vary based on the nature of the billing and the fiscal year in which the payment was received. Each billing State Agency must define a desk procedure that outlines the appropriate revenue coding for collections on past due debt.

If the debt is not recovered by the second level of debt collection and it is counterproductive to continue to continue to pursue the debt, then the debt moves to the final level in the process; uncollectible debt – reclassify to doubtful accounts. No debt is completely written off at the State. The debt is always owed but may not be actively pursued at the current time. Reclassification to doubtful accounts moves the debt from the standard AR reconciliation balance sheet account to a doubtful accounts balance sheet account. Reclassification to doubtful accounts keeps the debt open on the customer's account but for balance sheet and other general ledger/fund accounting reporting the debit is clearly identified and doubtful or bad debt. Debt in the traditional AR reconciliation account is receivable expected to be paid in the future. Doubtful account receivables are not expected to be paid in the future. This type of accounting is done so that balance sheet and other GL reporting are forthright and transparent to the reader. Another way to reclassify bad debt is to post a periodic journal entry for 'allowance of doubtful accounts'. SAP provides functionality that can automatically calculate the allowance journal entry amount based on end user defined allowance methods or logic. It was determined by the SMEs in the Business Blueprint workshops that this functionality would not be used for the initial pilot roll-out.

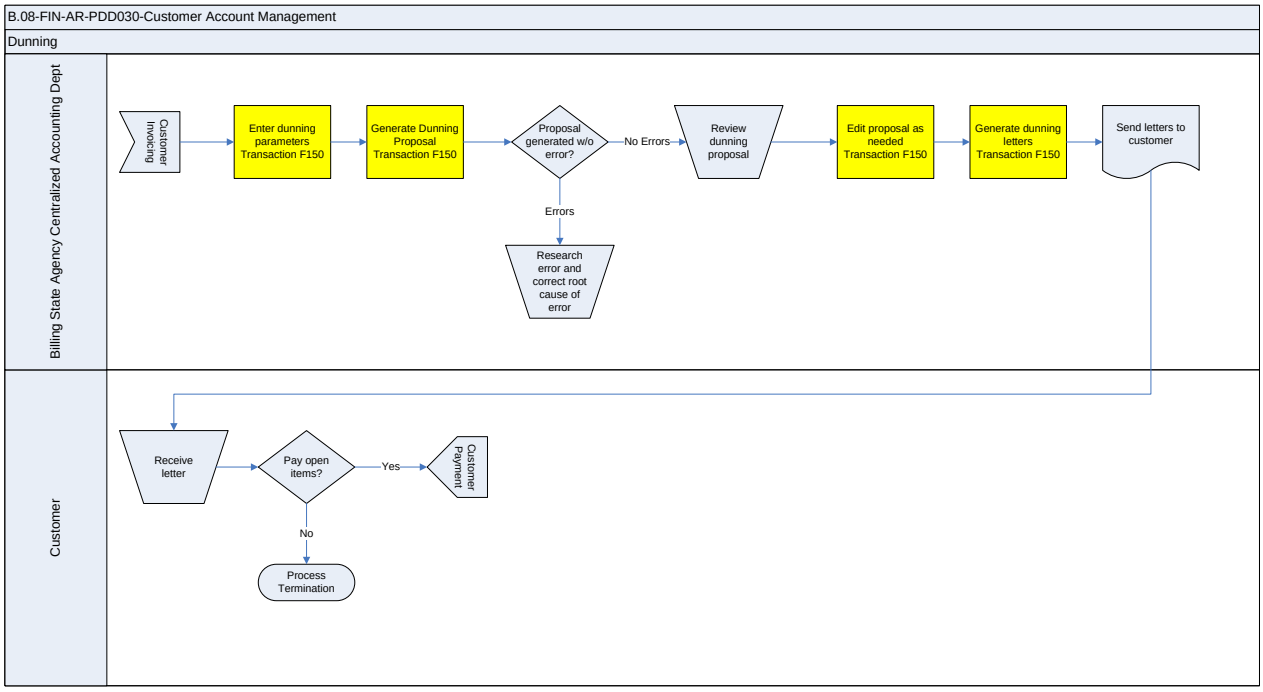
There is an established procedure for debt reclassification. However, it does not state one clear path to follow for all business circumstances. The path varies based on billing State Agency and nature of the debt. Some agencies/debt will require approval from an applicable board or committee prior to reclassification. Some agencies/debt will require approval from the agency, department secretary or undersecretary. Regardless of who does the approvals, all of these entities require a write-off request form (to be called in SAP a transfer to doubtful account request form). Currently, the form is paper based and manually completed by the billing State Agency. In SAP, the form will be electronically completed based on parameters provided by the end user. The form includes information such as: customer account number, customer name and address, days outstanding, amount owed, nature of billing and collection efforts completed to date. All of this information will be stored in SAP so there is no need to manually complete the form. The form will be generated out of SAP, printed and sent to the appropriate personnel. The invoice(s) in question will have a new dunning block, 'requested for transfer to doubtful accounts'.

When the request is approved, the invoice's dunning block is updated to 'approved for transfer to doubtful accounts'. Additionally, OSRAP will be notified to execute the SAP transaction that transfers the open invoice(s) amounts from the traditional AR reconciliation account to a special AR Doubtful Account. OSRAP will execute the transaction accordingly. While in this third phase the debt is open on the customer's account, aging accordingly, blocked from dunning and included in selected SAP reporting.

#	Process Terminology	Description
1	Parked document	Functionality that allows accounting documents to be suspended in the FI Accounting system rather than post the document to update accounting.

#	Process Terminology	Description
2	Payment applied on customer's account	Payment business process where unidentified customer payments (payments that do not reference an open invoice number) are applied as general credits to the customer's account. Payments are typically applied to an invoice; clearing the open balance. General payments on account do not clear any particular invoice but simple reduce the overall balance of the customer's account.
3	State Agency desk procedure	Manual business processes that are performed outside of SAP.
4	Partial payment	Customer payments that are less than the amount due on the invoice

To-Be Process Flows



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	The following agencies will use SAP AR functionality for invoicing, credits, payments and account management: • DOTD-AREC system • WLF-QuickBooks system • DOC-QuickBooks system	DOTD, WLF, and DOC systems will be completely replaced with SAP AR functionality. Ethics Lotus Notes database will remain in place for initial customer debt tracking but customer AR management will be done in AR	Standard AR business process will be followed for the pilot agencies replacing their current stand alone procedures

#	Decision	Process Impact	Organizational Impact
	• Ethics-Lotus Notes system	Manual desk procedures must be reviewed and updates so that they support SAP system.	
2	Each billing state agency must decide the appropriate desk procedure to follow for clearing small open balances on a customer's account	Establishment of desk procedures	State agency end users must be trained on the desk procedures supporting the business process
3	Dunning will be executed in centralized manner at each agency. Therefore, dunning letters will be agency specific.	Adds a new business process to central Accounting Office for each Agency	State agency end users must be trained on the desk procedures supporting the business process

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Official policy regarding transferring uncollectible debt to doubtful accounts in SAP	None	
2	Policy regarding posting parked documents and how parked documents will be treated at period end/fiscal year end	None	
3	Uniform policy across all state agencies on reclassification of debt and other uncollectibles	None	

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: Customer Account Management						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Write-off request form	Request to write-off bad debt	X	X	Manual form currently would like to standardize the output using SAP	AR Team	None
2.	Dunning Letters - DOTD	Dunning letters specific for each Agency	X	X	Manual form currently would like to standardize the output using SAP	AR Team	None
3.	Dunning Letters - WLF	Dunning letters specific for each Agency	X	X	Manual form currently	AR Team	None

F – Forms	Master List of Current and Future State Forms: Customer Account Management						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
					would like to standardize the output using SAP		
4.	Dunning Letters - DOC	Dunning letters specific for each Agency	X	X	Manual form currently would like to standardize the output using SAP	AR Team	None
5.	Dunning Letters – Ethics	Dunning letters specific for each Agency	X	X	Manual form currently would like to standardize the output using SAP	AR Team	None
6.	Customer account statement	Statement of open items on customer's account		X	Used to facilitate debt management	AR Team	None

R – Reports	Master List of Current and Future State Reports: Customer Account Management						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	Quarterly Aging Summary Report	Quarterly report used to manage debt	X	X	Manual form currently would like to standardize the output using SAP	AR Team	None
2.	Receivables by revenue source	Quarterly report used to manage debt	X	X	Business requirement	AR Team	None
3.	Annual summary of Agency Receivables	Annual report used to manage debt	X	X	Business requirement	AR Team	None
4.	Account Receivable Activity Report	Report used to manage debt	X	X	Business requirement	AR Team	None
5.	Collection Activity for AR	Quarterly report used to manage debt	X	X	Business requirement	AR Team	None
6.	Write-off Report	Quarterly report used to manage debt	X	X	Business requirement	AR Team	None
7.	Annual Comparison of AR	Annual report used to manage debt	X	X	Business requirement	AR Team	None

I – Interfaces	Master List of Current and Future State Interfaces: Customer Account Management						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified						

C - Conversions	Master List of Future State Data Conversions: Customer Account Management						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified						

E – Enhancements	Master List of Future State Enhancements: Customer Account Management				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: Customer Account Management		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: Customer Account Management		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: Customer Account Management			
No.	Role	Description	Strategy	Special Considerations

Authorizations	Master List of Future State Roles/Authorizations: Customer Account Management			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	Billing State Agency Centralized Accounting Dept	Personnel who manage dunning program run	Limited by business area	None
2.	GL Account Manager for AR	Manager of GL/Customer Account	TBD	None
3.	Second Level of Debt Collection (In-house Counsel, External Collection Agency, AG Office)	Personnel who manage debt classification process	TBD	None

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Dunning will be executed in centralized manner at each agency. Therefore, dunning letters will be agency specific.	Moving from a manual process to a more automated process in SAP	TBD
2.	Establish standard debt collection policies including dunning activities	Independently managed in legacy systems because each agency had their own AR system	Unknown
3.	Customer reporting will be standard SAP reporting	Independently managed in legacy systems because each agency had their own AR system	None

Training Impact

1. End user will need training on new process
2. Attorney General training to break down the payment when notifying the billing State Agency of recovered bad debt

It is not known at this time the exact training impact this process will have on the state. The Training team will need to do more analysis at each billing state agency using SAP and AG Office to determine potential number of people to be trained, their organizational alignment, etc.

Appendix A

Not applicable.

6. Project Systems

Team:	Finance – Project Systems
PDD Name:	Project Structures - DOTD, FPC, OCPR
PDD Number:	FIN-PS-PDD010-Project Structures - DOTD, FPC, OCPR
Business Process Owner:	Masood Rasoulian, John Davis, Bill Morrison
Functional Lead:	John Hodnett, Larry Hofstad, John Oglesby
Functional Consultant:	Christine Lee

Executive Summary

A project is created in the SAP Project Systems (PS) module in order to track and monitor the costs of a complex job with multiple phases, whether it is building a road or constructing a building. Projects can be multi-funded, with multiple contracts and also have discreet fund control requirements. For DOTD, it is particularly important to accurately capture costs in order to bill the Federal Highway Administration (FHWA) for federally funded highway projects. Accumulating expenses/expenditures is also important to correctly capitalize an asset in the SAP Asset Accounting module.

In general, the capital project development process at the State of Louisiana begins when a previously identified need has been approved in House Bill 2 (dependent upon the Department responsible for the project) for enactment by the Legislature. The execution of the project initiates with the creation of the project structure, the management of project funding availability, the postings of day-to-day project accounting transactions, the fulfillment of the project data / reporting requirements, and concludes with the closing of the project. Specifically, this document focuses on the creation of the project structure, which begins with an approved and budgeted project and ends with the release of the project status in SAP.

Before a project can incur costs, it must be created and released in the PS module in SAP. A project is made up of a project definition and a hierarchy of Work Breakdown Structure (WBS) elements. The project definition is an overall “container” to which individual WBS elements are assigned. It holds specific default values for organizational elements, which integrate the WBS elements with other modules (e.g., Finance, Cost Controlling, Funds Management, Materials Management, etc.). WBS elements are arranged in a hierarchical structure, similar to an outline with levels. This structure is a flexibly defined matrix which allows for a view of project costs according to construction phases, tasks, components or any other methodology particular to the project. This hierarchical view is in addition to the traditional accounting view by general ledger account.

WBS elements can be designed as objects to which cost and revenue are charged and credited or as simple “roll-up” elements which subtotal costs up the hierarchy. This structuring of the project is significant because project funding can be applied and actuals posted at each WBS element. For this reason, we have established a set of consistent guidelines for the creation of projects. Once a project is created within these guidelines, it is released in the PS module, and ready for activity.

Three areas have been identified as utilizing SAP PS functionality to track projects:

- Department of Transportation and Development (DOTD)
- Facilities Planning and Control (FPC)
- Office of Coastal Protection and Restoration (OCPR)

Because each of these areas is distinct and has unique characteristics, standard project definitions and WBS element structures for each will be created. Each project type will therefore retain its unique characteristics while at the same time staying in line with the overall standardized solution. The PS module will be configured to provide the tools necessary to ensure that a project is created efficiently and accurately according to these standards. Project managers will then have the ability to view and access accurate project master data, thereby increasing the efficiency and effectiveness of project management.

During Blueprint, three agencies, DOTD, FPC, and OCPR were identified as requiring the functionality in PS and are included in this PDD. As of 1/20/2009, other agencies have been identified as potentially requiring PS functionality and these have been captured as Issue No. 8000000418 to be addressed during Realization.

Open items identified during the Blueprint session are recorded in a separate document, the Action Item Tracker, so that they can be appropriately tracked during Realization until resolved.

To-Be Process Description

In general, the project development process at the State of Louisiana begins when a need previously identified has been included in the prioritization process for the creation of House Bill 2, dependent upon the Department responsible for the project. DOTD projects are submitted to the Legislature each year in the form of a "Highway Priority Program," which prioritizes and lists projects by stages and by budget partition categories. This will be captured in the Budget Preparation- Integrated Planning (BI-IP) module as a lump sum line item amount as it done today in House Bill 2. FPC projects are listed by line item in House Bill 2 with the means of financing. (This planning and prioritization process is described in further detail in FI-BP-PDD0020 Capital Outlay Budget Processes FPC and FI-BP-PDD0030 Capital Outlay Budget Processes DOTD.) OCPR is currently undergoing reorganization. Today, Coastal Restoration projects fall under the Capital side of the Operating budget in House Bill 1; while Coastal Protection projects fall under Capital budget in House Bill 2. Each of the projects included in the BI-IP module will be tracked by a schedule number or by an equivalent unique identifier. Once the project is created in SAP, this unique identifier will need to be entered into a user field of the project master data in order to link the project in planning to the project in execution. This will create the linkage between the capital request during the project planning phase and the SAP project in project execution and allow for reporting capabilities tracking a project back to its initial request.

Once projects have been approved in House Bill 2, the appropriate individuals with the Project Creator role will create the project based on the corresponding project templates in SAP. This includes the project definition and all levels of the WBS elements according to the budget and phases outlined. DOTD, FPC, and OCPR are the three Departments that will be using SAP PS and below are details surrounding the processes for each type of project.

DOTD

A DOTD highway construction project will be created in the PS module at the time it is approved in the Highway Priority Program, which is approximately Stage 1 or 2 of the Six Stage Project Development Process (Please see Appendix A). Prior to these projects receiving funding, a feasibility study of the proposed project takes place to identify preliminary purpose and need. An initial feasibility analysis and a preliminary environmental review are also conducted. Although many of these activities are completed in-house with operating budget, a portion of projects require the creation of a contract with an external vendor. The decision was made not to create the entire project structure at the Feasibility stage, but to capture these costs in summary WBS elements until the project has been identified as being feasible. The summary WBS element will begin with the same alpha indicator as the full DOTD project structure in order to maintain ease of reporting for DOTD projects and to maintain consistency across the state. The Project Creator role will be responsible for creating the summary WBS elements. Project Budget Analyst role will then be responsible for creating the funded programs relevant to the WBS element and transferring consumable budget into the funded programs. Once the WBS element has been funded, the

Project Creator role will release the WBS element for postings. If the project has been deemed feasible and has been included in the Highway Priority Program, the Project Creator role will create the full project structure, including the Project Definition and six phases and corresponding sub-phases to capture Participating and Non-Participating costs using a standard template. The associated costs in the summary WBS elements will be settled to the corresponding project WBS element after the full project structure has been created. As in the current process, the Project Manager will be responsible for indicating whether or not a summary WBS element exists containing Feasibility costs.

DOTD Projects have an added layer of complexity because they are often funded by the Federal Highway Administration (FHWA). Due to these complexities, standard functionality will not be capable of capturing the requirements. A custom solution has been designed during the Blueprint process and documented in further detail in FIN-PS-PDD050 FHWA Billing. This design includes the creation of an SAP Federal project. The federal project WBS elements will not capture costs, but will exist to hold specific requirements for the FMIS interface. The structure will begin with the alpha character H and mirror the FMIS Federal project number.

It is also important to note here that in the As-Is, Control Sections are a part of project numbers. Although a majority of the Control Sections in the current legacy system refers to a linear reference, some Control Sections do not refer to a physical location. Therefore, the decision was made to remove Control Sections from the naming convention to build in logic by agency and to keep a standard naming convention across the state. The Control Section will, however, be captured in a user field in the project master data with reporting capabilities. Control Sections will be maintained in the Agile Assets system as the linear reference and will refer to a project if relevant. This design allows a project to cross multiple Control Sections. If a project crosses multiple Control Sections, additional construction phases will be created by the Project Creator role to capture discreet costs by Control Section to facilitate the settlement of costs to the assets module. (Note that this would require that costs and budget also be broken down for each project by Control Section so as to properly settle the costs to an asset during periodic settlement.)

FPC

FPC projects begin as a request that is enacted by the Legislature in House Bill 2, with specific appropriation of funds. FPC will rank and prioritize State and Non-state projects and allocate cash and non-cash lines of credit based on available funds. Projects with cash appropriations in House Bill 2 essentially have funding approved at the signing of the Bill by the Governor. After House Bill 2 has been signed, these cash projects can be created in SAP by the appropriate individuals with the Project Creator role utilizing the project template to reflect the project definition, initial sub-project, and phases. Projects with General Obligation Bond appropriations will be created in SAP as funds are approved.

Two types of projects exist within FPC: State and Non-state projects. State projects are those that FPC funds and hires contractors to perform the work. Many of these projects have multiple sub-projects to represent different parts of the project falling under the same appropriation line item in House Bill 2. In the As-Is, the financials are captured in the Advanced Financial System (AFS) while the project master data is captured in the State Architecture Reporting System (STARS). Currently there is a significant time lag between the time the funding is approved and the time the funding is entered into ISIS, which is problematic when determining whether the project has sufficient funds to advertise for construction bids. In the To-Be, the FPC state project financial data and project master data will be housed in one system. WBS elements will be structured to capture the project (level 1), sub-project (level 2), and phase (level 3). The Project Creator role will create the project structure using the template at the time funding has been approved. The template to create the initial structure will create the first sub-project and the corresponding phases. Additional sub-projects will be created after the initial project has been created. The Project Budget Analyst role will be responsible for creating the funded programs relevant to the WBS elements and transferring consumable budget into the funded programs. Once the WBS elements have been funded, the Project Creator role will release the appropriate WBS element for postings.

The Non-state projects are projects with funding that has been approved for a local entity (which in SAP would be a non-accounting entity). Once funding has been established, a Cooperative Endeavor Agreement is set up between the State and the local entity, capturing the total available funding amounts and a break down into budget categories such as land, planning, construction, etc. The local entity then establishes contracts for services with a third-party vendor. The State pays the local entity on a reimbursement basis as work is performed. The details for Non-state projects are captured today in Microsoft Excel spreadsheets, one project per spreadsheet. This has presented limitations in reporting on Non-state projects. The project structure will be created by the Project Creator role at the time funding is approved. The template will be utilized to create Level 1 (Project) and Level 2 (Phase) WBS elements. The Project Budget Analyst role will then be responsible for creating the funded programs relevant to the WBS elements and transferring consumable budget into the funded programs.

In addition, FPC also oversees the contracts that the local entity enters into with third party vendors. Because these are not financial contracts that the State enters into, they are not tracked in the State's financial system. A Microsoft Excel spreadsheet for each project captures the financial data of the contracts, including how much has been invoiced to date. One solution is to capture the financial data of the contracts between the local entity and the third party vendor in SAP as a third level of WBS elements. The Level 3 WBS elements will be created manually in the system by the Project Creator role, including the entering of master data. Postings of actual costs will be at the Level 3 WBS elements, representing the contracts between the local entity and third party vendor. Therefore, the Level 3 WBS elements will need to be released for postings. The budget however will be controlled at the phase level. This will be a significant improvement for the State to be able to capture this data in the financial system. The location of financial and project master data for State and Non-state projects will also be in one centralized location for ease of access to data and reporting.

OCPR

Currently, OCPR Projects begin when the Coastal Wetlands Planning Protection Restoration Authority (CWPPRA) Task Force receives notification of a need. The Task Force then assembles a list of projects to present to Project Management for validation and feasibility. The Task Force has sole discretion to approve projects at this level before a decision is made to proceed. If the project is approved, then the Project Creator role will create the Project Definition and all phases utilizing the standard template. Projects that are not approved will be placed on hold until the following year. Concurrently, the Project Budget Analyst will create funded programs for each WBS element and enter budget as approved. Once budget has been transferred to the funded programs, the Project Creator role will release the WBS elements for financial postings and also update the master data.

Land Projects

Land acquisitions will be captured in a PS project in order to manage and track the total costs associated with the acquisition of the land. The majority of these types of acquisitions are captured in STARS as a project and managed by FPC, with the exception of a limited number of agencies. The exceptions are identified in Louisiana Revised Statute 39:14. The recommendation going forward is to have FPC manage all land acquisitions with the exception of DOTD in order to maintain processing and financial consistency, particularly for those agencies that would otherwise use PS on a less frequent basis. The purchase of the land will originate in the Real Estate module and then settle to the appropriate WBS element. The associated costs will post directly to the WBS element. The Project Creator role will be responsible for creating the project structure and releasing the status.

The project structure for these types of projects will be defined further during Realization. Refer to FIN-PS-PDD070 Project Periodic Processing and FIN-AA-PDD030-AA Acquisitions for additional information.

Donation Projects

During the Asset Accounting Blueprint sessions, a requirement to capture total costs associated with the donation of real property to an agency was confirmed. For real property donations to the State of Louisiana, the capitalized value must include an appraisal or other determination of the asset value and

any additional costs for the acceptance and placing into service of the asset. Costs defined by OSRAP, such as appraisal fees, surveys, environmental assessments and other costs related to a potential capital asset will be captured against WBS elements in the PS module. The Project Creator role in FPC will create a project in the PS module and advise the agency financial personnel and the Real Estate Property Manager of the coding for the WBS element. Settlement to the final asset will be deferred until after the approval decision has been made by the appropriate authority. If the donation is declined, the costs will be expensed to the agency cost center and the project will be closed. If the donation is accepted, the costs will be settled to the asset. The details surrounding this process will be finalized during Realization. This solution provides a streamlined process for the management of donations in one system, crossing the Real Estate, Asset Accounting, and PS modules.

The project structure for these types of projects will be defined further during Realization. Refer to B.0-FIN-AA-PDD030-AA Acquisitions for additional information.

Information Technology

Information Technology (IT-10) initiatives, which are funded through the operating budget by individual agencies, are projects that undergo a workflow approval process by the Office of Information Technology (OIT). OIT loses insight to the project status and financials once the initiative has been approved. Although the option to create projects in the PS module was discussed, OIT has made the decision to delay until after the initial SAP go-live to investigate further the appropriate solution.

Conversion

The conversion of project related data will require the upload of project master data, budget, and actuals. The conversions documented below are based on the decision to go live with all agencies on July 2010 with the exception of DOTD, which will go live on October 2010. Only open, active projects for DOTD, FPC and OCPR will be converted at go live.

Conversion will begin with the creation of the project definition and the WBS elements utilizing the appropriate template. To successfully load the project, key data such as the project definition start and end dates are required. In order to facilitate this, a crosswalk will be created to map from the legacy project coding block to the SAP account assignments. All project master data will also need to be loaded. This includes the creation of the Funded Program and Funded Program Groups. Note that in some cases, uploads may require manual creation. For instance, FPC Non-state projects are currently tracked in individual spreadsheets. These spreadsheets track offline financials such as the contracts between the entity and the third party vendor.

Life-to-Date (LTD) budget for active projects will be converted. However, prior year budget will be loaded at a summary level to the prior year against conversion commitment items, while the current year budget will be loaded to the current year against the actual commitment item the budget is appropriated to.

LTD actuals will be converted for active projects and will consume the LTD budget loaded. As part of the LTD actuals conversion strategy, prior year expenditures and revenues will be converted to conversion General Ledger (GL) Accounts at a summary level against the prior year while current year expenditures and revenues will be converted to detailed GL Accounts against the current year. This will provide a full view of project activities, which in most cases are multi-year. The GL conversion program will be used to load project related actuals.

Since DOTD is going live in October 2010 according to the updated timeline, DOTD will continue to manage its projects with the same processes until the go live date. DOTD will also convert only open, active projects. Additional conversions will be required for DOTD to upload the Federal SAP projects and the associated data fields (User fields). Prior year actuals will be loaded to the prior year at a summary level utilizing conversion GL accounts. Any DOTD projects that close between July 2010 and October 2010 will be converted for year end reporting purposes.

Substantial State involvement goes into the data conversion efforts. The State will be responsible for cleaning legacy data, collecting, and organizing the data in preparation for conversion, loading of master

data and testing of conversion programs within different environments. The State will also be responsible for the three-way reconciliation process, which compares legacy data to conversion program spreadsheets, spreadsheets to SAP, and finally, SAP to legacy data. IBM will be responsible for creating the conversion program and supporting the State with the conversion efforts. This ensures that the data extracted from legacy systems is accurate and loaded properly into the SAP system.

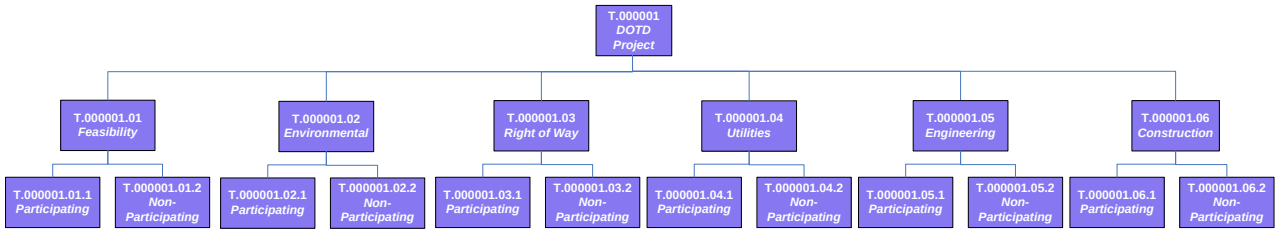
Project Naming Convention

DOTD Projects:

- Alpha Indicator for Department – 1 digit, alpha character to represent the department (T – Transportation Projects) – No postings are made at this level. It is used exclusively for rollup reporting purposes.
- 1st level WBS element (from 01 to 999,999) – 6 digit, numeric string of characters to represent the unique, sequentially assigned project number (T.000001 – Bridge XYZ) – This level will represent projects approved in BI-IP. The project definition will be created by default at the time the 1st level WBS element is created.
- 2nd level WBS element (from 01 to 99) – 2 digit, numeric string of characters to represent the different phases of the project (T.000001.01 – Bridge XYZ, Feasibility Phase) – The following phases will be identified in the template, aligning with:
    - T.000001.01 – Feasibility
    - T.000001.02 – Environmental
    - T.000001.03 – Right of Way
    - T.000001.04 – Utilities
    - T.000001.05 – Engineering
    - T.000001.06 – Construction

  (*Note that additional construction phases may be added subsequent to the project being created using the template to capture costs for construction by Control Section and bridge. Additional construction phases to capture Control Section and bridge will expand the project structure at the phase level. The Description field of the WBS element will identify the corresponding Control Section number.*)

- 3rd level WBS element (from 1 to 2) – 1 digit, numeric string of characters to represent participating and non-participating costs for FHWA billing purposes (T.000001.01.1 – Bridge XYZ, Feasibility Phase, Participating)

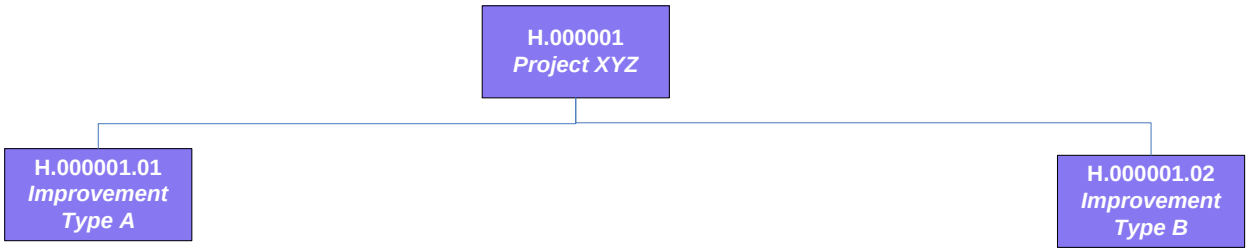


DOTD Federal Projects:

DOTD Federal projects are those funded by FHWA and require FHWA authorization and billing. These projects will have a separate naming convention and project structure. The Federal project structure and processes are described in further detail in FIN-PS-PDD050 FHWA Billing.

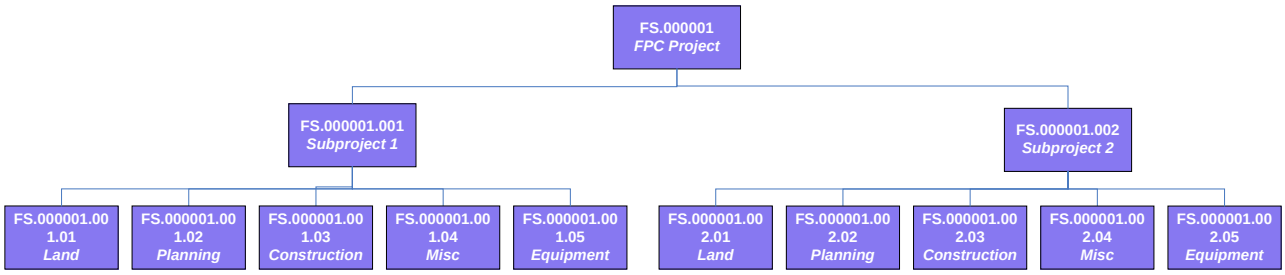
- Alpha Indicator for Department – 1 digit, alpha character to represent the department (H – Highway Projects) – No postings are made at this level. It is used exclusively for rollup reporting purposes.

- 1st level WBS element (from 01 to 999,999) – 6 digit, numeric string of characters to represent the unique, project number (H.000001 – Project XYZ) – The SAP Federal project number will mirror the SAP State project number at the 1st level with the exception of the alpha character. The project definition will be created by default at the time the 1st level WBS element is created.
- 2nd level WBS element (from 01 to 99) – 2 digit, numeric string of characters to represent the different Improvement Types of the project (H.000001.01 – Project XYZ, Improvement Type A).



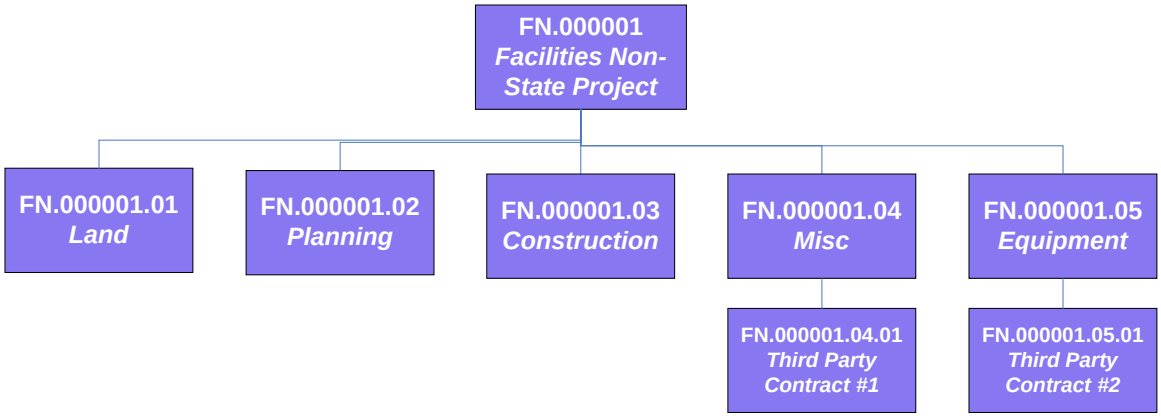
FPC State Projects:

- Alpha Indicator for Department and State project (versus Non-state) – 2 digits: 1 digit alpha character to represent the department and 1 digit alpha character to represent the State project (FS – Facilities State) – No postings are made at this level. It is used exclusively for rollup reporting purposes.
- 1st level WBS element (from 01 to 999,999) – 6 digit, numeric string of characters to represent the unique, sequentially assigned project number (FS.000001 – Facilities State Project XYZ) – This level will represent projects approved in BI-IP and funded. The project definition will be created by default at the time the 1st level WBS element is created.
- 2nd level WBS element (from 001 to 999) – 3 digit, numeric string of characters to represent the sub-projects of the project (FS.000001.001 – Facilities State Project XYZ, Sub-Project 001) – At project creation, one sub-project will be created utilizing the template. Additional sub-projects will be created as required.
- 3rd level WBS element (from 01 to 99) – 2 digit, numeric string of characters to represent the phases of the project (FS.000001.001.01 – Facilities State Project XYZ, Sub-Project 001, Land Phase). The following phases will be identified in the template:
    - FS.000001.001.01 – Land
    - FS.000001.001.02 – Planning
    - FS.000001.001.03 – Construction
    - FS.000001.001.04 – Miscellaneous
    - FS.000001.001.05 – Equipment



FPC Non-state Projects:

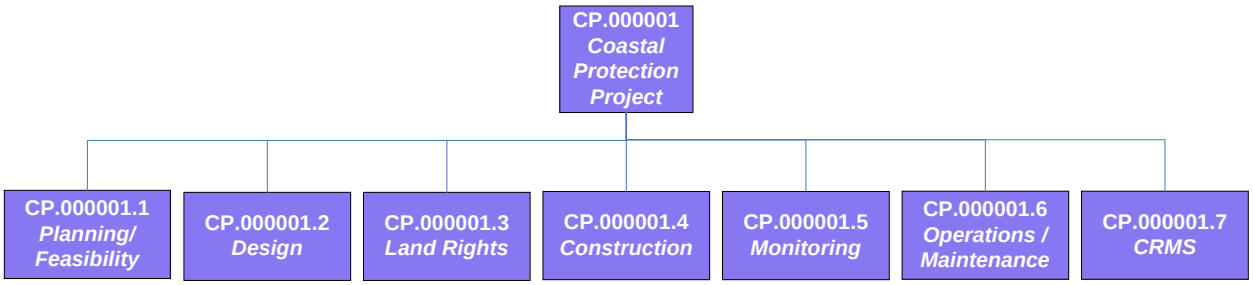
- Alpha Indicator for Department and Non-state project (versus State) – 2 digits: 1 digit alpha character to represent the department and 1 digit alpha character to represent the Non-state project (FN – Facilities Non-state) – No postings are made at this level. It is used exclusively for rollup reporting purposes.
- 1st level WBS element (from 01 to 999,999) – 6 digit, numeric string of characters to represent the unique, sequentially assigned project number (FN.000001 – Facilities Non-state Project XYZ) – This level will represent projects approved in BI-IP. The project definition will be created by default at the time the 1st level WBS element is created.
- 2nd level WBS element (from 01 to 99) – 2 digit, numeric string of characters to represent the different phases of the project (FN.000001.01 – Facilities Non-state Project XYZ, Land Phase) – The following phases will be identified in the template:
    - FN.000001.01 – Land
    - FN.000001.02 – Planning
    - FN.000001.03 – Construction
    - FN.000001.04 – Miscellaneous
    - FN.000001.05 – Equipment
- 3rd level WBS element (from 01 to 99) – 2 digit, numeric string of characters to represent the contracts between the local entity and the third party vendor (FN.000001.01.01 – Facilities Non-state Project XYZ, Land Phase, Third Party Contract #1).



OCPR Projects:

- Alpha Indicator for Department – 2 digits: 1 digit alpha character to represent the area and 1 digit alpha character to represent whether the project is a Restoration, Protection, or Combined. (CP – Coastal Protection Projects, CR – Coastal Restoration Projects, CC – Both Coastal Protection and Coastal Restoration Projects) – No postings are made at this level. It is used exclusively for rollup reporting purposes.
- 1st level WBS element (from 01 to 999,999) – 6 digit, numeric string of characters to represent the unique, sequentially assigned project number (CP.000001 – Coastal Protection Project XYZ) – This level will represent projects approved by the Task Force. The project definition will be created by default at the time the 1st level WBS element is created.
- 2nd level WBS element (from 1 to 9) – 1 digit, numeric string of characters to represent the different phases of the project (CP.000001.1 – Coastal Protection Project XYZ, Planning/Feasibility Phase) –The following phases will be identified in the template:
    - CP.000001.1 – Planning/Feasibility
    - CP.000001.2 – Design

- CP.000001.3 – Land Rights
- CP.000001.4 – Construction
- CP.000001.5 – Monitoring
- CP.000001.6 – Operations/Maintenance
- CP.000001.7 – CRMS



Project Master Data Elements

Project Definition:

- Name (see project naming convention above)
- Description (up to 40 characters)
- Status (standard system and custom user statuses; for example: Created, Released, Technically Closed, Closed, etc.)
- Responsible person (the project manager)
- Start date (actual start date of the project)
- Finish date (actual finish date of the project)
- Factory calendar (defined for the State)
- Organization:
    - Controlling area (one for the State: STLA)
    - Company code (one relevant for projects: 0010)
    - Business area (based on user's agency)
    - Functional area (generally only required for disaster tracking)
- Control data
    - Planning profile (allows the use of project budget planning by project engineers)
    - Investment profile (allows the use of investment measures, which automate project cost settlements to Assets under Construction (AuC))

WBS Elements:

- Name (see project naming convention above)
- Description (up to 40 characters)
- Status (standard system and custom user statuses; for example: Created, Released, Technically Closed, Closed, etc.)
- Responsible cost center (cost center paying the debt)
- Operative indicators
    - Planning element (allows project budget planning on the WBS elements for reporting purposes)
    - Account assignment element (allows costs to be charged to the WBS)
- Organization:

  - Controlling area (one for the State: STLA)
  - Company code (one relevant for projects: 0010)
  - Business area (based on user's agency)
  - Functional area (generally only required for disaster tracking)

- Investment profile (allows the use of investment measures, which automate project cost settlements to AuC)
- Project User fields (these will be further refined during Realization)
  - Control Section- DOTD
  - Length- DOTD
  - Bridge (up to three fields)- DOTD
  - Goals/Setaside- DOTD
  - Schedule Number (or equivalent)- DOTD and FPC
  - Project Manager Contact Information- FPC
  - Project Category/Sub-Category- FPC
  - Acreage Benefit- OCPR
  - Basin- OCPR
  - Restoration Technique- OCPR
  - Planning Unit- OCPR

User Statuses

SAP provides for User Statuses as a customization option to determine which business transactions can be performed against a project, such as planning, budgeting, posting, etc. The project status and the status of the WBS elements will be Created (CRTD) by default when the project is created. The following table summarizes the user statuses identified.

STATUSES		
DOTD	**FPC**	**OCPR**
Created	Created	Created
Released	Released	Released
Hold		Hold
FHWA Statuses		De-Authorized
Technically Complete	Technically Complete	Technically Complete
Closed	Closed	Closed

FHWA Statuses: Add, Change, Close, Re-Open

Milestones

DOTD

- Bid Date
- Contract Date
- Work Order Date
- Final Inspection
- Final Acceptance
- Final Estimate
- Project Delivery Date
- Environmental Clearance Date

- Final ROW Maps
- Construction Completion Date

FPC – State Projects

- Acceptance Date
- Consent Surety Date
- Clear Lien Date
- As Built Date
- Phases of Design (PC, SD, DD, CD, BD...)
- Liens (see STARS dates)

FPC – Non-state Projects

- Data Form Received from Non-state Entity Date
- Draft Co-op to Entity Date
- Draft Co-op received from Entity Date
- Draft Co-op to FPC Project Manager Date
- Draft Co-op Approved by FPC Date
- Final Co-op to Entity Date
- Final Co-op Received by FPC Date
- Final Co-op Signed by FPC Date
- Executed Co-op to Entity Date
- Executed Co-op Processed in ISIS Date

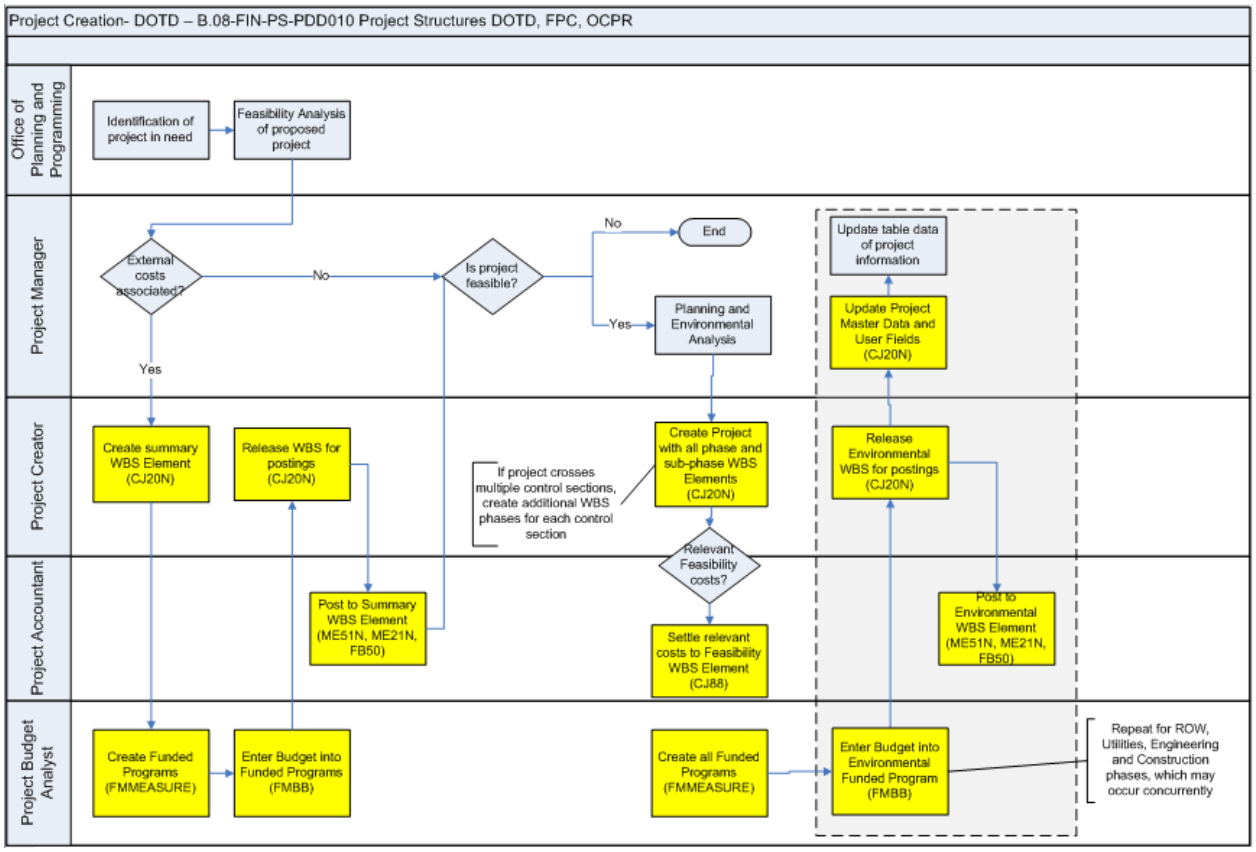
OCPR

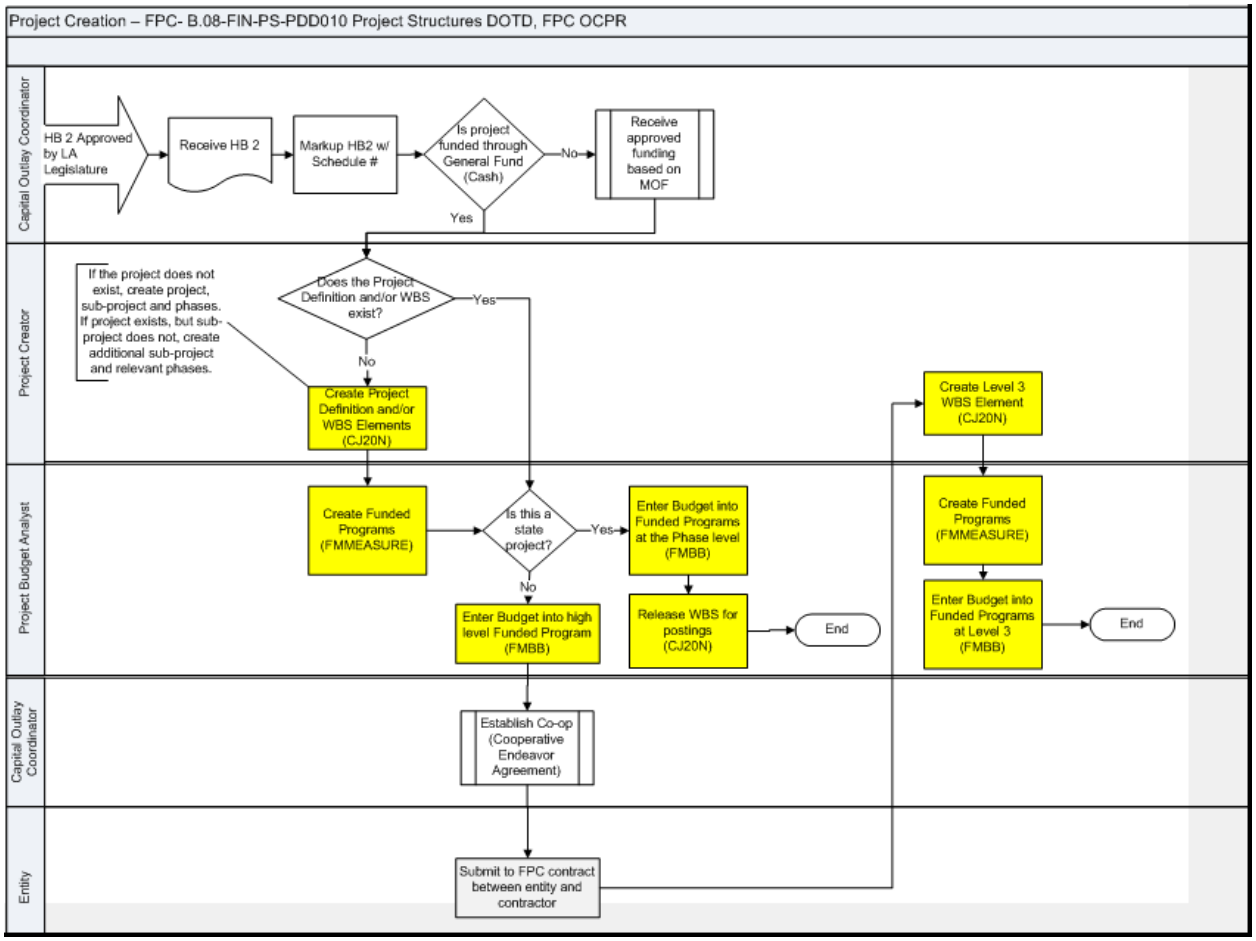
OCPR will not utilize milestones as key dates will already be captured in the Start and Finish dates of the WBS elements and networks and activities.

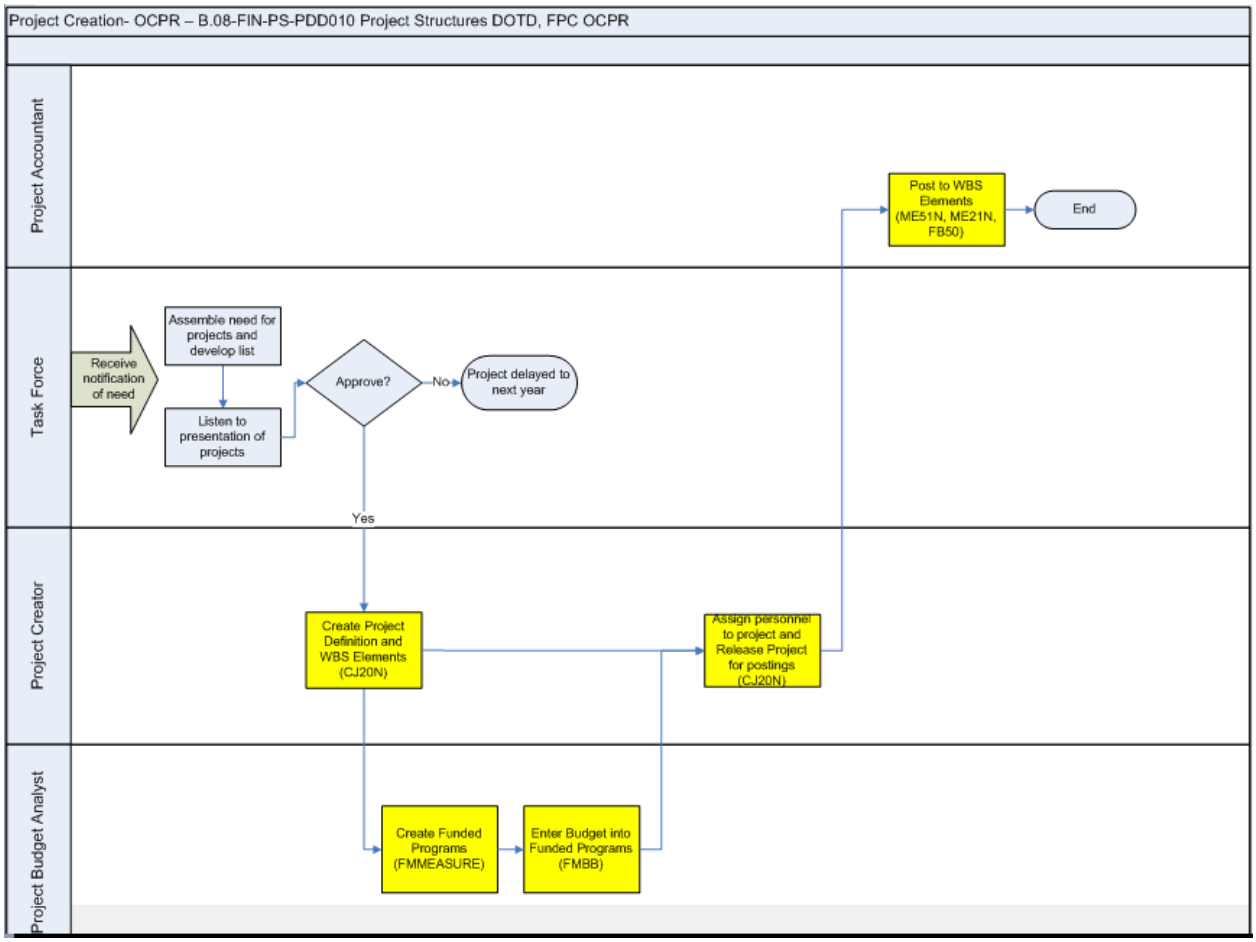
This is a preliminary list and will be revisited during the Realization Phase.

#	Process Terminology	Description
1	Funded Program	Lower level internal programs or initiatives, such as capital projects, used for budgetary control and reporting in the Funds Management Module.
2	Milestone	Events of particular relevance to a project used to mark the transition between various phases or departments.
3	Project Definition	Framework or design for a project or goal that will be achieved through many resources. It contains basic organizational data that is valid for the entire project.
4	Project System	Module that allows the user to plan, execute and account for a project.
5	Status	Project status determines which business transactions can be performed against the project (such as planning, budgeting, execution, etc.) Statuses can be sequential or parallel.
6	Work Breakdown Structure (WBS)	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.

To-Be Process Flows




Project Creation – FPC- B.08-FIN-PS-PDD010 Project Structures DOTD, FPC OCPR
Capital Outlay Coordinator
HB 2 Approved by LA Legislature
Receive HB 2
Markup HB2 w/ Schedule #
Is project funded through General Fund (Cash)
No
Receive approved funding based on MOF
Yes
Project Creator
If the project does not exist, create project, sub-project and phases. If project exists, but sub-project does not, create additional sub-project and relevant phases.
Does the Project Definition and/or WBS exist?
Yes
No
Create Project Definition and/or WBS Elements (CJ20N)
Create Level 3 WBS Element (CJ20N)
Project Budget Analyst
Create Funded Programs (FMMEASURE)
Is this a state project?
Yes
No
Enter Budget into Funded Programs at the Phase level (FMBB)
Release WBS for postings (CJ20N)
End
Enter Budget into high level Funded Program (FMBB)
Create Funded Programs (FMMEASURE)
Enter Budget into Funded Programs at Level 3 (FMBB)
End
Capital Outlay Coordinator
Establish Co-op (Cooperative Endeavor Agreement)
Entity
Submit to FPC contract between entity and contractor



Key Business Process Decisions

The following major design decisions were made by the Subject Matter Experts during the Blueprint sessions:

#	Decision	Process Impact	Organizational Impact
1	All projects will be created in SAP.	One centralized location for all project related financials and master data.	Training implications on the new system and on processes identified.
2	Only open, active projects will be converted.	All open projects will be converted with inception-to-date data. Data on projects closed prior to conversion will not be available in SAP PS.	DOTD, FPC, and OCPR will need to begin data cleansing processes in order to close out inactive, completed projects. This will ensure that data converted into SAP is accurate. Data on closed projects will be housed in another system. (This is yet to be determined.)
3	For DOTD, project numbers will not have Control Sections embedded.	Control Sections will no longer be in the naming convention of projects. Control Sections will be captured in a user field of the project.	Naming convention will be a significant organizational impact as DOTD has used Control Section numbers for all projects.

#	Decision	Process Impact	Organizational Impact
4	Project Structure design and naming convention.	Project Structure has been identified for each agency. Processes surrounding the creation of the Project Structures are also identified in the process flows.	Training on new naming convention for all agencies.
5	Office of Information Technology to defer use of SAP to track IT-10 projects until after initial implementation.	No impact to the SAP implementation as the approval process will be tracked outside the system.	IT Projects will need to be captured outside the system. Future analysis will need to take place in order to find the appropriate place in SAP for this data.
6	State is responsible for data clean up. Individuals from each agency were identified to head the data cleansing effort.	Start clean up effort as early as possible in order to load accurate data into the system.	Data clean up prior to conversion will ensure that the data in the new system is accurate and up to date.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	FMIS rules for federal project naming convention	Seven digit field, no decimals, etc.	DOTD
2	Statute 39:14	The Statute needs to identify DOTD as an exception. The State needs to revisit current exceptions listed and determine whether FPC will be responsible for all land projects in the future, with the exception of DOTD.	State

This is a preliminary list and each Department or Agency will need to review its own internal policies, procedures, desk-references, etc. to bring them in line with the changes created by the implementation of SAP.

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: Project Creation						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

R – Reports	Master List of Current and Future State Reports: Project Creation						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

I – Interfaces	Master List of Current and Future State Interfaces: Project Creation						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

C - Conversions	Master List of Future State Data Conversions: Project Creation						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Project Definition Conversion	Conversion of active projects	TOPS, LETS, PPMS, STARS, PTS	SAP Project Systems	Conversion of all projects and extensive project related details will need to be loaded into SAP prior to LTD actuals/budget conversion.	Projects will need to be formatted in order to load through the upload spreadsheet.	Conversion program will create projects based on templates identified for the specified Project Profile. This will be used as a utility post go-live.
2.	Project Milestones Conversion	Conversion of active project milestones	TOPS, LETS, PPMS, STARS, PTS	SAP Project Systems	Conversion of a large number of milestones for each project type.	Project milestones will need to be formatted in order to load through the upload spreadsheet.	This will be used as a utility post go-live.
3.	Project Master Data Conversion-DOTD State Projects	Conversion of master data fields for active projects	TOPS, LETS, PPMS	SAP Project System	Conversion of a large number of data fields for each project type.	Master data will need to be formatted in order to load through the upload spreadsheet.	This includes person responsible, user fields, cost center, etc. This is based on the user fields profile used for the DOTD State Project profile.
4.	Project Master Data Conversion-DOTD Federal Projects	Conversion of master data fields for active projects	TOPS, LETS, PPMS	SAP Project System	Conversion of a large number of data fields for each project type.	Master data will need to be formatted in order to load through the upload spreadsheet.	This includes person responsible, user fields, cost center, etc. This is based on the user fields profile used for the DOTD Federal Project profile.
5.	Project Master Data Conversion-FPC	Conversion of master data fields for active projects	STARS	SAP Project System	Conversion of a large number of data fields for each project type.	Master data will need to be formatted in order to load through the upload spreadsheet.	This includes person responsible, user fields, cost center, etc. This is based on the user fields profile used for the FPC Project profile.

C - Conversions	Master List of Future State Data Conversions: Project Creation						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
6.	Project Master Data Conversion-OCPR	Conversion of master data fields for active projects	PTS	SAP Project System	Conversion of a large number of data fields for each project type.	Master data will need to be formatted in order to load through the upload spreadsheet.	This includes person responsible, user fields, cost center, etc. This is based on the user fields profile used for the OCPR Project profile.
7.	Project Network and Activities Conversion-OCPR	Conversion of networks and activities currently tracked in Microsoft Project	Microsoft Project	SAP Project System network and activities			Networks and activities will need to be aligned with the SAP project phases.
8.	DOTD Project LTD Actuals	Conversion of LTD Actuals captured in FAID for the DOTD Federal projects.	FAID	SAP Project Systems		Convert LTD actuals	
9.	Project LTD Budget	Conversion of project budget		SAP Project Systems	Conversion of large amounts of budget data	Convert LTD budget	

E – Enhancements	Master List of Future State Enhancements: Project Creation				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Project Creation Utility	Spreadsheet upload utility to load Project Definitions and WBS elements.	Use for conversion and mass uploads of projects	Extensive details and massive amount of data required to be loaded prior to LTD actuals/budget conversion.	Z transaction will need to be created. Up to 19 WBS elements per project.
2.	Project Milestone Utility	Spreadsheet upload utility to load Project Milestones	Use for conversion and mass uploads of project milestones.	Extensive details and massive amount of data required to be loaded.	Z transaction will need to be created.
3.	User Field Enhancement-DOTD State Project	Additional user fields will need to be created to capture DOTD project specific data.	Use for conversion and mass uploads of user data fields of projects.	Additional User Fields will need to be created in order to capture fields required for FHWA Authorizations and Billing.	List of required user fields will be finalized during Realization.
4.	User Field	Additional user	Use for conversion	Additional User Fields	List of required user fields will

E – Enhancements		Master List of Future State Enhancements: Project Creation			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
	Enhancement-DOTD Federal Project	fields will need to be created to capture DOTD Federal project specific data.	and mass uploads of user data fields of projects.	will need to be created in order to capture fields required for FHWA Authorizations and Billing.	be finalized during Realization.
5.	User Field Enhancement-FPC	Additional user fields will need to be created to capture FPC project specific data.	Use for conversion and mass uploads of user data fields of projects.	FPC requires additional fields in addition to those provided with standard SAP functionality.	List of required user fields will be finalized during Realization.
6.	User Field Enhancement-OCPR	Additional user fields will need to be created to capture OCPR project specific data.	Use for conversion and mass uploads of user data fields of projects.	OCPR requirement to capture comments, including comment type, date, comment text so that they can be reported on.	List of required user fields will be finalized during Realization.
7.	Project Crosswalk	Includes creation of a Z table as well as a Z transaction to access it.	Mapping between legacy projects and SAP projects.	Use for end users to identify the mapping between legacy projects and SAP projects.	Custom Z Transaction required.

W – Workflow	Master List of Future State Workflow Events: Project Creation		
No.	Description	Justification	Comments
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: Project Creation		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Agencies Utilizing PS Functionality	During Blueprint, three agencies, DOTD, FPC, and OCPR were identified as requiring the functionality in PS. As of 1/20/2009, other agencies have been identified as potentially requiring PS functionality.	Investigating further will require additional blueprinting effort. This has been documented as Issue No. 8000000418 in Solution Manager to be addressed during Realization.

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: Project Creation		
No.	Role	Description	Strategy	Special Considerations
1.	Project Creator	Role to create project		
2.	Project Budget Analyst	Role to create Funded Programs and transfer budget		
3.	Project Accountant	Role to post to project		
4.	Project Manager	Role to update master data for projects		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Project Creation	Project structure, numbering, and process changes will have cultural changes for DOTD, FPC, and OCPR.	All of DOTD, FPC, and OPCR will need to understand the new numbering scheme for reporting purposes.
2.	Training for Project Creation Process	Training for new nomenclature. Going forward, will have to identify a standardized format for the 40 character description field for accurate and useful reporting (DOTD)	End users need to be trained on new naming convention and processes surrounding creating projects in SAP.
3.	Reassignment of Roles	Roles and responsibilities will be reassigned in SAP.	
4.	Concept of a project	At DOTD, every individual phase uses a project number. A project in SAP will encompass all parts of the project, including utilities, right of way, etc.	
5.	Networks and Activities	OCPR will shift from tracking tasks in Microsoft project to SAP PS Network and Activities.	

Training Impact

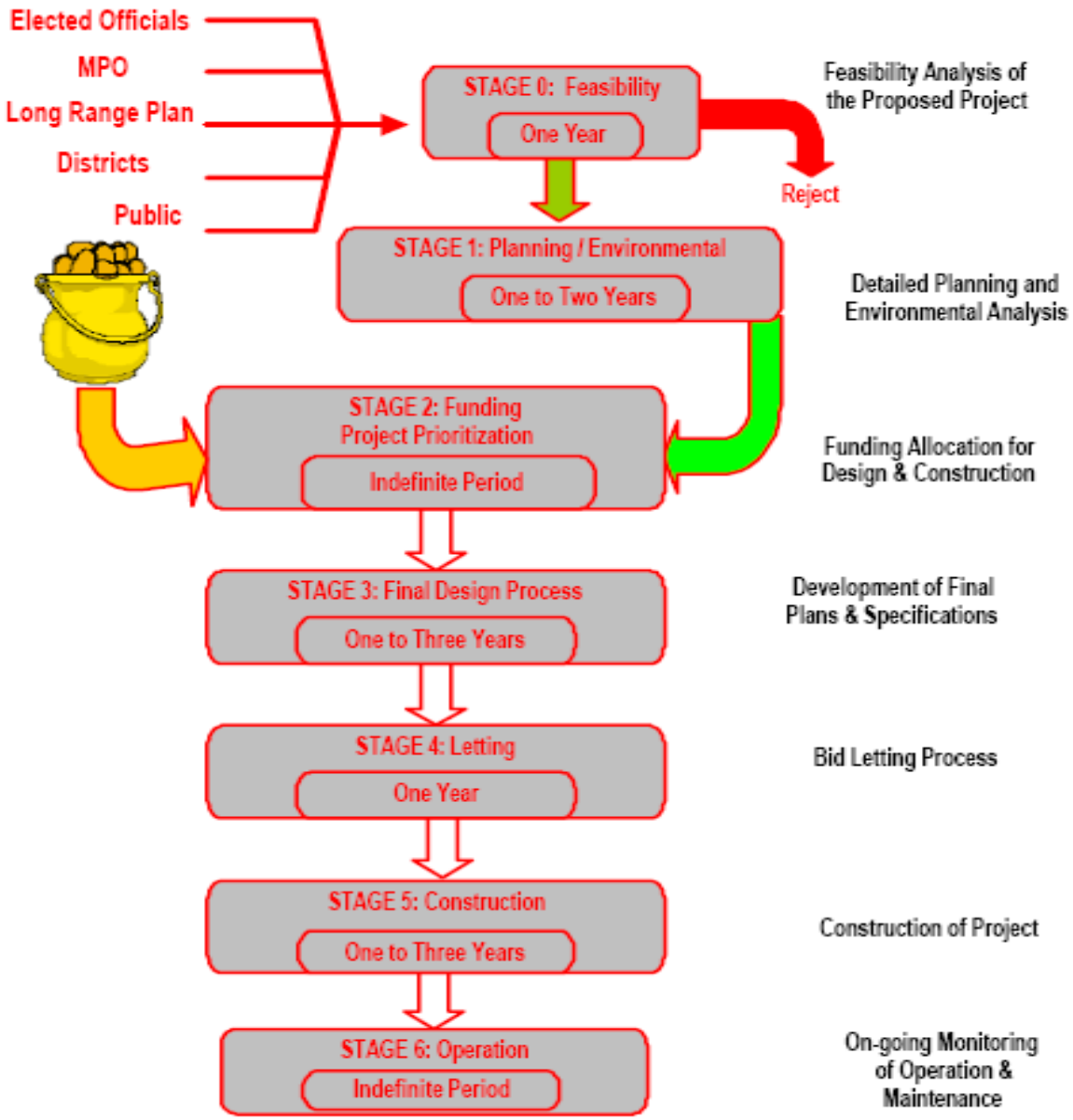
Implementing SAP's Project System's module throughout the State of Louisiana will have the following training impacts:

- Train end-users on Project Systems functionality, new terminology and standard processes
- Train end-users on setting up projects using the new structure. FPC will need detailed training on adding sub-projects.
- Train end-users on the new numbering schema and how to use the search capability to locate the project by the old number.

- Train on statuses and their use.
- Train users on milestones and their use.

Appendix A – DOTD Project Development Process

See following diagram.



Team:	Finance - Project Systems
PDD Name:	Project Budgeting and Control
PDD Number:	FIN-PS-PDD020 Project Budgeting and Control
Business Process Owner:	Eric Burges, Masood Rasoulian, Bill Morrison, Marty Milner, Chris Williams
Functional Lead:	John Hodnett, Larry Hofstad, John Oglesby
Functional Consultant:	Christine Lee

Executive Summary

A project is created in the SAP Project Systems (PS) module in order to track and monitor the costs of a complex job with multiple phases, whether it is building a road or constructing a building. Projects can be multi-funded, with multiple contracts and also have discreet fund control requirements. For DOTD, it is particularly important to accurately designate federal funding to a state project on a real-time basis thus allowing the maximum reimbursement amount from the federal government. Accumulating expenses/expenditures is also important to correctly capitalize an asset in the SAP Asset Accounting module.

In general, the capital project development process at the State of Louisiana begins when a previously identified need has been approved in House Bill 2 (dependent upon the Department responsible for the project) for enactment by the Legislature. The execution of the project initiates with the creation of the project structure, followed by the management of project funding availability, the postings of day-to-day project accounting transactions, the fulfillment of the project data / reporting requirements, and concludes with the closing of the project. Specifically, this document focuses on the business process design for the budgeting of projects as allocated during the planning process and the control of projects utilizing the Availability Control (AVC) functionality in SAP.

The budgeting of Department of Transportation and Development (DOTD), Facilities Planning and Control (FPC) and Office of Coastal Protection and Restoration (OCPR) projects will begin with the retraction of the approved budget in House Bill 1 and House Bill 2 into the SAP Enterprise Central Component (ECC) Funds Management (FM) module. The capital budget is retracted in a lump sum as a non-consumable budget type. This will allow the State to capture the total budget approved for the year regardless of whether or not the full retracted amount is ready to be consumed. As projects are approved as having available budget to consume, the budget will be transferred from the lump sum to the funded program representing the Work Breakdown Structure (WBS) element as approved. OCPR, which currently resides in both House Bill 1 and House Bill 2, will be revisited during Realization as it is undergoing reorganization.

The funding sources in the FM module are linked to the active project using the SAP Derivation rules. In FM, the project WBS is linked to a funded program, fund, fund center, and functional area. Each of these FM dimensions has a budget, and this budget is used to control spending on the project. The funding sources can be operating funds, bonds, and state, federal, and local dollars. The project funding availability process is active throughout the life of the project. This process includes the application of funds to the project structure and the monitoring of funds versus project costs. When costs exceed funding, a hard stop will be put in place. Subsequently, special procedures will have to be followed in order to rectify the imbalance.

During Blueprint, three agencies, DOTD, FPC, and OCPR were identified as requiring the functionality in PS and are included in this PDD. As of 1/20/2009, other agencies have been identified as potentially requiring PS functionality and these have been captured as Issue No. 8000000418 to be addressed during Realization.

Open items identified during the Blueprint session are recorded in a separate document, the Action Item Tracker, so that they can be appropriately tracked during Realization until resolved.

To-Be Process Description

At the State of Louisiana, the budgeting of DOTD, FPC and OCPR projects will begin with the retraction of the approved budget in House Bill 1 and 2 from the Business Intelligence-Integrated Planning (BI-IP) module into the SAP Enterprise Central Component (ECC) FM module in a lump sum as non-consumable budget type by FM dimensions such as fund, fund center, etc. Non-consumable budget types reduce, not consume, the available spending authority until funds are required. Throughout the State's fiscal year, as projects are approved as having available budget to consume, the funds will be transferred from the lump sum non-consumable budget type to the funded program representing the WBS element as consumable budget type, as approved in House Bill 2. This transfer will increase the available budget for spending for the projects. OCPR, which currently resides in both House Bill 1 and House Bill 2, will be revisited during Realization as it is undergoing reorganization.

Funded programs are the FM representation of the project WBS element. Funded programs allow for the detailed budgeting and expenditure control of lower-level, temporary discrete groups of activities, such as projects. Funded programs will have a 1:1 relationship with WBS elements, thus a funded program will exist for every project phase and sub-phase level. The funded program is not entered, but derived when postings occur against the WBS element using the FM derivation tool. This process to create funded programs is explained in further detail in FIN-PS-PDD010.

Budget availability control (AVC) is a flexible budgeting tool also managed in the FM module. AVC is used to monitor the availability of funds (consumable budget against consumed amounts) and can be configured for spending tolerances with respect to budget. Tolerances for all three project types will be set at 100% of the budget, meaning that a project which spends 100% of its budget will have a "hardstop" preventing further spending.

The project funding availability process is active throughout the life of the project. This process includes the application of funds to the project structure and the monitoring of funds versus project costs. When costs exceed funding, special procedures must be followed to rectify the imbalance.

Open items identified during the Blueprint session are recorded in a separate document, the Action Item Tracker, so that they can be appropriately tracked during Realization until resolved.

Below is an outline of the processes surrounding the budgeting and control of projects as it pertains to each type of project.

DOTD

DOTD's Highway Priority Program is currently captured as a line item summary in House Bill 2. The balance of DOTD projects in House Bill 2 are the same as FPC projects, e.g., identified individually with specific funding types. In SAP, DOTD's capital budget will be retracted as a line item from BI-IP into ECC with FM dimensions as non-consumable budget type. As DOTD highway construction projects are approved and are ready to incur cost, the full WBS structure will be created in the PS module by the individuals with the Project Creator role. This includes the creation of the Project Definition, the six phases and sub-phases to represent Participating and Non-Participating costs using a pre-defined template. A project may have additional construction phases if the project crosses multiple control sections. In order to separate costs by control section, additional construction phases will be created at the phase level to capture discreet costs by control section. This will facilitate the settlement of project related costs to the asset, which is captured in the Asset Accounting (AA) module.

The Project Budget Analyst role will then create the funded programs relevant to the WBS elements and transfer consumable budget into the funded programs from the non-consumable lump sum. Once the funded program has been funded, the Project Creator role will release the appropriate WBS element for postings by updating the WBS element status to “Released.”

For DOTD projects, budget will be entered at the phase level (level two) of the project structure. The budget at each phase will be controlled individually with the exception of the construction phases. If 100% of the funds for DOTD WBS elements other than Construction are exhausted, there will be a hard stop. The Construction phases representing individual control sections will be controlled together utilizing the FM AVC tool. If 100% of the funds for all Construction phases are exceeded, there will be a hard stop. In order to proceed with the posting, the Project Budget Analyst will need to transfer additional funds into the appropriate funded program. This design will ensure that funds approved for one phase of the project are not consumed by other phases of the project.

FPC

FPC project budgets, although represented in House Bill 2 as individual line items, will be retracted into ECC as a lump sum with non-consumable budget type. This is in line with the overall Capital Budget process for the State. Standardizing this process across the State will streamline the overall process and reduce training impacts. Once funds are approved, the full project structure, including the Project Definition, phases, and sub-phases, will be created in the SAP PS module by the Project Creator role utilizing the appropriate template.

Two types of projects exist in within FPC: State and Non-State projects. State projects typically have multiple sub-projects to represent different parts of the project under the same appropriation line item in House Bill 2. The State project structure includes the project at level one, sub-project at level two and phases at level three. The initial sub-project will be created along with the template. Additional sub-projects will be manually created as required following the initial creation of the project structure. The addition of sub-projects will require the creation of additional WBS elements as well as the corresponding funded programs. The Project Budget Analyst role will create the funded programs relevant to the WBS elements and transfer consumable budget into the funded program at the overall project level from the non-consumable lump sum. Budget will then be transferred from the overall project level to the phase level as required. Once a funded program has funds to consume, the project status for the corresponding WBS element is updated to “Released” to indicate that postings are ready to occur.

The budget for State projects will be controlled at the phase level, which is level three of the project structure. If 100% of the budget at a specific phase is exceeded, there will be a hard stop. The Project Budget Analyst role will then need to transfer additional funds in order to resume posting against the project WBS.

FPC Non-state projects are projects with funding approved for a Non-state entity. Similar to the State projects, the Non-state project structure will be created by the Project Creator role with level one representing the project and level two representing the phases. Level three WBS elements will represent contracts between the Non-state entity and the contractor. Non-state projects are bound by a Cooperative Endeavor Agreement set up between the State and the entity. The financial system will control at the WBS phase level, which will have the budget specified in the contracted Cooperative Endeavor Agreement between the State and the entity. Therefore the project will be budgeted and controlled at the phase level, which is level two of the project structure. There will be a hard stop if 100% of the funds are exhausted at the phase level. Once the funded program for that particular phase has been funded, the Project Creator will release the appropriate WBS element for postings.

OCPR

OCPR projects include both Coastal Restoration projects as well as Coastal Protection projects. Once approved, these projects are created in SAP PS by the Project Creator role. OCPR projects will be created using the standard template which includes the Project Definition and all phases. Concurrently, the Project Budget Analyst will create funded programs for each WBS element and enter budget at the

phase level funded programs as approved. The budget will also be controlled at the phase level, which is level two of the project structure. If 100% of the budget of a specific phase is exceeded, there will be a hard stop. Once budget has been transferred to the funded programs, the Project Creator role will release the WBS elements for financial postings and also update the master data.

Process Improvements

Several long-term improvements to the budgeting and control of projects will be achieved through the implementation of SAP. This is significant process improvement for all 3 areas using the PS module.

- Creation of a project accounting sub-ledger and master data to properly account for project budgets and expenditures at an overall project level and broken down into sub-levels as required
- Ability for Project Managers to review budget information in real time (or close to real time in BI)
- Availability of plan-to-budget-to-actual reporting for the overall project
- Creation of discrete project budgetary control objects
- Use of hard stops to prevent overspending. A budget transfer will be required to continue.
- Elimination of offline spreadsheets and tracking of all projects in one integrated system
- Ability to view all fund sources so that the selected funding may be prioritized first when appropriate. For DOTD FHWA projects, a custom solution will be detailed in FIN-PS-PDD050.
- Elimination of redundant work
- More accurate and timely information accessible through on-line query capabilities
- Increased efficiency when handling multi-funded projects
- Posting budget at the most detailed level and rolling up at a higher level for reporting purposes. This is also in line with SAP Best Practice. Posting at the most detailed level will facilitate accurate budget vs. actual reporting.

#	Process Terminology	Description
1	Availability Control	Component in the Funds Management module which controls budget according to FM dimensions of fund, fund center, commitment item, funded program, functional area, and grant.
2	Commitment Item	Type of revenue, expense, fund balance and encumbrances (accounts)
3	FM Module	Funds Management module which aids in the execution/control of budgetary spending in U.S. public sector units.
4	Fund	Separate and distinct fiscal/accounting objects containing a complete self-balancing set of accounts used to segregate cash and other financial resources together with associated liabilities, residual equities and related changes
5	Funded Program	Lower level internal programs or initiatives, such as capital projects, used for budgetary control and reporting in the Funds Management Module.
6	Milestone	Events of particular relevance to a project used to mark the transition between various phases or departments.
7	Project Definition	Framework or design for a project or goal that will be achieved through many resources. It contains basic organizational data that is valid for the entire project.
8	Project System	Module that allows the user to plan, execute and account for a project.
9	Status	Project status determines which business transactions can be performed against the project (such as planning, budgeting, execution, etc.) The sequence of statuses can be sequential or parallel.

10	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.

To-Be Process Flows

There is no process flow for Project Budgeting and Control.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Budget will be retracted as lump-sum, non-consumable budget type. Conversion to consumable budget to take place on a project-by-project basis as funding is approved and available.	Budget planning will occur in the BI-IP module and then the budget will be retracted in a lump sum as non-consumable budget type by FM dimensions such as fund, fund center, etc.	DOTD, FPC, and OCPR will need to be trained on new terminology and business processes surrounding retraction.
2	DOTD and FPC- Post Budget at the phase level, control the budget at the phase level. Hard stop if budgeted funds are depleted.	DOTD and FPC project budgets will be posted and controlled at the phase level with the exception of the construction phases, which will be controlled together using FM AVC. (There may be multiple construction phases if a project crosses multiple control sections.)	DOTD and FPC will need to be trained on new terminology and business processes surrounding the posting and control of project budgets. Naming convention will be a big organizational impact as the State DOTD has used Control Section numbers for all projects.
3	OCPR - Post budget at the phase level, control at the phase level. Hard stop if budgeted funds are depleted	OCPR projects will now have financials and project master in a single, integrated system.	OCPR area will need to be trained on new terminology and business processes surrounding the posting and control of project budgets.
4	Warning at 90% will not be used	Tolerance was identified as a requirement in initial Blueprint sessions. This was eliminated in order to remain consistent with the rest of the State.	The current DOTD financial system does not update change orders as they occur. In SAP, budget must exist in order to process the change order. Therefore there is no need for a 90% warning.
5	Control at the high level commitment item equivalent to 2 digit AFS object category or DOTD ISIS Group, with the exception of salary and benefits. Art GL expense will be budget controlled separately for FPC projects.	This will allow the State to control budgets at the commitment item level in addition to the WBS element. Budget transfers will need to take place if budget is exceeded.	Additional levels of control for budget.

Note: *Art GL: With few exceptions all projects with an "Available For Construction" over $2,000,000 must, by law, participate in the Percent for Art Program. This means that one percent of the construction cost must be spent on art for the building. This program is administered by the Department of Culture, Recreation, and Tourism through the Percent for Art Program Director.*

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner

1	DOTD EDSM I.1.1.4 – Project Development Status	Project Number Assignment	Masood Rasoulian
2	DOTD EDSM I.2.1.4 – Dormant Project ID & Closure	Pre-construction Phase Closure Rules	Masood Rasoulian

Note: *This is a preliminary list and each Department or Agency will need to review its own internal policies, procedures, desk-references, etc. to bring them in line with the changes created by the implementation of SAP.*

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	See below.						

Note: *For project related conversions, refer to FIN-PS-PDD010.*

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Project Creator	Role to create project definition and WBS elements. This role will also be responsible for updating WBS status to "Release" for postings.	Agencies will create agency specific projects and master data.	
2.	Project Budget Analyst	Role to create Funded Programs and transfer budget	Agencies will create funded programs and transfer budget into funded programs.	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Hard stops on budget once funds have been exhausted	Override functionality in some legacy systems	In the future, hard stops will replace the override functionality. Thus, users will be required to proactively monitor the budget and request additional funds if required.
2.	Proactive reporting	Proactive reporting to monitor budgets. Project Managers will have real-time (or close to real-time) budget information.	In the future, Project Managers will have to be more proactive in monitoring budgets of projects. If a project is nearing the exhaustion of its funds, additional funding will need to be requested.
3.	Reporting on plan-to-	The State can report budget-to-actual	Training on reporting functionality in SAP will

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	budget-to-actual	through manual effort of gathering data from multiple systems.	eliminate the manual effort required to pull plan vs. budget vs. actual values.
4.	Elimination of offline spreadsheets	The State currently tracks FPC non-state projects in individual spreadsheets which make high level reporting very difficult.	Elimination of offline spreadsheets and tracking of all projects in one integrated system
5.	Prioritize the use of funds	Ability to view all fund sources so that the selected funds can be utilized first when appropriate.	Training on reporting functionality

Training Impact

The following training impacts related to the budgeting and control of projects has been identified:

- Training on the new project naming convention in order for users to be able to post budget to varying project levels.
- Train individuals on the budget retraction process.
- Training on hard stops that will prevent overspending on project budgets. In the future, budget transfers will have to take place for additional funding.
- Training on proactive reporting for project managers to closely monitor budgets.

Appendix

Not applicable.

Team:	Finance - Project Systems
PDD Name:	Project Planning
PDD Number:	FIN-PS-PDD030-Project Planning
Business Process Owner:	Robyn Romeo, Tony Ducote, Chris Williams, Marty Milner, Bill Morrison
Functional Lead:	John Hodnett, Larry Hofstad, John Oglesby
Functional Consultant:	Christine Lee

Executive Summary

A project is created in the SAP Project Systems (PS) module in order to track and monitor the costs of a complex job with multiple phases, whether it is building a road or constructing a building. Projects can be multi-funded, with multiple contracts and also have discreet fund control requirements. For DOTD, it is particularly important to accurately capture costs in order to bill the Federal Highway Administration (FHWA) for federally funded highway projects. Accumulating expenses/expenditures is also important to correctly capitalize an asset in the SAP Asset Accounting module.

In general, the capital project development process at the State of Louisiana begins when a previously identified need has been approved in House Bill 2 (dependent upon the Department responsible for the project) for enactment by the Legislature. The execution of the project initiates with the creation of the project structure, followed by the management of project funding availability, the postings of day-to-day project accounting transactions, the fulfillment of the project data / reporting requirements, and concludes with the closing of the project.

This document focuses on the planning of project costs, which is functionality provided in the PS module as purely a planning tool for project managers. This includes planning of costs, resources, time, capacity, and revenue. (Planning of resources and materials are not relevant since all departments using PS functionality decided not to track resources and materials in the network and activities) The types of PS planning discussed in this document are as follows:

- Cost Planning
  - Structure
  - Detailed
- Date Planning
  - Basic Dates
  - Forecast Dates
  - Actual Dates

It is important to differentiate between planning in the Budget Preparation Integrated Planning (BI-IP) tool and the planning in the PS module. Planning in the BI-IP module will facilitate the multiple iterations of House Bill 2 before it is enacted by the Legislature. Following the enactment of House Bill 2, the financial data in BI-IP will be retracted into ECC Funds Management dimensions as a lump sum at the start of the Fiscal year as non-consumable budget type. Although planning/prioritization of projects could occur prior to the project creation in the SAP Financial system/Project Systems (Note: Details pertaining to BI-IP Planning are captured in FIN-BP-PDD0020 and FIN-BP-PDD0030), this document will cover specifically the project planning within the PS module, which occurs after the project structure has been

finalized/created and the project budget is available in the financial system to be consumed for expenditures.

Two areas have been identified as utilizing SAP PS planning functionality to plan costs against projects:

- Department of Transportation and Development (DOTD)
- Facilities Planning and Control (FPC)

OCPR has indicated that no PS planning is required as of today. Currently, the budget values and plan values are the same. Planning functionality is not required as the sponsoring agency provides funding and the State must stay within the budget. For example, CWPPRA establishes a hard budget and the State cannot exceed the budget. PS planning functionality will be available, however, should OCPR decide to use it in the future.

During Blueprint, three agencies, DOTD, FPC, and OCPR were identified as requiring the functionality in PS and are included in this PDD. As of 1/20/2009, other agencies have been identified as potentially requiring PS functionality and these have been captured as Issue No. 8000000418 to be addressed during Realization.

Open items identified during the Blueprint session are recorded in a separate document, the Action Item Tracker, so that they can be appropriately tracked during Realization until resolved.

To-Be Process Description

This document will cover two key types of planning functionality available in the PS module: Cost planning and Date planning. Cost planning in the Project Systems module is determined by the amount of detail required. Planning, from a cost perspective, can be as simple as entering a planned value against a WBS, element or more detailed by specifying to the cost element level, which indicates specifically what types of costs are incurred. Date planning in the PS module includes entering basic, forecast, and actual dates for WBS elements and milestones. PS planning provides for the following additional advantages:

- Single point of entry for plan data and transactional data in one integrated system
- Planning data to better estimate and plan costs for future projects
- Reporting capability of various plan versions versus actual costs
- Reporting capability comparing basic, forecast and actual dates of milestones and WBS elements

Cost Planning

Although the State does not currently track planned values against construction projects, DOTD and FPC will utilize PS cost planning in the future. Two types of cost planning will be utilized at the State: structure cost planning and detailed cost planning. Structure cost planning is typically used to plan project costs at the WBS element level, when further details are not yet known. As the project progresses through the project lifecycle, the plan can be updated with the details down to the cost element level to indicate how much cost is expected to be incurred for labor, materials, travel, advertising, etc. Capturing this type of plan data for construction projects will provide the State with a comparison of the planned values versus the actual costs the project incurred. This comparison will allow project managers to better estimate and plan projects in the future. Project managers will also have standard reporting functionality to compare plan versus actual costs.

Cost planning within the PS module is a managerial tool to plan project costs and therefore does not impact the financial budget available for consumption. For instance, the budget that is entered into funded programs will not be impacted by the PS cost plan or changes made to the PS cost plan. Cost planning also does not control costs. Changes to the cost plan that need to be reflected in the budget will have to be transferred via a budget transfer into the appropriate funded program.

Planning profiles for DOTD and FPC with the associated characteristics identified in the details below will be created and linked to the appropriate Project Profile for DOTD and FPC, since each of these areas are distinct and have unique characteristics. Each project type will therefore retain specific characteristics per decisions made while at the same time staying in line with the overall standardized solution. The following design considerations were discussed by the Subject Matter Experts (SME's) during the Project Planning Blueprint Session:

Structure Cost Planning vs. Detailed Cost Planning

Structure cost planning is the simplest form of cost planning. Plan values are entered hierarchically to estimate the expected costs for each WBS element at each level. Structure cost planning will be used as "rough cut" planning until more detail is known, at which time we will progress to the Detailed Cost Planning. Detailed cost planning includes planning down to the cost element level. Both DOTD and FPC will utilize structure cost planning and detailed cost planning as appropriate. DOTD will enter high level cost plan values at the WBS elements until the time at which further details are known. At this point, the DOTD Sections responsible for specific project phases (ex., Right of Way, Utilities, Construction, etc) may enter details down to the cost element level. For FPC, cost planning will replace portions of the current FPC1 form, which breaks down a project's budget to the detailed level and is tracked in STARS. The FPC1 has been identified as an open item that will be revisited during the Realization phase. Non-state projects will also use the PS planning functionality to track planned cost values. The specific processes regarding the point in the project lifecycle where plan values are entered for structure cost planning and detailed cost planning will be reviewed during Realization.

Top-Down vs. Bottom-Up

PS planning permits top-down, bottom-up, or open planning. This is a setting outlined in the Planning Profile. Top-down planning is used when plan values come from a single, controlling value. Bottom-up planning is used when planning at a lower level rolls up to the higher level. Bottom-up planning works if the planned values in the lower levels do not exceed those in higher levels. The plan values will automatically total up at the time that you save. DOTD projects will be planned bottom-up as entered by the Project Manager role. The Project Manager role will need to coordinate with the Planning Section for input on cost estimates. FPC projects will be planned top-down as entered by the Project Manager role, with the exception of the statewide projects, which will be planned bottom-up.

Annual vs. Overall

Annual vs. Overall is also indicated as part of the Planning Profile. Annual planning is planning by year across multiple years as required to complete the project. Overall planning is used to plan the total cost of the project across all years. Both DOTD and FPC projects will use overall cost planning.

Plan versions are distinct repositories for separating planned costs (to keep history of original and revised versions of planned costs). Plan version 0 will be used as the baseline plan. Plan versions required will be identified during the Realization phase. If additional plan versions are required after Go-Live, the requesting agency will need to contact the State's support team as this is a configuration step.

This functionality to enter cost estimates during the execution of the project is not currently available at the State. The Project Manager role will be responsible for entering planned values against the project WBS elements.

Date Planning

Date planning in the PS module is standard functionality. PS offers multiple areas to capture key dates related to projects. Each WBS element has fields for basic, forecast, and actual start and end dates. This allows the State to enter planned dates for every phase and sub-phase of the project. The dates in the WBS elements can be divided into three categories:

- Basic Dates
    - Dates with binding character for time scheduling and capacity planning

    - Manually entered or taken from the earliest basic start dates and the latest basic finish dates of the activities assigned to the WBS element
- Forecast Dates
    - Expected dates based on more detailed planning or changes during the course of the project
    - Do not have influence on reservations, purchase requisitions or capacity requirements
- Actual Dates
    - Provide information on the state of the project
    - Manually entered after WBS element has been released

Also attached to the project profile is the scheduling method. In the project profile, a planning method must be selected for both basic and forecast dates. This only refers to the work breakdown structure and not to the activities. In Top-down planning, you plan the dates starting from the highest WBS element in the project hierarchy. The dates in the subordinate WBS elements must be within the dates of the higher-level WBS elements. In Bottom-up planning, you plan the dates starting from the subordinate WBS elements. The start and finish dates of subordinate WBS elements are then passed on up (independently of each other) if they are outside the planning period of the superior WBS element. In strict bottom-up planning, you specify that the dates from the subordinate WBS elements determine the dates for the superior WBS elements. If you have already entered planned dates for superior WBS elements, the system deletes and recalculates them based on the dates of the subordinate WBS elements. In open planning, you plan dates without hierarchical dependencies. You can also check and extrapolate the dates. The SME's for both DOTD and FPC decided in the PS Planning Blueprint session to use open planning of dates. Planning dates without the hierarchical dependencies will provide the State with the most flexibility when entering plan data.

In addition, there are several other key dates in the Project Systems module related to networks and activities and milestones that were discussed:

- Scheduled Dates
    - Start and finish dates of activities calculated by the system in scheduling
    - For WBS elements, these are determined from the scheduled dates of the activities assigned to it
- Earliest and Latest Dates
    - Earliest and latest dates are calculated in network scheduling and tell you the earliest or latest dates that an activity must start or finish on.
- Constraints
    - Prescribe the start and/or finish dates of the activity. When you schedule a network, the system takes the constraints on the start and finish dates and times that you specified into account.

Overall, PS planning in the To-Be will provide the State with an additional tool to effectively manage costs and dates for projects. By tracking project planned costs and having a report on the variance available to anyone with access, planning of project costs will be improved in the future. This functionality will also eliminate for FPC the requirement to enter data into the financial system as well as STARS. The standard functionality for date planning will provide project management with a tool to compare basic, forecast, and actual dates by WBS element and milestones.

#	Process Terminology	Description
1	Budget Preparation	Business Warehouse based SAP solution for preparation of budget.
2	Cost Element	Represents General Ledger accounts in the Controlling module.

#	Process Terminology	Description
3	Funded Program	Lower level internal programs or initiatives, such as capital projects, used for budgetary control and reporting in the Funds Management module.
4	Milestone	Events of particular relevance to a project used to mark the transition between various phases or departments.
5	Network	An object in PS that contains instructions and data on how to execute or carry out a task in a certain way, in a specific order and within a specific time frame.
6	Project Definition	Framework or design for a project or goal that will be achieved through many resources. It contains basic organizational data that is valid for the entire project.
7	Project Planning Board	Integrated processing of the project, with graphic interface to create, edit, and evaluate all data for the project.
8	Project System	Module that allows the user to plan, execute and account for a project.
9	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.

To-Be Process Flows

There is no process flow for PS Planning.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	FPC will utilize PS Cost planning functionality	FPC projects will use Top-down planning for construction projects with the exception of the Statewide projects, which would use Bottom-up planning. Overall (not annual) cost planning to be used.	FPC will need to be trained on PS Cost planning functionality. PS Cost planning function will replace portions of the FPC1.
2	FPC will utilize WBS date planning and milestone planning	Open planning without the hierarchical dependencies to provide the greatest flexibilities	FPC will need to be trained on PS Date planning functionality.
3	DOTD will utilize PS Cost planning functionality	DOTD projects will use Bottom-up planning. Overall (not annual) cost planning to be used.	DOTD will need to be trained on PS Cost planning functionality.
4	DOTD will utilize WBS date planning and milestone planning	Open planning without the hierarchical dependencies to provide the greatest flexibilities	DOTD will need to be trained on PS Date planning functionality.
5	OCPR will not utilize PS cost planning functionality.	No impact as OCPR does not currently plan costs for coastal projects.	No impact as OCPR does not currently plan costs for coastal projects. However, this functionality will be available if OCPR chooses to utilize the cost planning functionality in the future.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	FPC1	Some of this functionality to be provided by PS Planning. In the future, this information can be obtained in SAP.	Marty Milner

This is a preliminary list and each Department or Agency will need to review its own internal policies, procedures, desk-references, etc. to bring them in line with the changes created by the implementation of SAP.

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

None identified

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified.						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>

No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified.				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Project Manager	Project Manager will have access to update cost plan values and also planned dates	There are no approvals required for this stand alone process.	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Capture planning data to better estimate/plan costs for future projects	Currently not capturing cost plans.	DOTD and FPC will be responsible for entering and maintaining planned costs related to their respective projects.
2.	Reporting capability of initial plan versus actuals	Currently not capturing cost plans	DOTD and FPC will be responsible for entering and maintaining planned costs related to their respective projects.

Training Impact

The following training impacts related to the cost and date planning of projects has been identified:

- Train end-users on Project Systems planning functionality
- Train end-users on terminology of budget in funded program versus cost planned values. These two are not the same in SAP.

- Train end-users on BI reporting functionality to report on plan versus actual costs
- Train users on milestone date planning
- Train users on WBS date planning

Appendix

Not applicable.

Team:	Finance - Project Systems
PDD Name:	Project Accounting
PDD Number:	FIN-PS-PDD040-Project Accounting
Business Process Owner:	Masood Rasoulian, Tony Ducote, Monica Mealie, Marty Milner, Bill Morrison
Functional Lead:	John Hodnett, Larry Hofstad, John Oglesby
Functional Consultant:	Christine Lee

Executive Summary

A project is created in the SAP Project Systems (PS) module in order to track and monitor the costs of a complex job with multiple phases, whether it is building a road or constructing a building. Projects can be multi-funded, with multiple contracts and also have discreet fund control requirements. For the Department of Transportation and Development (DOTD), it is particularly important to accurately capture costs in order to bill the Federal Highway Administration (FHWA) for federally funded highway projects. Accumulating expenses/expenditures is also important to correctly capitalize an asset in the SAP Asset Accounting module.

In general, the capital project development process at the State of Louisiana begins when a previously identified need has been approved in House Bill 2 (dependent upon the Department responsible for the project) for enactment by the Legislature. The execution of the project initiates with the creation of the project structure, followed by the management of project funding availability, the postings of day-to-day project accounting transactions, the fulfillment of the project data / reporting requirements, and concludes with the closing of the project. Specifically, this document focuses on the business process design for the accounting of projects. The project accounting process begins once a project has been released and is ready to incur costs. The process ends when the project is complete and all known invoices on the project have been processed.

As cost objects, Work Breakdown Structure (WBS) elements integrate with many SAP modules including:

- Supplier Relationship Management (SRM)
- Accounts Payable (AP)
- Human Resources (HR)
- Controlling (CO) and
- Grants Management (GM)

The WBS element field is in the coding block of these modules and is a required field along with the GL Account, Fund, Functional Area (if applicable) and Grant (if applicable) for any project related postings. At the State of Louisiana, postings of commitments and actual costs to WBS elements are made primarily through goods/services procurement, labor postings, overhead allocations, reimbursements for grant-related projects, and settlement postings from other modules, such as Real Estate (RE) land/right of way acquisitions. This document will provide insight into each of these scenarios, with the exception of settlement. For details on the integration between PS and RE objects and the settlement process, refer to FIN-PS-PDD070 Project Periodic Processing.

Various postings against projects, including pre-encumbrances, encumbrances, and actuals, are subject to budget and validation checks. Upon entry into the SAP system, if the posting is within budget and

passes all validation checks, the transaction will be processed. If the posting does not pass the validation checks or if the budget is exceeded, a hard stop will occur. The exception to this is payroll postings, which will continue to post. If a hard stop is encountered, appropriate personnel would then take action for additional funding to be transferred into the funded program. This validation and budget checking will ensure that projects are managed within budgeting limits and do not incur costs without the proper funding.

The project accounting process for DOTD will have key integration points between Trns.port and SAP. Key touch points have been identified to interface information such as project master data, purchase orders, change orders, and invoices between the two systems. This will eliminate the need for duplicate entries and will streamline the project accounting process.

During Blueprint, three agencies, DOTD, FPC, and OCPR were identified as requiring the functionality in PS and are included in this PDD. As of 1/20/2009, other agencies have been identified as potentially requiring PS functionality and these have been captured as Issue No. 8000000418 to be addressed during Realization.

Open items identified during the Blueprint session are recorded in a separate document, the Action Item Tracker, so that they can be appropriately tracked during Realization until resolved.

To-Be Process Description

A project WBS element will begin incurring costs once the user status of the WBS element has been updated to Released. The release of a project WBS in SAP indicates that the WBS can accumulate procurement costs, HR postings, overhead allocations, and settlements from Plant Maintenance (PM) and RE.

The following account coding blocks must be entered when posting revenues or expenses to projects:

- FUND – The Capital Fund for the Capital Project from the posting will be used.
- WBS ELEMENT – The appropriate WBS element will be used.
- COST CENTER – When posting to a project, the cost center (fund center) responsible for the Capital Project will be entered.
- GL ACCOUNT – The GL Account will be entered in the actual posting to record the project expense
- FUNCTIONAL AREA (If applicable) – Will be transferred from the actual posting. Functional area at the State of Louisiana is used to track disaster, parish, and possibly DOTD function code. The functional area used in the posting should match the functional area in the project master.
- GRANT (If applicable) – Will default to “Not Relevant” value. Grant value will be entered for grant-related projects such as the projects at the Office of Coastal Protection and Restoration (OCPR). The exception would be DOTD projects funded by FHWA, which have a custom solution in the PS module.

The following sections outline the various postings against WBS elements at the State of Louisiana.

Procurement Process

At the State of Louisiana, the purchasing process will take place in the SAP SRM module. The SRM application is built on the technology platform of SAP NetWeaver, enabling multiple levels of suppliers, partners, and manufacturers to work together on core sourcing and procurement processes. SRM provides a fully integrated source-to-pay process.

In general, the procurement process includes the purchase requisition, purchase order, goods receipt, and invoice. At each stage, the budget is checked in the Funds Management (FM) module at the time of the posting. During the creation of a purchase requisition line item, an account assignment category must be selected on the Account Assignment screen to indicate which cost object to charge the goods and/or

services to. When the purchase requisition is for a capital project, the account assignment category is: P – Project. When completing the account assignment screen, a fund, GL account and WBS element must also be designated. When the purchase requisition is saved, a pre-encumbrance will be posted to the WBS element.

A purchase order will be created with reference to an existing purchase requisition that has been submitted and approved. The account assignments designated in the purchase requisition will be adopted into the purchase order line item. When the purchase order is saved, a commitment will be posted to the WBS element.

Once the goods or services have been received, a goods receipt will be entered in SAP with reference to the existing purchase order (in most cases). At the time of the goods receipt, the encumbrance from the purchase order is reduced and an actual expense replaces it for the value of the goods receipt.

When the purchase order item or service is invoiced by the vendor, the Project Manager role will review the invoice for accuracy and adherence to the contract and policies. Once approved, the invoice will be forwarded to the Accounts Payable role for processing. The amount represented in the purchase order line item(s) will be posted to the WBS element as an actual cost, if not already posted through the goods receipt.

Invoices without any discrepancies will be forwarded to the Accounts Payable role to be entered into SAP. Once the invoice has been entered, the system does a three-way check of the budget, invoice verification, and goods receipt or a two-way check of the budget and invoice verification. If the amounts are correct, AP will post the invoice, provided there is budget available. Invoices with discrepancies identified will be returned to the vendor for correction. Once the discrepancies are resolved, the vendor will then send the invoice to the Project Manager role for review. If approved, the invoice will be forwarded to the Accounts Payable role for payment. (The invoice process is further detailed in FIN-AP-PDD020 Vendor Invoice through Payment.)

DOTD Trns.port Integration

DOTD currently uses the Trns.port suite, which is software tailored specifically to DOT departments across the United States. DOTD has implemented multiple modules of the American Association of State Highway and Transportation Officials (AASHTO) Trns.port suite and is in the process of additional roll outs. DOTD uses the Expedite module for electronic bidding of construction contracts and also uses SiteManager for construction management. Future modules to be implemented include SiteManager Materials and Preconstruction. DOTD has made the decision to continue to use the Trns.port suite and therefore key integration points have been identified between Trns.port and SAP for the Construction Phase of projects. (See appendix A- Trns.port Integration Points.) For pre-construction activities, DOTD will follow the same standard purchasing processes used by the rest of the State.

In order for Trns.port (and all other relevant systems that currently receive project numbers from the DOTD legacy mainframe system TOPS) to receive the project number at the time of project creation, a flat file with key project master data will be updated and placed in a location that other systems can access. Currently, multiple DOTD systems interface with TOPS for project data. Other databases or systems requiring project numbers will be able to access new project numbers from this file. This design eliminates the need to create multiple interfaces to the various systems that receive project numbers and will be more efficient for the State in the future. It will be the responsibility of DOTD to identify the systems requiring project data and to determine which pieces of data are required.

During the Preconstruction stage, advertisements will be sent out for bids on construction contracts. Bids will be captured in Trns.port via BidExpress/Expedite. Any bid awards processed through Bid Express will be interfaced from Trns.port to SAP SRM to create the appropriate purchasing document. The interface would capture the purchasing document, change orders, and the closeout. Note that this is assuming that the SAP accounting codes can be captured in Trns.port. The accounting string (fund, GL

account, WBS element, etc.) will need to be entered into Trns.port by the appropriate individual. The lines that do not post due to errors will be captured in an error log. It will be the responsibility of DOTD to correct errors and validate the accounting string prior to running the interface again. (The interface for the creation/change/closeout of the purchasing document is captured in LOG-PUR-PDD005 PO Processing).

During the Construction Phase, project managers in the field will prepare progress estimates. Approvals for the estimates will occur in SiteManager by the Project Engineer, District Administrator, and/or Construction audit. Once approved, these estimates will then be interfaced as an invoice verification in the SAP AP module. Construction activities for DOTD will not require the Goods Receipt, resulting in a two-way match between the invoice and the purchasing document. Trns.port currently has a 5% or $50,000 tolerance for fuel and asphalt adjustments in Trns.port for the Construction Phase. These tolerances will be reviewed during Realization with the AP team.

Time Entry Process

Currently, DOTD, Facilities Planning and Control (FPC) and OCPR utilize SAP HR/Payroll. DOTD also currently utilizes Cross Application Timesheet (CATS) for time entry, with an interface to PPMS to capture payroll expenses for Project Managers' time. In the future, the specified users currently entering time to SAP will continue to charge time directly to projects in SAP. Other labor expenses that fall under administrative or overhead will be allocated across all projects as specified in the CO module.

FPC currently utilizes the Time Maintenance transaction PA61 for payroll entry, but does not charge directly to projects. FPC receives an administrative percentage for each State project and an administrative charge for each Non-state project. FPC does not require time to be tracked at a project level. Therefore, in the To-Be, labor expense budget (by percentage or charge) will be transferred from the project to the FPC cost center as part of the operating budget.

OCPR engineers currently utilize transaction PA61 for time entry and charge directly to projects. Other labor expenses that fall under administrative or overhead will be allocated across all projects as specified in the CO module.

Grants Funded Project Process

For Grant funded projects, the Grant field will need to be entered in addition to the fund, WBS element, GL account, cost center and functional area for all postings. To date, the only agency identified to have grant-funded capital projects (with the exception of federally funded DOTD projects, which will have a custom solution in the PS module) is OCPR. OCPR projects are grant funded with reimbursements being collected on an annual basis.

In GM, sponsored programs are objects used as cost collectors represented by WBS and reflect the Grantee's sponsored project. For the grant funded projects, the sponsored programs will have a one to one relationship with the WBS element of the project at the phase level. This analogous naming convention for OCPR project phases and sponsored programs will facilitate simultaneous updates of both PS and GM without having to use the settlement functionality. The state will still be able to benefit from both the GM functionality (meeting sponsored requirements such as budgeting and billing on the GM side) and the PS functionality (posting and reporting by project).

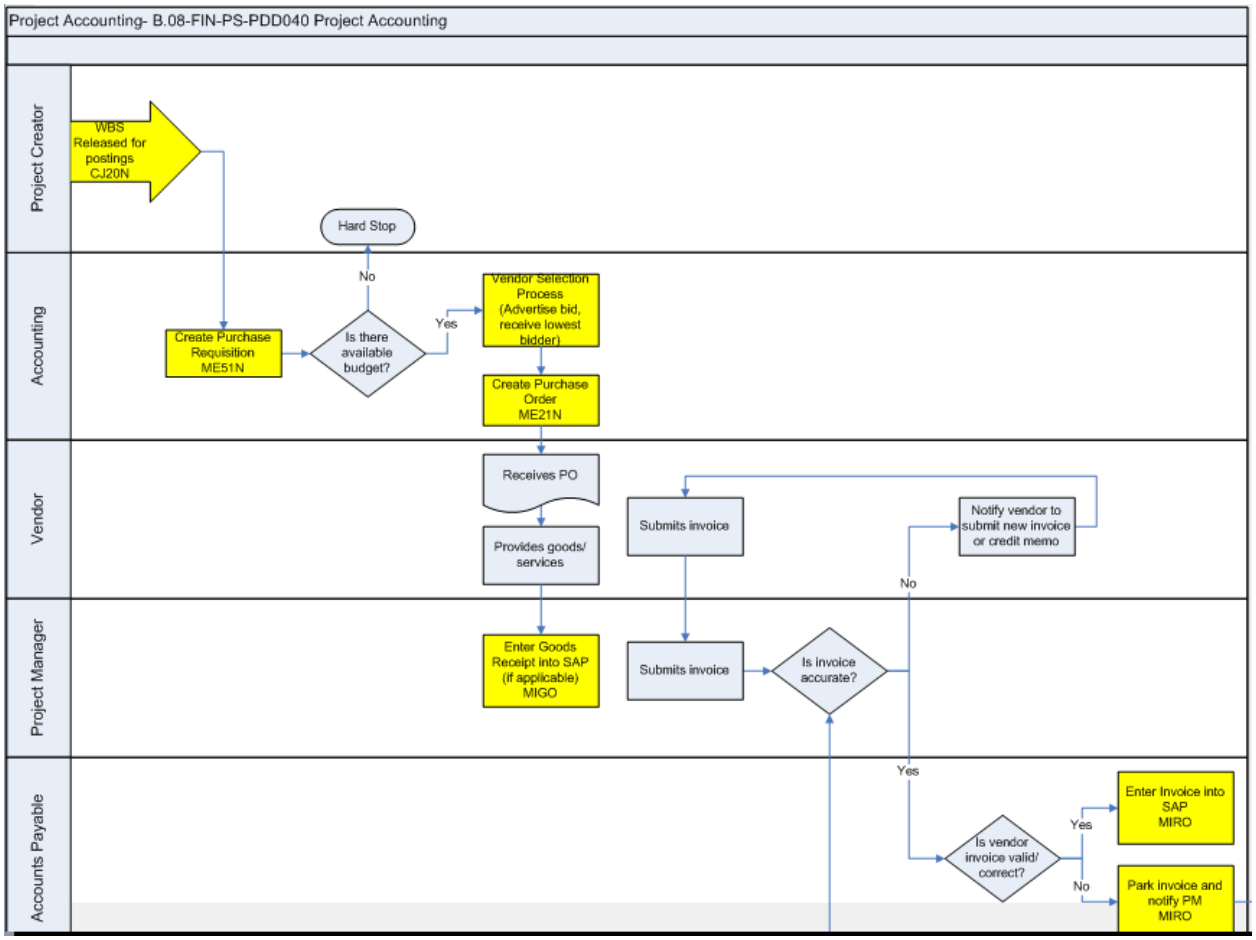
Process Terminology

#	Process Terminology	Description
1	Contract	Contracts are used to manage the provision of services, materials, equipment and supplies, where the scope and complexity of work is significant and requires comprehensive terms, conditions and schedules.
2	Encumbrance	Automatic budget encumbrances generated in FM from creation of Online Agreements (contracts), Purchase Requisitions (pre-encumbrances) and

#	Process Terminology	Description
		Purchase Orders (encumbrances)
3	Fund	Separate and distinct fiscal/accounting objects containing a complete self-balancing set of accounts used to segregate cash and other financial resources together with associated liabilities, residual equities and related changes
4	Funded Program	Lower level internal programs or initiatives, such as capital projects, used for budgetary control and reporting in the Funds Management Module.
5	Goods Receipt	A goods receipt is the process of recording the completion or partial completion of a purchase order. A purchase order can be for materials, in which case stock records are adjusted as part of the process, or direct charge in which case only the accounting actions are processed. A purchase order can be for goods or services.
6	Grant	Represent lower-level funding instruments used to document, control, and report on the results of an agreement between a sponsor and an organization.
7	Invoice	An invoice is a vendor document requesting payment for goods supplied and/or services performed.
8	Project Definition	Framework or design for a project or goal that will be achieved through many resources. It contains basic organizational data that is valid for the entire project.
9	Project System	Module that allows the user to plan, execute and account for a project.
10	Park	Functionality that allows invoice and credit memo data to be suspended in the system without accounting ledger update. Parked documents can be changed, deleted, or posted in the future. Parked documents can be viewed/maintained by users who have access to parking transactions.
11	Purchase Order	A request to a vendor (usually external) to supply specified materials or perform services required, and is formalized in a purchasing transaction. It contains specific details about prices, quantity, delivery, and terms of payment.
12	Sponsored Program	GM structure used to control and monitor transactions based on a sponsor's external programs, which may be different from an organization's own programs.
13	Status	Project status determines which business transactions can be performed against the project (such as planning, budgeting, execution, etc.). Statuses can be sequential or parallel.
14	Work Breakdown Structure (WBS)	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.

To-Be Process Flows

The following diagram is in reference to the Project Accounting processes for DOTD Pre-Construction phases, FPC and OCPR. For DOTD Construction activities, refer to Appendix A.



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Trns.port Integration points: Postings for preconstruction activities will be entered into SAP. Postings for construction activities will be interfaced from Trns.port	Currently Trns.port does not integrate with the DOTD financial systems. Three key integration points were identified between the two systems: 1) Project number from SAP to Trns.port 2) Purchasing document create, change, and closeout from Trns.port to SAP 3) Invoice verifications by item from Trns.port to SAP	Coordination will need to take place between DOTD and the SAP team in order to facilitate the build and testing of the interfaces identified.
2	Invoice entry will be made at the individual agency level.	Approvals will be performed by each agency.	No change as this is in line with the current processes.

#	Decision	Process Impact	Organizational Impact
3	GM Integration- postings to grant funded projects will need to enter Grant as well as the standard accounting string.	This will streamline the processes for the accounting of a grant funded project.	Training implications for the role posting to the project and the roles managing the grant.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	OSRAP PPM Chapter 10 - Grants	Update with procedure to handle grant funded projects.	OSRAP
2	OSRAP PPM Chapter 11 – Project Accounting	Update with FPC project accounting procedures and include DOTD.	OSRAP

This is a preliminary list and each Department or Agency will need to review its own internal policies, procedures, desk-references, etc. to bring them in line with the changes created by the implementation of SAP.

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Project Master Data Flat file	File of project number from SAP to all systems that currently receive project number from TOPS		X	Currently multiple systems look to TOPS for project number.		

I – Interfaces		Master List of Current and Future State Interfaces: <Supported Process>					
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
					In the future, these systems will go to the flat file.		
2.	Trns.port Invoice interface	Interface invoice/estimates from Trns.port to SAP. This is currently done manually today.		X	This will eliminate the need for duplicate entries in two systems.		This is provided that the accounting string can be entered and maintained in Trns.port.

C - Conversions		Master List of Future State Data Conversions: <Supported Process>					
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	See below.						

For project related conversions, refer to FIN-PS-PDD010.

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified.				
2.					
3.					

W – Workflow		Master List of Future State Workflow Events: <Supported Process>	
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps		Master List of Future Gaps: <Supported Process>	
No.	Description of Gap	Why Gap Exists?	Impact / Comments

1.	None identified.		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	Role	Description	Strategy	Special Considerations
1.	Project Creator	Role responsible for creating project structure and releasing the WBS element for postings.		
2.	Accounting	Role to create purchase requisition and purchase orders in SAP against project WBS elements.		
3.	Project Manager	If applicable, the Project Manager role will be responsible for entering the Goods/Service receipt.		
4.	Accounts Payable	Role to enter invoices. If invoice is not valid, the AP role will park the invoice and return to Project Manager for further review.	Individual agency Accounts Payable sections will enter invoices into SAP rather than having a centralized, project Accounts Payable enter.	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Accounting string for project data will need to be entered into Trns.port.	Accounting data such as fund, GL account is not currently captured in Trns.port.	Additional development work may be required on the Trns.port side to accommodate the SAP accounting string. If this data cannot be captured in Trns.port, the data will need to be manually entered into the financial system, as it is done today.
2.	Maintenance of Trns.port interfaces.	DOTD will need to maintain and review the error log produced by the interface.	The interface to SAP from Trns.port will reduce the duplicate entry required today into Trns.port and the financial system. Additional responsibility for reviewing the error log.
3.	Project budget, purchasing, management, and finance areas will need to coordinate.	With the SAP budget controls, better coordination is required from all project areas.	Project Managers will need to be more proactive in requesting change orders and accurate in invoicing (estimates). Project budget area will need to closely monitor project budget availability.

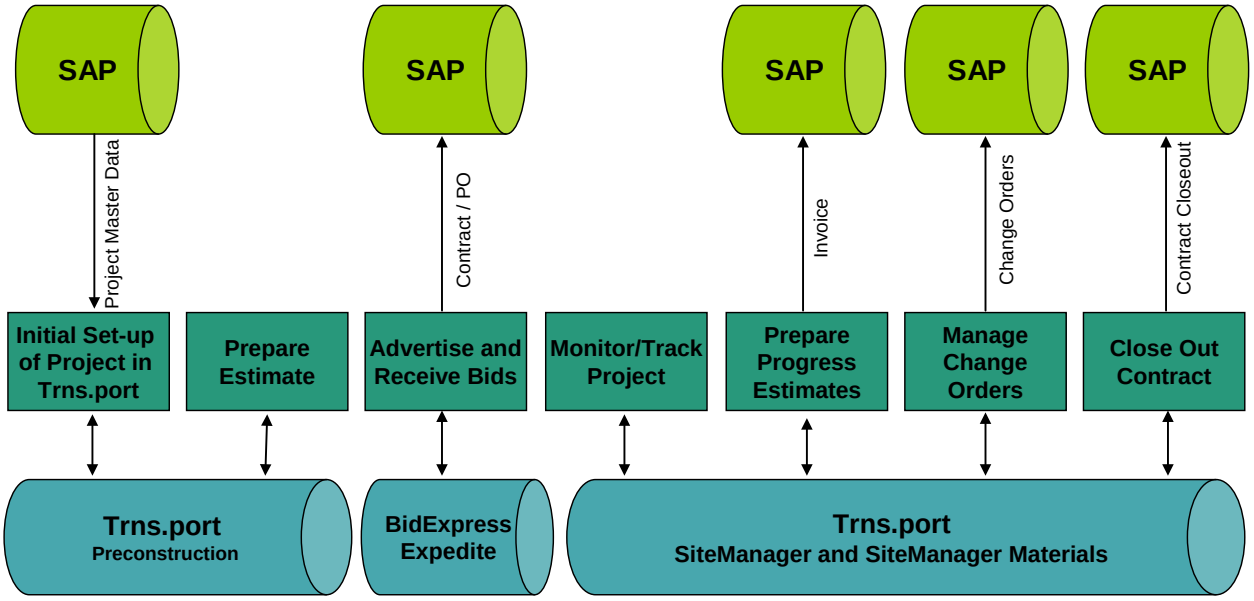
4.	Project master list will be housed in SAP.	The single source for project master data will be SAP.	Other systems that require project related data should refer to the flat file identified.

Training Impact:

The following training impacts related to Project Accounting have been identified:

- Each department or agency utilizing the PS functionality will need to be trained on the creation of purchasing documents and invoice verification.
- DOTD will need to be trained on how to manage the error log from the Trns.port Interface.
- OCPR will need additional training on the integration between GM and PS.
- Train end users on best practices of proactively managing their budgets.

Appendix A – Trns.port Integration Points



Team:	Finance - Project Systems
PDD Name:	FHWA Billing
PDD Number:	FIN-PS-PDD050-FHWA Billing
Business Process Owner:	Eric Burges, Masood Rasoulian, Monica Mealie
Functional Lead:	John Hodnett, Larry Hofstad, John Oglesby
Functional Consultant:	Christine Lee

Executive Summary

A project is created in the SAP Project Systems (PS) module in order to track and monitor the costs of a complex job with multiple phases, whether it is building a road or constructing a building. Projects can be multi-funded, with multiple contracts and also have discreet fund control requirements. For the Department of Transportation and Development (DOTD), it is particularly important to accurately capture costs in order to bill the Federal Highway Administration (FHWA) for federally funded highway projects.

FHWA is a division of the US Department of Transportation that oversees federal funds used for constructing and maintaining the National Highway System as well as providing highway design and construction services. FHWA is a major source of funding to the State of Louisiana DOTD. Therefore, it is critical that Louisiana DOTD manages its federally funded highway projects according to FHWA policies and regulations.

The federal highway project lifecycle in SAP includes the following:

- Project Creation
  - Creation of the project structure and update of the master data
  - Management of federal appropriations (One federal project authorization might fund multiple appropriations. The ability to prioritize the use of the funds is a requirement.)
- Project Budgeting
  - Interface to the Federal Financial Management Information System (FMIS) for project authorizations
- Project Accounting
  - Postings to multi-funded projects and updates to Financial Accounting (FI), Controlling (CO) and Funds Management (FM)
  - Billing of participating costs back to FHWA for reimbursement through the Rapid Approval and State Payment System (RASPS) interface
  - Integration with AASHTO Trns.port Suite
- Project Management
  - Manage project attributes and data elements.

Due to the complexities of the FHWA program requirements, standard SAP functionality will not be capable of capturing all required data and processes of the full lifecycle of federally funded highway projects. Instead, a custom solution is required to facilitate the project authorization and billing aspects according to FHWA requirements. This document focuses on the design of federally funded highway projects as discussed during the Blueprint sessions held with State of Louisiana Subject Matter Experts (SME's), as well as the local Louisiana FHWA office and the FHWA Resource Center.

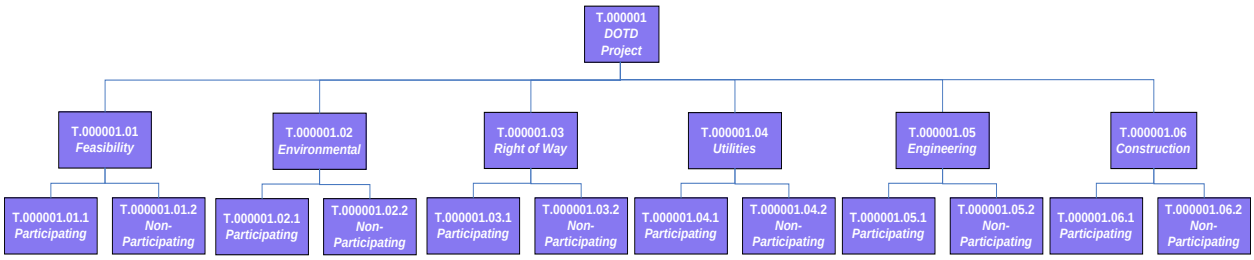
Open items identified during the FHWA Billing Blueprint session are recorded in a separate document, the Action Item Tracker, so that they can be appropriately tracked during Realization until resolved.

Note that the design specified in this document is subject to change as additional details are identified during the Realization phase.

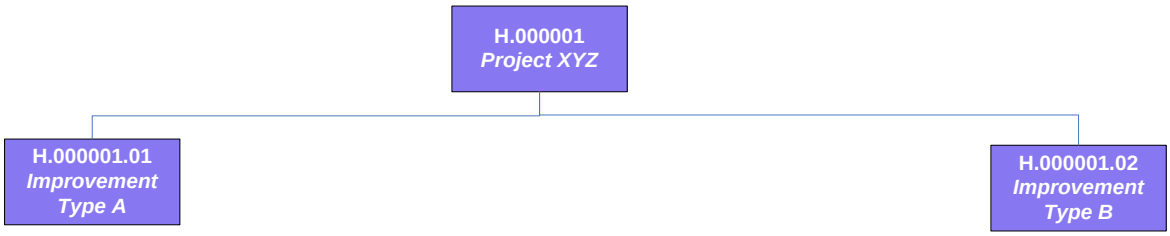
To-Be Process Description

Federal Project Creation

Federally funded highway projects at the State of Louisiana will have a State and a Federal project in the SAP PS module to capture both the State's project requirements as well as the FHWA's Federal project requirements. The State project will utilize the naming convention T.000001 with an alpha indicator to represent "Transportation" and a six digit, numeric sequential string of characters for the project number. Level 2 WBS elements will represent the various phases of the project, such as Feasibility, Right of Way (ROW), Utilities, and Construction. Additional Construction phases may be created in order to accommodate a project that crosses multiple control sections. Level 3 WBS elements will represent whether charges are federally participating or non-participating. The State project number, in addition to the phases and sub-phases, will be created at the point the project has been approved in the Highway Priority Program.



The SAP Federal project will have the naming convention H.000001 with an alpha indicator to represent "Highway" and a six digit, numeric sequential string of characters for the project number. Level 2 will consist of a two digit numeric string of characters to represent the improvement type. The first six digits of the SAP Federal project number will map to the State project number. In Blueprint, it was determined that the SAP Federal project number will be created by the Project Finance - Federal Aid role at the point federal funding is requested via e-mail. During Realization, the advantages/disadvantages of having the SAP Federal project number assigned by the same role that assigns the SAP State project number will also be considered.



The Federal Aid Project (FAP) number in FMIS will mirror the first level of the SAP Federal project number with the H alpha indicator and the six digit sequential number (with the elimination of the dot since FMIS allows seven characters). This overall solution will allow a correlation between the State project number, the SAP Federal project number, and the FMIS Federal project number. For additional details on the project structure, refer to FIN-PS-PDD010 Project Structures DOTD, FPC, and OCPR.

SAP Federal projects will not collect costs, but will exist to hold specific requirements for the FMIS interface. A custom Z table in SAP will capture which State projects can be funded by which Federal projects and in what order. In addition to the custom Z table, a Z transaction will also be required to enable the authorized individuals to update and view the Z table on a daily basis.

The Project Finance - Federal Aid role will enter the linkage between the State and Federal project number in the Z table using the Z transaction at the time the Federal project is created.

Two options were proposed to the SME's during the Blueprint session. The first option allows a correlation between the State project number, the SAP Federal project number, and the FMIS Federal project number with the exception of projects with multiple Demo IDs. The second option allows for a correlation between the State project number, the SAP Federal project number, and the FMIS federal project number. Option 1 was selected since the current FMIS system cannot contain more than one Demo ID per Federal Project.

A Demo ID is a unique identifier that represents funding from Public Laws earmarked for a specific purpose. The Demo ID is currently captured in the Header record in FMIS, which prevents a federal project from being linked to more than one Demo ID. FHWA is currently working on a fix to move the Demo ID from the Header record to the Detail record on the project information screen. These changes are scheduled to be implemented to FMIS and RASPS by April 2009. Pending these recent developments, the project structure design may change to Option 2.

Option 1

State Project	SAP Federal Project	FMIS Federal Project Number
T.000001	H.000001.01 (Improvement Type A) H.000001.02 (Improvement Type B)	H000001 (Improvement Type A, B) H500001 (Multiple Demo ID's)

Option 2

State Project	SAP Federal Project	FMIS Federal Project Number
T.000001	H.000001.01	H000001

Currently, there is a 1:N and an N:1 relationship between State projects and the FMIS Federal projects. For example, one FMIS Federal Project could provide funding for multiple state projects. The State of Louisiana will need to work closely with the local FHWA office in order to identify the conversion options and choose the proper option that minimizes impact to the FHWA system as well as meets the needs for the State of Louisiana's new SAP system.

Project Budgeting

In order for the State of Louisiana to receive reimbursement for a highway project from FHWA, it must first request funding in FMIS and receive the project authorization prior to proceeding with the project. This section will discuss the funding and project authorization process.

FMIS is an FHWA financial data warehouse that records apportionment and allocation data for projects and tracks project obligations and expenditures against those balances. Currently, the State manually enters the data into FMIS following a cumbersome process of gathering and preparing the data required. The State utilizes the Federal Aid Submission Tracking (FAST) system to enter the required data to create the project authorization before it is entered into FMIS. In the To-Be, all data required for the FMIS interface will be entered into SAP and the process to submit the request to FHWA will be automated through the use of PS user statuses and an interface from SAP to FMIS.

Upon creation and inclusion in the Z table, the Project Finance- Federal Aid role will ensure that the project has been listed in the STIP and has environmental clearance. For Construction projects, the data included in the submission to FHWA extend to:

- Is this a Delegated Project? If yes, Analyst obtains Signed Final Plan Title sheet and Sealed Proposal as documentation. If no, Analyst obtains Final Plans and Proposal for FHWA review
- Is Environmental Clearance field valid? Percent complete = 100% and Clearance Date
- Is ROW Clear or NA?
- Is Utility Relocation Clear or NA?
- Is Project Delivery Date (PDD) = 100%?
- Is Rail Road Agreement Complete or NA?
- Is the Corp of Engineers (COE) permitting process Complete or NA?

If all of the above milestones are met, the Project Finance - Federal Aid role will determine the federal funding source and improvement type by referring to the type of work, whether it is a bridge, ROW, interstate maintenance, etc. The status of the WBS element will then be updated to “Add/Change” to indicate that the data needs to be interfaced to FMIS. Update of this status indicates that the State is electronically signing the project authorization in FMIS.

The decision was made to capture electronic signatures in the outbound interface to FMIS. This will eliminate the need to enter into another system for the signature. Additional security will need to be tested and developed to ensure that the update of the “Add/Change” status is restricted to the limited number of individuals who have the authority to sign the project authorizations in FMIS. The system will also need to validate the SAP User ID with the approver’s FMIS user ID.

Once the project authorization request has been submitted to FMIS through the daily interface, the status will update to “Pending” to indicate to DOTD that the project is now being reviewed by FHWA. Included in the interface will be two electronic signatures by the Federal Aid Manager role and the Project Finance - Federal Aid role. If approved, the electronically signed document will be forwarded to FHWA. FHWA will then review the documents, and if they approve, will electronically sign in FMIS. During this process, if corrections or additional information is required, the request will be returned to the Federal Aid Manager.

Once FHWA electronically authorizes the project in FMIS, an inbound interface will update the status in SAP for the particular WBS element. If the funding sources requested in the project authorization match the funding sources approved, then the WBS will automatically be released for financial postings. If there is a discrepancy, the Project Finance- Federal Aid role will need to adjust the budget to the amounts authorized by FHWA. Budget will be posted and controlled at the phase level of the State project. For additional details on the budgeting of projects, refer to B.08.FIN-PS-PDD020 Project Budgeting and Control.

This process will repeat should the State have modifications to the initial project authorizations.

Project Accounting

Once a project has been authorized in FMIS and the status of the WBS has been released, it is ready to incur costs. This section will discuss at a high level the accounting process. Further details on project accounting can be found in B.08.FIN-PS-PDD040 Project Accounting. This section will also address the process for FHWA billing.

The postings of day-to-day project accounting transactions include procurement from the Supplier Relationship Management (SRM) module, payment of invoices in the Accounts Payable module (AP), labor expenses from the Human Resources (HR) module, overhead allocations from the Controlling (CO) module, as well as others.

All postings will require the following:

1. Fund
2. WBS Element for the State project down to the third level WBS element
3. Cost Center
4. GL Account

5. Functional area (If applicable)
6. Grant (If applicable)

It is an FHWA requirement to be able to capture federal funding on participating costs and have the ability to exclude non-participating costs. In order to capture participating vs. non-participating costs, the indicator must be captured on the SAP accounting string, which includes Fund, GL account, WBS element, Functional Area, etc. The decision was made by the SME's in the Blueprint session to capture the participating costs vs. the non-participating costs in the third level of the WBS elements. This option was the most feasible option presented and eliminated the need to duplicate master data.

Each week, as costs accumulate against the participating and non-participating WBS elements, an interface will electronically submit payment requests and the supporting detail required for billing in RASPS. Although the State of Louisiana currently interfaces billings to RASPS, extensive reconciliation takes place to validate the balances of funds on the projects. With this custom design in SAP, the process will be streamlined and thus increase the frequency and accuracy of the billings to FHWA.

The State can only request reimbursement from FHWA for expenses on which the vendor or contractor has already received payment. This is determined by the Cash Management Improvement Act (CMIA) clearance pattern. The interface will first capture costs against the third level participating WBS elements which have been paid and then reference the SAP Federal project in order to capture the program code to bill back to FHWA. FHWA authorizes by improvement type and program code, but requires billings by program code. This solution provides the State the ability to reconcile by both the improvement type and program code. The outbound interface of billings will create Accounts Receivable (AR) documents in SAP. Once the inbound interface confirms payment, the AR document will be cleared.

Custom Z tables will need to exist to capture the amount billed to date by project, as billings occur according to the expenditures captured on the State project and the criteria specified on the SAP Federal project.

Project Data

The following is partial list of fields that will need to be captured in SAP PS in order to request project authorizations through the FMIS interface:

- State Code
- State Project Number
- Federal Aid Project Number
- Action Type
- Program Code
- Standard Place Code
- Project Type
- Beginning and Ending Mile Points
- Inventory Route Number
- Estimated Construction Date
- Project Oversight, Disaster Data
- Environmental Clearance
- Demonstration Project ID
- STIP Reference
- Prefix
- County Code
- Urbanized area
- Urban/Rural
- Functional System

The full specification of requirements for the FMIS interface is documented in the FMIS FUNCTION – EDS FROM STATES Addendum to the Functional Requirements Document.

The following User Statuses are also required:

- FHWA: Add/Change
- FHWA: Pending
- FHWA: Close
- FHWA: Re-Open

Conversion

All open federal-aid project information will be converted into SAP federal projects. Projects not transferred into the new system will be maintained outside of SAP, but will need to be available per FHWA's Retention Criteria. The State of Louisiana will need to coordinate with the local FHWA office throughout the Realization phase in order to ensure that the conversion plan is in line with FHWA regulations.

Process Improvement Opportunities

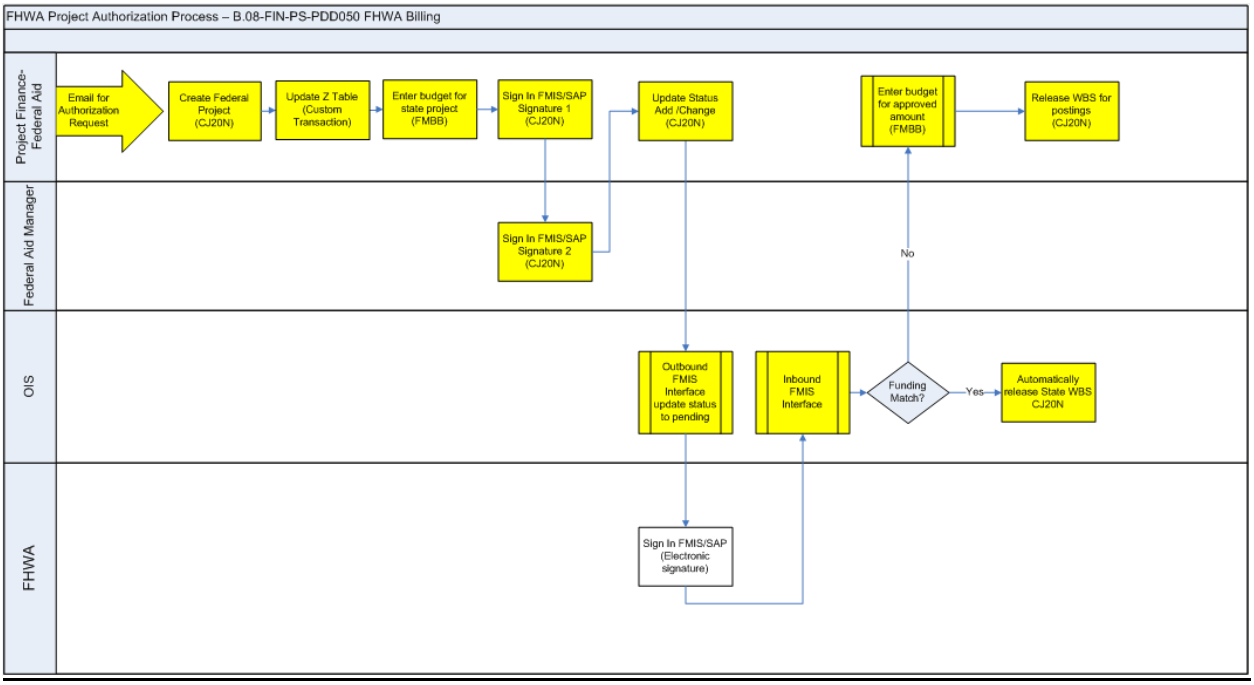
- Master data for federally funded projects will be managed in one central location (PS)
- Current manual entry of multi funded projects in FMIS will be automated through the use of interfaces in SAP, eliminating redundant processing
- Streamline the process for requesting project authorizations
- Accounting system of record is updated in real-time during the invoicing and payment processing
- Eliminate the use of offline spreadsheets and Cost Distribution forms
- Electronic reporting to accurately reflect project funding

Process Terminology

#	Process Terminology	Description
1	Cost Center	A cost center is a unit distinguished by an area of responsibility or location. Cost centers collect the ongoing expenses and revenues for operations, projects, or products. Expenses and revenues are assigned to cost centers via the distribution cycle, supply, and settlement accounts payable and receivable.
2	Fund	Separate and distinct fiscal/accounting objects containing a complete self-balancing set of accounts used to segregate cash and other financial resources together with associated liabilities, residual equities and related changes
3	Funded Program	Lower level internal programs or initiatives, such as capital projects, used for budgetary control and reporting in the Funds Management Module.
4	Grant	Represent lower-level funding instruments used to document, control, and report on the results of an agreement between a sponsor and an organization.
5	Milestone	Events of particular relevance to a project used to mark the transition between various phases or departments.
6	Project Definition	Framework or design for a project or goal that will be achieved through many resources. It contains basic organizational data that is valid for the entire project.
7	Project Systems (PS)	Module that allows the user to plan, execute and account for a project.

8	Status	Project status determines which business transactions can be performed against the project (such as planning, budgeting, execution, etc.) Statuses can be sequential or parallel.
9	Work Breakdown Structure (WBS)	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.

To-Be Process Flows



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	One State SAP project, multiple Federal SAP projects to one Federal FMIS project	The change in project structure and naming convention will impact the overall project accounting process.	End users will need extensive training on the new naming convention and project structure.
2	Budget control at the phase level of the State project.	In order to capture costs by improvement type and program code, it is important to control at the phase level.	This is similar to how projects are budget controlled today. There is minimal organization impact.
3	Federal project user status profile will include FMIS action types and trigger interface to FMIS.	This is in line with the FHWA statuses and will trigger activity to the FMIS interface.	Training on updating of status. Security will also be restricted to specific individuals.
4	Enter budget in SAP and interface to FMIS for project authorization.	This will eliminate the need for manual processing that takes place today in order to prepare data for entry into FMIS.	Training on the new functionality.

5	Capture participating and non-participating costs by building it into the project structure at the third level.	Costs will be posted to either a participating or non-participating WBS element to facilitate the billing to FHWA. This is the current process.	Limited impact other than training for new naming convention. Project managers are currently identifying which costs are participating and non-participating and submitting estimates accordingly.
6	FMIS Interface will run daily, with option to trigger on demand. RASPS interface will run weekly, with option to run on demand.	This increases the frequency of both the FMIS and RASPS Interfaces, which streamlines the overall process.	Users will need to be trained on how to handle the error log that is received from FMIS and RASPS.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	DOTD-FHWA Stewardship Agreement	Update processes and responsibilities for federal authorization	Eric Burges

This is a preliminary list and each Department or Agency will need to review its own internal policies, procedures, desk-references, etc. to bring them in line with the changes created by the implementation of SAP.

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

R – Reports	Master List of Current and Future State Reports						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Reporting capability on the custom Z tables created	Multiple custom tables developed will need to be reported on.		X	Multiple custom tables developed will need to be reported on.		

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Inbound FMIS Interface	Interface authorization approvals to SAP and		X	Approval	DOTD IT	Frequency: daily with capability to

		trigger actions.					run on demand.
2.	Outbound FMIS Interface	Interface project authorization requests to FMIS.		X	Project authorization submission	DOTD IT	Frequency: daily with capability to run on demand.
3.	Outbound RASPS Interface	Interface to RASPS for reimbursement of project costs.	X	X	This interface currently exists today.	DOTD IT	Frequency: weekly with capability to run on demand.

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Conversion of Federal Projects		FMIS	FMIS		Projects will need to be de-authorized and then re-authorized with new naming convention	Need to confirm with local FHWA whether conversion of existing Federal Aid projects to a new naming convention is possible.
2.	Conversion of data from FAST	Conversion of project authorization data	FAST	SAP	Data will be required for the project authorization process in SAP.		Strategy for conversion will need to be revisited during Realization.

For additional project related conversions, refer to FIN-PS-PDD010.

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	State and Federal Project Custom Z table	Z table to map State to SAP Federal project numbers.		Custom solution for the FHWA authorization and billing process.	Custom Z table as well as a Z transaction to access
2.	Billed to Date Custom Z table	Z table to capture billed to date			Custom Z table as well as a Z transaction to access
3.	Trigger of Status Updates	Statuses will be used to indicate projects that need to be included in the FMIS interface. The interface will also trigger a status change if		Custom solution for the FHWA authorization and billing process.	Relevant to the FMIS Outbound and Inbound interfaces

		approved in the FMIS interface.			
4.	Electronic Signature	Electronic signatures will be captured in SAP and interfaced to FMIS, eliminating the need for Project Finance-Fed Aid to enter into two systems.		Electronic signature may require additional development surrounding security.	Relevant to the FMIS Outbound interface. This will require coordination between the development and the security team.

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Project Financing – Federal Aid	This role will be responsible for creating SAP Federal project master data and updating statuses		Specific individuals with this role will need access to specific user statuses for the electronic signature.
2.	Federal Aid Manager	Role to approve projects in SAP		Specific individuals will have the security to approve projects in SAP. This electronic signature will be submitted in the FMIS interface.
3.	OIS	This role will be responsible for the FMIS and RASPS interfaces		

Organizational Impact:

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	FHWA project authorizations will be automated through the FMIS interface.	This is not an interface that currently exists. The project authorization process is a manual process that requires extensive reconciliation. In SAP, statuses will be used to indicate which phases have costs that need to be authorized.	This solution will automate the project authorization process for the State. It will also improve reporting to accurately reflect how much funding has been authorized.
2.	Frequency and accuracy of FHWA billings will increase.	State to capture reimbursements for project costs more efficiently. SAP will also provide reporting on federal fund status and balances.	Manual reconciliation process will no longer be required.

Training Impact

The following training impacts related to the federal highway project lifecycle been identified:

- Training on the new project naming convention for the State project and SAP Federal project.
- Extensive training on the correlation between the State project, SAP Federal project and the FMIS Federal project.
- Training for end-users posting to federal highway projects, who must post to the third level, identifying whether costs are participating or non-participating.
- Training end-users on the use of statuses to indicate specific action that needs to take place against a WBS element.
- Training end-users on reporting functionality. For instance, reporting on projects by status will give insight into whether a project requires project authorization from FHWA, is pending approval, or has received approval and is ready to accumulate costs.
- Training end-users on functionality in the Z table to prioritize funding sources.

Appendix

Not applicable.

Team:	Finance - Project Systems
PDD Name:	Project Management
PDD Number:	FIN-PS-PDD060-Project Management
Business Process Owner:	Tony Ducote, Bill Morrison, John Davis, Chris Williams
Functional Lead:	John Hodnett, Larry Hofstad, John Oglesby
Functional Consultant:	Christine Lee

Executive Summary

A project is created in the SAP Project Systems (PS) module in order to track and monitor the costs of a complex job with multiple phases, whether it is building a road or constructing a building. Projects can be multi-funded, with multiple contracts and also have discreet fund control requirements. For the Department of Transportation and Development (DOTD), it is particularly important to accurately capture costs in order to bill the Federal Highway Administration (FHWA) for federally funded highway projects. Accumulating expenses/expenditures is also important to correctly capitalize an asset in the SAP Asset Accounting module.

In general, the capital project development process at the State of Louisiana begins when a previously identified need has been approved in House Bill 2 (dependent upon the Department responsible for the project) for enactment by the Legislature. The execution of the project initiates with the creation of the project structure, followed by the management of project funding availability, the postings of day-to-day project accounting transactions, the fulfillment of the project data / reporting requirements, and concludes with the closing of the project. This document focuses on the management of a project's scheduled tasks and the fulfillment of the project data / reporting requirements.

The PS networks and activities functionality allows project managers the ability to schedule specific tasks related to the project. A network represents the flow of a project or of a task within a project. You can graphically display various structural elements of a project and their interdependencies in the project system. During the life of a project, networks are used as a basis for planning, analyzing, controlling, and monitoring schedules, dates, and resources (such as people, machines, materials, documents and drawings). From the blueprint sessions held with the Subject Matter Experts (SME's), the Office of Coastal Protection and Restoration (OCPR) made the decision to utilize networks and activities in SAP for projects. DOTD and Facility Planning and Control (FPC) will use milestones to track dates.

Project reporting is important through all stages of the project life cycle. Project reporting can be broken down into three categories: master data; cost data; and funding data. Project master data is generally descriptive in nature and includes information on project structure, schedule, and responsibility. Project cost data is transactional in nature and gives detailed information about charges posted against the project. Project funding data is also transactional in nature, and provides information about the project budget and available funds. Reporting from all three categories is relevant throughout the lifecycle of the project.

There will be a need for integration with other functional areas when running project related reports. Project purchases will affect Accounts Payable (AP) and Materials Management (MM). Labor costs will be charged to a project from the Human Resources (HR) module. Project related billings will affect Accounts Receivable (AR). There will also be integration with the Funds Management (FM) module for

the assignment and control of funding sources. All areas will have access to data and will be able to report on that data within certain guidelines.

All reporting needs will be satisfied in the SAP Enterprise Central Component (ECC) and Business Intelligence (BI). BI will be the primary reporting tool for the State in order to alleviate the volume of transactions processing in the financial system. Many reports will be standardized in order to increase accuracy and timeliness. This will allow for a more timely response to inquiries from Legislators and contractors. SAP's flexible on-line reporting will also decrease the need for programmatically written ad-hoc reports.

During Blueprint, three agencies, DOTD, FPC, and OCPR were identified as requiring the functionality in PS and are included in this PDD. As of 1/20/2009, other agencies have been identified as potentially requiring PS functionality and these have been captured as Issue No. 8000000418 to be addressed during Realization.

Open items identified during the Blueprint session are recorded in a separate document, the Action Item Tracker, so that they can be appropriately tracked during Realization until resolved.

To-Be Process Description

Networks and Activities

Networks and activities are used to plan, analyze, control and monitor schedules, dates and resources, such as people and materials. Networks are attached to Work Breakdown Structure (WBS) elements in the project structure and carry internal and external activities to be performed in the project. Networks are composed of activities and relationships between the activities. Activities identify duration, start, and finish dates, resources, and text.

A sequence of activities may have dependencies, which are represented by relationships where one activity is the predecessor or the successor of another activity. Relationships determine the chronological order of the individual activities in a network. Activities have four types of relationships:

- Finish-Finish (FF)
- Finish-Start (FS)
- Start-Finish (SF)
- Start-Start (SS).

By default, relationships are FS in the network structure. OCPR will use the network and activity functionality to schedule project tasks as aligning to the project phases. Scheduling of networks and activities will determine the duration of phases in a project, which events are of particular importance for the schedule, float times and critical paths.

The following is a summary of the decisions made by the SME's in the Blueprint sessions:

- DOTD currently uses the Program and Project Management System (PPMS) to manage activities and tasks for projects. PPMS is based on a Primavera scheduling engine. Although all projects are captured in PPMS, only the large scale projects are tracked in Primavera with activities and tasks. There are currently over 25 templates, of which six to eight are actively utilized. The decision was made to continue using Primavera as a scheduling engine for the large scale projects and interface key details to SAP. The projects not tracked with activities and tasks in Primavera will capture key dates by PS milestones. Thus, DOTD projects will not use network and activity functionality in PS.
- Facility Planning and Control (FPC) State and Non-state projects are generally contracted out and key milestone dates are tracked. FPC will utilize PS milestone functionality to capture these key dates/deliverables and therefore will not use network and activity functionality in PS.

- OCPR currently tracks project activities in Microsoft Project. In the To-Be, OCPR projects will be tracked in SAP PS. OCPR currently has multiple templates, ten of which are used frequently. The project manager role will be responsible for creating networks and activities using templates provided. The current activities tracked in Microsoft Project will be aligned to the WBS elements of the OCPR project structure. Further details will be discussed during Realization.
- Except for the agencies referenced above, the Blueprint decision to use or not use PS networks and activities by each agency will be reviewed and validated during Realization, as the application to each agency's specific needs is better understood.

Reporting

The project data / reporting requirements process spans the whole life of a project, which includes project creation, project funding availability and project accounting / closing. It begins at the creation of a project in SAP and ends when the project is closed. For DOTD federally funded projects, this would be when the final voucher document is submitted to and approved by FHWA.

The State's reporting strategy is to utilize BI as the primary reporting tool, which transfers the processing load from the transactional database (ECC) to the reporting database (BI). BI also provides enhanced reporting capabilities including filtering, sorting, analysis, calculations, exporting, and presentation. BI is generally refreshed overnight, providing the State with near real-time reporting. In some cases, where real time reporting is required to support daily decision making, ECC will be used. For example, a report to validate available project budget at a point in time may need to be run in ECC in order to deal with budget errors.

There are three standard types of reports in SAP that will be used for project accounting. All of these reports can be personalized through the use of filters and report variants to satisfy the users' informational needs. The project structure overview report provides information on project structure, status, and master data. The project cost overview report provides information on all charges and commitments applied to a project. The project funding control overview report provides information on all funding and revenue applied to a project. These three reports are available using on-line queries as well as printed reports. The following details the three "views" of project data:

1. Project Structures View: The WBS element hierarchy of a project represents project costs according to project phase or component. The Project Plan/Actual Cost/Commitment/ Remaining Order Plan/Assigned report displays the following information by the following hierarchy:
   - Reports available by Project Definition, WBS elements, Networks and Activities
   - Reports on the master data elements of WBS elements.
   - Reports by Person Responsible and Applicant
   - Reports available by User Fields
   - Reports on the milestones or specific usages of milestones
2. Accounting View: The Project Actual/Commitment/Total/Plan Report displays the following information by general ledger account together with the ability to navigate through the WBS element hierarchy:
   - Reports actual costs by general ledger account. Actual costs are payments to contractors, allocations of internal labor, etc.
   - Reports commitments (encumbrances) by general ledger account. Commitments are posted through the creation of purchase requisitions or purchase orders in the procurement process. These become actual costs when contractor services or goods are rendered (goods receipts).
   - Reports the total of actual costs plus commitments by general ledger account.

- Reports the project plan by general ledger account. This report has drill-down functionality which displays all the underlying transactional data. This drill-down functionality allows the user to view all the underlying documents and master data (e.g., contracts, purchase requisitions, purchase orders, etc.) supporting the transactions.

3. Funding View: This FM report will show the project's Budget/Commitments/Actual Costs/Remaining Budget view by funding source. This report has drill-down functionality which displays all the underlying transactional data. This drill-down functionality allows the user to view all the underlying documents and master data (e.g., contracts, purchase requisitions, purchase orders, etc.) supporting the transactions.

The development of programmatically written reports will be centrally controlled. Special reporting permissions may be given to super-users within the agencies in order to create additional custom reports. This control will prevent report redundancy as well as reduce the strain on system resources.

The following is a preliminary list of reports currently identified by DOTD, FPC, and OCPR. This list will be reviewed during Realization for completeness, accuracy, and determination of standard functionality.

DOTD:

- Reporting on project cost data by Program Manager by Fiscal Year
- Letting List
- Tier Report (Currently in FMIS)
    - Projects with inactivity in the past year with a balance over $500k
    - Projects with inactivity in the past two years with a balance between $50k and $500k
    - Projects with inactivity in the past three years with a balance under $50k
- 10 year Engineering -> ROW Status
- 20 ROW -> Construction Status
- Task Manager Report (list of tasks by forecasted dates)
- Other reports outside of standard budget/actuals, etc
- 500 Series (statewide reporting requirement)
- Key performance indicator Dashboards
    - Projects Bid when scheduled
    - Projects Bid within 10% of estimated cost
    - Projects Completed on Time
    - Projects Completed for less than 10% over bid

FPC:

- Real Design Project List
- Real Construction Project List
- Graphical view of project timelines
- As Built Notice by Project Manager
- Change Order Trends
- Warranty Inspection Notice
- Real Total List
- Punch List Notice
- Liquidated Damages
- Contracts to Expire in 1 to 60 Days
- Change Order Trends by Year Completed and by Project Manager
- Bid Results of Project by Parish
- Ad hoc reporting for FPC staff
- Reports from Excel spreadsheets
    - Major Action Items SS

- Active Local Projects SS
- Senior Manager Quality Control SS

OCPR:

- Status and Schedule Report
- Task Due List

Process improvements:

The implementation of SAP will make possible many improvements. All data will be entered into SAP at the originating source. This will eliminate extraneous databases and spreadsheets and multiple manual entries into these applications. This is a significant improvement for DOTD, FPC, and OCPR as each uses multiple systems for tracking financial data related to projects and master data related to projects.

All three agencies will have access to SAP and BI, which will reduce the need for special requests from other functional areas to acquire pertinent information. This increases accuracy and timeliness and decreases the use of additional workforce resources.

Programmatically written ad-hoc reporting will be controlled centrally. This will reduce report redundancy and minimize the strain on system resources.

One report design can be used and sorted in multiple ways, rather than creating several different reports. This will also allow end-users to manipulate project related data in order to meet specific reporting requirements.

Open issues identified during the Blueprint session are recorded in a separate document, the Action Item Tracker, so that they can be appropriately tracked during Realization until resolved.

Process Terminology:

#	Process Terminology	Description
1	Activity	Specific task within a network
2	Cost Element	Represents General Ledger accounts in the Controlling module
3	Milestone	Events of particular relevance to a project used to mark the transition between various phases or departments.
4	Network	An object in PS that contains instructions and data on how to execute or carry out a task in a certain way, in a specific order and within a specific time frame.
5	Project Definition	Framework or design for a project or goal that will be achieved through many resources. It contains basic organizational data that is valid for the entire project.
6	Project Planning Board	Integrated processing of the project, with a graphic interface to create, edit, and evaluate all data for the project.
7	Project System	Module that allows the user to plan, execute and account for a project.
8	Status	Project status determines which business transactions can be performed against the project (such as planning, budgeting, execution, etc.). The sequence of statuses can be sequential or parallel.
9	Work Breakdown Structure (WBS)	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.

To-Be Process Flows

No To-Be Process Flows are relevant to this process.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	OPCR will use network and activity functionality in the PS module	OCPR currently tracks project tasks using Microsoft Project.	OCPR Project Managers will need to be trained on creating and maintain network and activities in SAP PS. OCPR activities and tasks will need to be reviewed to align with the SAP phases defined for OCPR projects.
2	DOTD and FPC will use milestones. DOTD and FPC will not use networks and activities in the PS module.	Milestone data will be captured in SAP PS. Large scale DOTD projects will have integration points with Primavera.	DOTD and FPC will need to be trained on milestone functionality. DOTD may also need to be trained on direct Primavera entry.
3	BI will be the primary reporting tool for the State.	All users will need to go to BI for project related reports.	All end users will need to be trained on the reporting functionality in BI.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	See below.		

Although no statewide impacts are currently identified, each Department or Agency will need to review its own internal policies, procedures, desk-references, etc. to bring them in line with the changes created by the implementation of SAP.

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Letting List	List of projects to be let.	X	X	DOTD prepares a letting list monthly to identify projects that will	DOTD	The data required to produce the letting list will be housed in BI.

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
					progress to construction		
2.	10 Year Engineering to ROW	List of projects in the Engineering phase that did not progress to ROW in the past 10 years.	X	X	FHWA requirement	DOTD	
3.	20 Year ROW to Construction Status	List of projects in ROW that did not progress to Construction in the past 20 years.	X	X	FHWA requirement	DOTD	
4.	Change Order Trends by Year Completed, by Project Manager	List of projects comparing original contract amounts with the total change order amounts. Percentage and time calculations required.	X	X	Data is used to analyze change order trends	Bill Morrison FPC	Data will need to be sorted and filtered by Project Manager and by Year Completed.
5.	Contracts to expire in 1 to 60 days	FPC report to list project related contracts to expire in 1 to 60 days.	X	X	This report is used to prevent unexpected expirations.	Bill Morrison FPC	

This list will be reviewed during Realization for completeness, accuracy, and determination of standard functionality.

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Primavera Interface	Interface from Primavera to SAP		X	Interface key milestone dates to SAP.	Tony Ducote	

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Networks and Activities	Convert current tasks in Microsoft Project to SAP Networks and	Microsoft Project	SAP	OCPR Projects currently tracked in Microsoft Project will	Align OCPR Networks and Activities with the OCPR Project WBS	Revisit conversion strategy of network and activity structure based on complexity during Realization.

		Activities.			be replaced by SAP Networks and Activities functionality	elements.	

DOTD and FPC milestone conversion is listed in B.08.FIN-PS-PDD010 Project Structures DOTD, FPC OCPR.

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified.				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	PPMS	Based on the initial assessment, project scheduling can be tracked in either the Primavera scheduling engine currently utilized by DOTD or through the use of PS Networks and Activities. Because of the significant custom work required, preliminary recommendation was to keep Primavera and interface with SAP.	DOTD is tasked with clearly defining the scope of PPMS/Primavera scheduling and mandating use.

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Project Manager	Project Manager role to manage and track networks and activities.	OCPR will be the only area utilizing the network and activities functionality.	

2.	Project Reporting Role (Display Only)	FHWA currently has display access to specific data. A role will need to be created for FHWA to display specific data in SAP.	This role will have display access to specific DOTD BI reports.	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	All data will be entered into SAP at the originating source, eliminating multiple manual entries into extraneous databases and spreadsheets.	Currently, project master data and financial data are entered into several systems as well as tracked in offline spreadsheets, making reporting on this data difficult.	Training across the board for DOTD, FPC, and OCPR. Data will need to be entered into one system and reports will be run from one system in the To-Be.
2.	Agencies that require access will have access to SAP.	This will reduce the need for special requests from other areas to acquire pertinent information, increasing accuracy and timeliness and decreasing the use of additional workforce resources.	Train end users on reporting functionality.
3.	Training for OCPR on network and activity functionality in SAP	OCPR currently uses Microsoft Office. Training and conversion of activities tracked in the project to SAP.	OCPR Project Managers will need to be trained.
4.	Hold Project Managers more accountable for managing their projects	Managers will need to proactively run reports to compare planned, budgeted and actuals against the project.	

Training Impact

The following training impacts have been identified:

- Current reports will be replaced by SAP ECC and BI reports. End-users in all areas will need to be trained on:
  - Available reports and execution of the key reports
  - Navigation and reporting functionality
- Training will be required on the difference between ECC and BI and which to go to for particular data.
- Training on the maintenance of start and finish dates of milestones and WBS elements in transaction CJ20N.
- Training for OCPR Project Managers on network and activities.

Appendix

Not applicable.

Team:	Finance - Project Systems
PDD Name:	Project Periodic Processing
PDD Number:	FIN-PS-PDD070-Project Periodic Processing
Business Process Owner:	Eric Burges, Monica Mealie, Marty Milner, Bill Morrison, Chris Williams
Functional Lead:	John Hodnett, Larry Hofstad, John Oglesby
Functional Consultant:	Christine Lee

Executive Summary

A project is created in SAP in order to track or monitor the costs of a complex job with multiple phases, whether it is building a road or constructing a building. One objective of creating a project is to monitor associated costs. Accumulating expenses/expenditures is important in order to accurately bill the Federal Highway Administration (FHWA) for federally funded projects and to correctly capitalize an asset in the SAP Asset Accounting module.

In general, the capital project development process at the State of Louisiana begins when a previously identified need has been approved in House Bill 2 (dependent upon the Department responsible for the project) for enactment by the Legislature. Throughout the lifecycle of the project, charges are posted against Work Breakdown Structure (WBS) elements for labor, materials, services, etc. These costs are then settled periodically to cost centers or Assets under Construction (AuC) so that they can be accurately reported on the financial statements. The project is complete when all invoices on the project have been processed. The closing process includes all of the administrative procedures required to close the project. This includes ensuring that all claims have been settled and invoices paid, the proper settlement of assets to the asset accounting system, and all required documentation for final closure. This document focuses on the settlement of project costs from the WBS element to the Final Depreciating Asset (FDA) and the project closing process.

To properly capitalize the costs associated with projects in SAP, WBS elements integrate with the Asset Accounting module for periodic settlement. Capital costs accumulated in WBS elements for ongoing projects are transferred or settled, utilizing settlement rules established during project creation. For capital costs accumulated in a WBS element, the receiving objects involved are:

- AuCs which, in the aggregate, represent construction in progress in the General Ledger. This transaction will preserve the cost history of the project. The AuC account will represent the partially completed asset. A feature called “investment measures” will be used for the purpose of automating the settlement process from a WBS element to AuCs.
- FDAs which are the assets to which construction in progress (represented by AuC) is transferred to upon completion of a capital project. Once a project reaches completion, the status change in the project to Technically Complete (TECO) will trigger the final settlement at month end of any residual costs accumulated on the capital project and on the AuC to the FDA.
- For non-capital costs accumulated in a WBS element, the receiving object involved is a cost center.

To capture costs associated with the purchase of land related to a project, WBS elements also integrate with the Real Estate module. The purchase of Real Estate will begin with a Real Estate object and a Real Estate contract that is then settled to the appropriate project WBS. Settling to the project WBS element

will allow the State to capture the overall total cost of the project, including the cost of the land. Because land does not depreciate but is still captured in the SAP system as an asset, these costs will be capitalized immediately to the asset in the AA module.

This process provides complete integration between the capital projects in the Project Systems module, the Real Estate objects in the Real Estate module and the AuCs and the FDAs in the Assets Accounting module. The electronic settlement process, from WBS elements to AuC and subsequently to FDAs, provides for fully reconciled data between capital projects and fixed assets. For "cross-fund" settlement of capital projects, there will be the need to create asset sub-numbers. Similarly, the costs apportionment process would occur before-hand in capital projects, so that settlement rules could be easily maintained to capture the costs proportionate to the different funds involved. There will always be a one to one match between the AuC and the FDA.

During Blueprint, three agencies, DOTD, FPC, and OCPR were identified as requiring the functionality in PS and are included in this PDD. As of 1/20/2009, other agencies have been identified as potentially requiring PS functionality and these have been captured as Issue No. 8000000418 to be addressed during Realization.

Open issues identified during the Blueprint session are recorded in a separate document, the Action Item Tracker, so that they can be appropriately tracked during Realization until resolved.

To-Be Process Description

Throughout the lifecycle of the project, various charges are posted against WBS elements for labor, materials, services, etc. SAP best practice is to periodically settle these costs electronically to cost centers if the project is expensed or AuC if the construction is in progress or FDA if the construction project is complete, so that the data can be accurately reported on in the financial statements. The Office of Statewide Reporting and Accounting Policy (OSRAP) will need to provide guidance on which costs are capitalized and which are expensed. These new policy statements will establish standards for periodic processing across the State and will impact the coding of costs and the development of the settlement rules. This has been captured as an action item to be reviewed during the Realization phase of the project. Periodic settlements are run as part of the month-end process to capitalize the balance, settle charges to AuC asset records, and obtain detailed data for enterprise controlling.

Settlement is a process by which costs are allocated in full or in part from the project WBS element to the appropriate receiver. Settlement rules in the WBS element specify the receiving object(s) to which the WBS element's costs settle and determine the amount or percentage of the WBS element's total costs that are settled to each receiving object. Settlement rules can be copied from an existing project to a new project at the time of creation if the reference project contains settlement rules, however, they must be properly created and reviewed to ensure that the actual settlement is performed successfully.

Settlement will be automated via a batch run which typically takes place on a monthly basis. End users with the proper authorization will also be able to perform actual settlement transactions if costs need to be transferred immediately.

The project is ready for close out when all work is complete and when all known invoices on the project have been processed. The closing process includes all of the administrative procedures required to close the project. Each department or agency will be responsible for ensuring that all claims have been settled and invoices paid, proper settlement of assets to the asset accounting system has occurred, and all required documentation has been completed for final closure.

In order for the system to allow a settlement to be processed, the project must have the appropriate system status allowing settlement, and must also have a settlement criteria defined in the project master data. System statuses of a project or an object determine which business transactions can be executed. Statuses document the current processing stage of an object. The following status codes will be available:

STATUSES		
DOTD	FPC	OCPR
Created	Created	Created
Released	Released	Released
Hold	Hold	Hold
FHWA Statuses		De-Authorized
Technically Complete	Technically Complete	Technically Complete
Closed	Closed	Closed

As part of the settlement process, a special program (RA_CREATE_ASSET_FM) is used to create AuC sub-asset numbers for each combination of Fund, Functional area and Grants, as SAP does not allow postings that cross these objects. The settlement process credits Settlement Cost Elements and debits AuCs for every combination of Fund, Functional area and Grant, thereby reconciling the Profit and Loss. If an error occurs in the settlement process, it will be resolved together with inputs from the Project Finance area and the Periodic Processor role within a given time-frame, as part of the month-end activities. Note that the original project expenditures are always available for reporting from the projects in PS.

When a project nears completion, the status will be updated to TECO to indicate that the project is ready for final settlement. TECO indicates that work on the project is complete and no new charges are expected; however minor changes such as labor, etc are still anticipated. If not already done so (during initial setup of the project shell), the designated Periodic Processor will create the requisite FDAs (e.g. one FDA per AuC) and also create the settlement rule from the AuC to the FDA. The final settlement from AuCs to FDAs is also executed as part of the month end process. When the final settlement is run, the FDAs will be debited and the AuCs will be credited for every possible combination of Fund, Functional Area, and Grant.

Project closeout will occur once final settlement is performed and all costs collected during the project life-cycle are capitalized or expensed. The Closed system status provides integrated closing controls. If closed prematurely or in error, the status can be undone or reversed. After the close, the project can then go through the archiving process. Deleting and archiving the project will make it disappear from the active projects list but will still allow reporting capabilities. This deletion step will take place long after the project is capitalized or expensed, by financial guidelines. The archiving will physically erase the project from the database since it is a re-organization for the master data. The State will define its overall archiving strategy.

Open issues identified during the Blueprint session are recorded in a separate document, the Action Item Tracker, so that they can be appropriately tracked during Realization until resolved.

Below is a detailed outline of the To-Be business process for each of the areas as discussed by the Subject Matter Experts (SME's) during the PS Periodic Planning blueprint session.

DOTD

Under the current infrastructure capitalization policy, agencies must capitalize infrastructure assets if costs exceed $3 million per year for that agency. In the As-Is, DOTD uses the Wooster method to capitalize assets, which provides a relatively simple solution to the problem of capitalizing a complex, high dollar system of assets, such as the State's infrastructure. In the Wooster method, an infrastructure asset is identified as all the capitalized expenditures made by an agency during a particular year. This does not provide costs by specific inventory assets, which is required by GASB42 for asset impairment. To re-evaluate the estimated life of a project is also difficult. With this implementation, DOTD will be able to

capture costs more accurately through the functionality within PS and the project structure. These costs will then be settled to an asset, which for infrastructure will be identified by the control section. Control Sections are five digit numbers that designate a specific segment and length of roadway and/or bridge. How costs will be settled to bridges as separate assets will be determined during Realization, but each bridge has a unique six digit "recall" number which could be used. Additional WBS elements will be created manually at the phase level to capture construction across multiple control sections. For example, in the future, construction services for a single project that crosses two control sections will need to have actuals broken down to the control section level (e.g. hours worked will need to be separated by control section). This will allow DOTD to easily identify the actual costs for the construction of each control section. DOTD will be responsible for effectively communicating this change to their contractors.

In the To-Be, as DOTD highway projects are released for postings and incur costs, settlement rules will be created by the Periodic Processor role to settle costs from the WBS to the AuC. Asset shells for AuC are also system generated, via the SAP program. Periodically, (e.g. at month end) the costs are settled from the WBS to the AuC. This continues until the construction nears completion.

Land acquired for Right of Way (ROW) is part of the infrastructure capitalization requirement and will be tracked as part of the DOTD construction project. Projects created with the DOTD project template will capture ROW costs at phase 3 of the project. If the infrastructure project has ROW purchases associated with it, the Agency Real Estate and Infrastructure Administrator will need to create the Real Estate object and master data associated with it. The Agency Real Estate and Infrastructure Administrator will purchase the ROW using a Real Estate contract against a Real Estate object. The Real Estate object will also be created at the Control Section level to ensure that the data is properly captured so that it can be properly settled to the appropriate FDA. The costs from the Real Estate object will then need to be settled from the object to the ROW phase on the project. The costs associated with the WBS element for ROW will be immediately settled to a FDA, as it is the purchase of land and an AuC is not applicable.

Once the project nears completion, the WBS element status will be updated to TECO to indicate that no new postings are planned. This is also an indicator to the Periodic Processor to update the settlement rules from the AuC to the FDA. The trigger to settle to the FDA is the Final Acceptance date, which is the date the project is formally accepted by the DOTD Chief Engineer. Once all costs have been settled to the asset, the project status will be updated to Closed.

FPC

Real property assets including land (excluding ROW procured by DOTD), buildings, and related real property improvements are generally processed by FPC via a project. The recommendation in the future is to have a consistent approach to real property acquisition and require all real property asset acquisitions (excluding ROW procured by DOTD) to be processed by FPC. The FPC – Real Property process is covered in detail, under PDD – FIN-AA-PD030-AA-Acquistions, Section: Procurement or Construction: Real Property.

FPC manages two broad categories of projects: State and Non-state projects. State projects are those that are funded through Capital Outlay for agencies of the State. For these projects, FPC hires contractors to perform the work and maintains oversight. State projects related to capital assets will be settled to an AuC and then to an FDA. State projects that are not related to capital assets, such as repair and maintenance projects, will be expensed to cost centers. The Non-state projects are capital projects with funding that has been approved for a local entity that is not a State agency. Upon the completion of the project, the asset belongs to the local entity. Thus, the settlement of costs for the Non-state entities would be expensed to a cost center.

In the To-Be, as FPC State and Non-state projects are released for postings and incur costs, settlement rules will be created by the Periodic Processor role. The State projects will have a settlement profile that allows settlement of costs from the WBS element to the AuC if the project is related to capital assets. Otherwise, the costs will settle to the cost center. Asset shells for AuC are system generated, via the

SAP program. The Non-state projects will have a settlement profile that allows settlement of costs from the WBS element to the cost center as an expense. Periodically, (e.g. at month end) the costs are settled from the WBS element to the AuC or the cost center. This continues until the construction nears completion.

Projects created with the FPC project template will capture land costs at Phase 1 of the project. If the FPC project is a State project with a land or building purchase associated with it, the Agency Real Estate and Infrastructure Administrator will need to create the Real Estate object and master data associated with it. The Agency Real Estate and Infrastructure Administrator will purchase the land or building using a Real Estate contract against a Real Estate object. The costs from the Real Estate object will then need to be settled from the object to Phase 1 of the State project. These Phase 1 related costs will be settled immediately (i.e. month end) to the FDA.

Once the project nears completion, the Periodic Processor role will update the WBS element status to TECO to indicate that no new postings will occur. This is also an indicator to update the settlement rules from the AuC to the FDA, if it is a capital asset related State project. The trigger to settle to the FDA is the Final Inspection Complete date. Once all costs have been settled to the asset, the project status will be updated to Closed.

If a portion of the project is complete and part of the asset is ready for use (i.e. partial occupancy document), while the balance of the project is ongoing, the Periodic Processor will perform line item settlement to transfer costs specific to the portion complete from the WBS element to the FDA. For buildings, if part of a building is occupied and in use, while the balance is being completed, OSRAP will need to provide guidance on the capitalization for the building (e.g. the part that is in use is capitalized and depreciation begins, wait until all is completed, etc.).

FPC also identified the requirement to capture land acquisitions as projects. In most cases, there will be multiple costs and transaction postings for the acquisition of land over a period of time. In order to capture these costs, WBS elements will be used. The project naming convention, structure, roles and responsibilities will be further detailed during Realization.

OCPR

OCPR projects are Coastal Restoration and Coastal Protection projects. Coastal Restoration projects are typically constructed on private property contingent upon surface rights agreements with the owner and generally have costs shared by the federal government. Therefore upon construction completion, project costs will be expensed to a cost center and not recorded as assets of the State. In addition, the State is responsible for the monitoring and maintenance of the project as provided in the surface rights agreement. These costs will be captured in a separate WBS element and expensed to a cost center as part of periodic processing.

In some cases, a feature constructed through an OCPR project may become an asset of the State under GASB 51. This case has been identified as an action item and will be revisited during Realization.

Coastal Protection projects from DOTD will be revisited during Realization as OCPR reorganization details are determined.

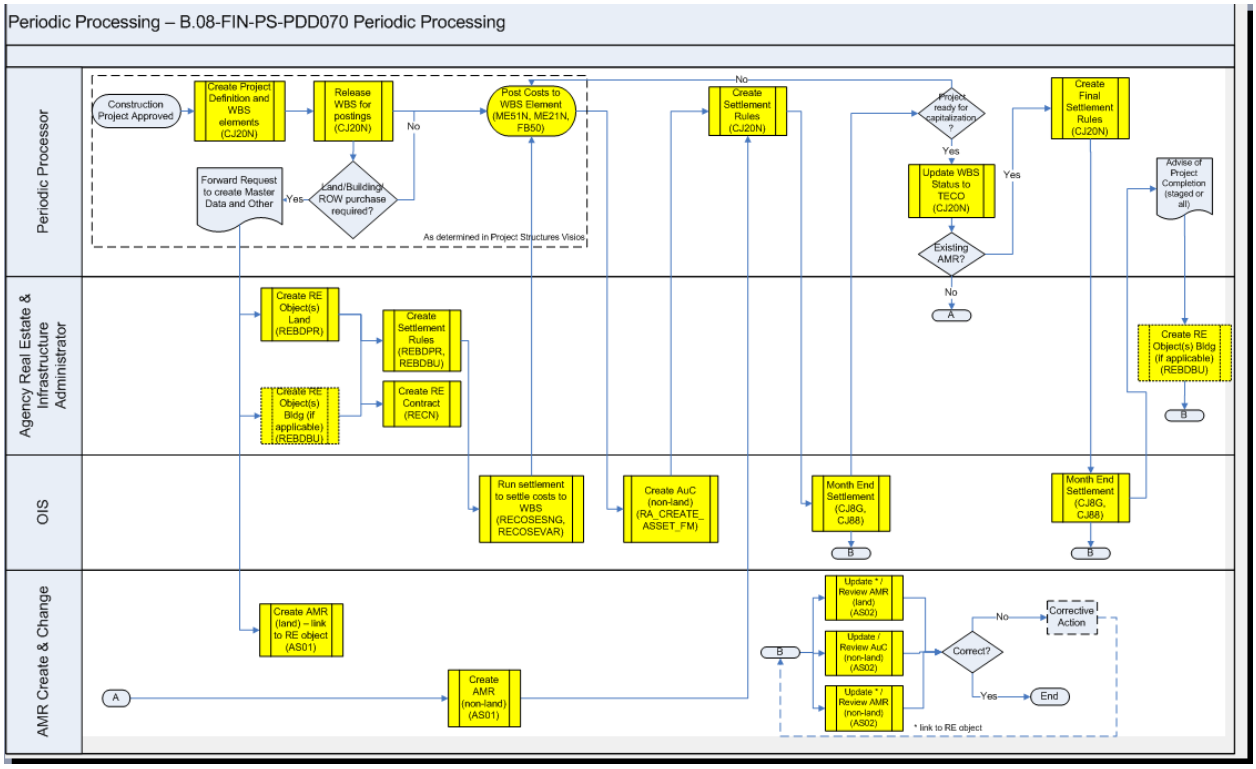
Process Terminology

#	Process Terminology	Description
1	Asset Class	Main criterion for classifying fixed assets according to legal and management requirements.
2	Asset Master Record	Record set up in the Assert Accounting module to track expenditure and depreciation of fixed assets in the asset register.

#	Process Terminology	Description
3	Asset Under Construction (AuC)	Special Asset Master Record to collect capital expenditures where the fixed asset is not capitalized and depreciated right away. The AuC records expenditure in the balance sheet but will not be created as a depreciable fixed asset until the asset is put into service.
4	Cost Center	A cost center is a unit distinguished by an area of responsibility or location. Cost centers collect the ongoing expenses and revenues for operations, projects, or products. Expenses and revenues are assigned to cost centers via the distribution cycle, supply, and settlement accounts payable and receivable.
5	Final Depreciating Asset (FDA)	Type of asset to which construction in progress (represented by AuC) is transferred upon completion to begin the depreciation cycle.
6	Milestone	Events of particular relevance to a project used to mark the transition between various phases or departments.
7	Network	An object in PS that contains instructions and data on how to execute or carry out a task in a certain way, in a specific order and within a specific time frame.
8	Project Definition	Framework or design for a project or goal that will be achieved through many resources. It contains basic organizational data that is valid for the entire project.
9	Project System	Module that allows the user to plan, execute and account for a project.
10	Settlement	Periodic process of reallocating costs from a WBS element to an appropriate receiver such as a Fixed Asset or an AuC
11	Settlement Profile	Central control parameter to which settlement characteristics are identified.
12	Settlement Rule	Settlement rules must be defined for each object that needs to be settled. The settlement rule contains the receiver, the apportionment rule, and other settlement parameters. Profile settings can be changed in the settlement rule parameters for an object
13.	Status	Project status determines which business transactions can be performed against the project (such as planning, budgeting, execution, etc.) The sequence of statuses can be sequential or parallel.
14.	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.

To-Be Process Flows

Below is the process flow representing the settlement of project costs and the integration points with the AA module. This process flow builds off of the roles and processes identified in the Project Structures PDD: FIN-PS0010 Project Structures-DOTD, FPC, and OCPR. (Note the dotted line box.)



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Acquisition process for assets acquired through projects	DOTD will no longer use the Wooster method.	This will require staff training to update and maintain settlement rules and the settlement process.
2	DOTD Projects will use multi-level settlement.	Settlement will occur from the 3rd level WBS to the 2nd level WBS to the appropriate object.	Training will be required on update settlement rules to the appropriate object.
3	FPC State projects will settle from WBS to asset	Settlement will occur from the 3rd level to the appropriate object	Training will be required on update settlement rules to the appropriate object.
4	FPC Non-State projects will be expensed to a cost center.	Update of settlement rules to the cost center.	Training will be required on update settlement rules to the cost center.
5	OCPR projects will be expensed to a cost center in most cases.	Update of settlement rules to the cost center.	Training will be required on update settlement rules to the cost center.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Policy Statement(s) on Depreciation of Infrastructure Assets	New Policy for DOTD Assets	OSRAP

This is a preliminary list and each Department or Agency will need to review its own internal policies, procedures, desk-references, etc. to bring them in line with the changes created by the implementation of SAP.

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Conversion of AuC and settlement rules	DOTD does not currently capitalize assets by individual projects		SAP		The strategy to convert AuC and create settlement rules will need to be detailed during Realization.	

For other project related conversions, refer to FIN-PS-PDD010.

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified.				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Periodic Processor	Role will be responsible for creating the AuC, creating settlement rules and overseeing the settlement process		
2.	Real Estate and Infrastructure Administrator	This role will be responsible for creating the real estate objects and maintaining the settlement rules from the real estate object to the appropriate WBS element		
3.	AMR Create and Change	This role will be responsible for updating the Asset Master Record		
4.	OIS	This role will be		

		responsible for running the batch job for periodic settlement		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	SAP will be the system of record for capital assets and their valuation for the State of Louisiana organizational entities participating in the LaGov Project.	Single source for all Capital Asset records. Multiple SAP modules will contain data currently stored in a single system	Training to understand where existing data will be stored in SAP, how SAP will be used to maintain and report on data. Training on the concept of SAP asset classes and their purpose. Training on the concept of multiple modules used to store data most applicable to that module (e.g. Asset Accounting, Plant Maintenance, Real Estate, General Ledger, etc.)
2.	Automate the settlement of costs to cost centers, if the project is expensed, or Asset Under Construction (AuC), if the construction is in progress, or FDA if the construction project is complete, so that the data can be accurately reported on in the financial statements	This is a key integration point between Project Systems and the Assets module. This is a significant organizational impact as the State does not currently track individual infrastructure assets	Because this process is not currently used today, new roles will need to be created for this in the To-Be.
3.	DOTD currently uses the Wooster method to capitalize infrastructure assets.	Settlement in the To-Be will be done by project rather than by summary level for the overall department.	Training on the manual and periodic settlement process and the maintenance of settlement rules.
4.	Project status management to monitor and control project expenses.	Statuses in SAP will restrict which transactions can occur against the WBS element at a specific time.	End users with the appropriate role will need to maintain and update the project statuses.
5.	The purchase of land related to projects will be integrated through the Real Estate module.	This is a process change from the current process of purchasing land.	Training will be required on the process of purchasing land using a Real Estate Object and a Real Estate Contract in the Real Estate module, and then settling the costs to the appropriate WBS for ROW if the project is a DOTD project, and the WBS for Land if the project is an FPC project.

Training Impact

The following training impacts related to Project Periodic Processing have been identified:

- Extensive training will be required on the project settlement and the project close-out procedure, triggers for providing documentation to related parties for creation/update of master records and settlement rules/processing.
- Extensive training will be required for asset creation and update (sub-numbering by funding source, at AuC and FDA).
- Project managers (or equivalent) will be responsible for updating project statuses, managing which actions can be performed against the project at any given time.
- Training for end users on PS terminology as well as AA terminology.
- Concept of settlement as this is not currently done today.
- Training for end users on reporting functionality for settlements and AuC.
- Significant training for agency Periodic Processors to routinely review financial documentation (Settlement rules, AuC and asset master records).
- Guidance from OSRAP on capitalization requirements.

Appendix

Not applicable.

7. Asset Accounting

Team:	Finance - Asset Accounting
PDD Name:	Organizational Structure
PDD Number:	FIN-AA-PDD010-AA Organizational Structure
Business Process Owner:	Afranie Adomako
Functional Lead:	Rhoama Speights
Functional Consultant:	Christine Wieczorek

Executive Summary

In order to effectively manage the fixed asset database, the Asset Accounting module requires an organizational structure which reflects the requirements of and integrates with the organizational structure of the enterprise. Each asset master record must be assigned to the appropriate asset accounting organizational structure.

This document describes the organizational structure for the SAP Asset Accounting module for the State of Louisiana organizational entities participating in the LaGov Project. This document will address the Organizational Structures used in the Asset Accounting (FI-AA) module including: Chart of Depreciation, Depreciation Areas (including depreciation calculation and posting rules), Asset Class structure and linkage to the General Ledger Accounts in the SAP General Ledger (FI-GL) module and other account assignments, Screen Layouts and the Asset Master Recording numbering scheme. Posting definitions such as transaction types and document types will also be addressed, as will integration points within SAP.

The Asset Accounting module will capture the capital asset general and financial details, as required for financial reporting purposes, for Moveable Property, Real Property and Infrastructure assets,

The State has a very limited number of Capital Leases - SAP handling of these will be finalized during realization.

Items that do not meet Capital Asset criteria but require tracking will be managed via Notification Records, and for maintenance purposes, Equipment Master Records in the Plant Maintenance Module. Additionally, for tracking and physical inventory purposes, Notification Records will also be created and cross referenced for each corresponding capital asset (i.e. Asset Master Record).

To-Be Process Description

The SAP Asset Accounting (FI-AA) module provides for management of assets and their values, including special functions for assets under construction and leased assets. It provides for traditional asset accounting functions that encompass the entire lifetime of an asset, from time of acquisition (e.g. purchase order or initial acquisition via construction) through to retirement, and provides robust asset accounting reporting.

In its capacity of being a subsidiary ledger to the General Ledger it contains the detailed information on asset master records and their transactions.

As part of an integrated solution, the transaction postings for capital assets also update other financial modules such as: General Ledger (GL), Controlling (CO), Funds Management (FM) and Grants

Management (GM). Additionally, updates to Asset Master Records (AMR) general and valuation data are also initiated from other modules such as Material Management (MM) and Project Systems (PS). Integration functionality transfers data directly to and from other ECC components thereby eliminating the need to maintain data in multiple disparate systems and reconcile between these systems. The alignment of all integration areas to assets also requires configuration in the respective modules.

Financial reporting for capital assets, in the public sector, requires that, depending on the type of funding source, assets be reported using either modified or full accrual basis:

- Full Accrual Basis: Requires that economic events are recognized regardless of when cash transactions occur. Capital assets, which depreciate over their financial useful life, have their acquisition values and accumulated depreciation reported on the balance sheet. The operating statements record the depreciation expense, which represents the use of the asset.
- Modified Accrual Basis: Requires that revenue is recognized when it becomes available and measurable. Generally, expenditures are recognized in the period in which the liability is incurred. Accordingly, capital assets are reported as capital expenditures when incurred, thus there is no depreciation reported.

For consistency in posting transactions and ease of use by end users, SAP best practice is to have all capital assets recorded using both accounting methods via SAP Depreciation Area functionality. This means that asset classes are not duplicated based on funding source, thus, when creating an asset master record, users are not required to make selection choices of asset class based on type of funding such as governmental vs. proprietary asset class. Reporting the appropriate asset valuation method is addressed via the choice of general ledger accounts and funding detail in financial statement versions.

In order to effectively manage the fixed asset database, the Asset Accounting module requires an organizational structure which reflects the requirements of and integrates with the organizational structure of the enterprise. Each asset master record must be assigned to the appropriate asset accounting organizational structure.

The Asset Accounting module will capture the capital asset general and financial details for Moveable Property, Real Property and Infrastructure assets.

The State has a very limited number of Capital Leases - SAP handling of these will be finalized during realization.

Items that do not meet Capital Asset criteria but require tracking will be managed via Notification Records and for maintenance purposes, Equipment Master Records in the Plant Maintenance Module. Additionally, for tracking and physical inventory purposes, Notification Records will also be created and cross referenced for each corresponding capital asset (i.e. Asset Master Record).

#	Process Terminology	Description
1	Asset Class	Main criterion for classifying fixed assets according to legal, financial and management requirements.
2	Asset Master Record (AMR)	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.
3	Main Asset Number	Unique number, in combination with company code and asset sub-number, that identifies a fixed asset
4	Sub Asset Number	Asset record for an individual part of an asset, or subsequent acquisitions, can be represented by a Sub-number to a main asset number. Sub numbers are also used for multiple funding sources for an asset.
5	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
6	Asset under Construction (AuC)	An asset that you produce or manufacture yourself which must be

#	Process Terminology	Description
		managed as a separate asset master record, generally without depreciation, during the construction phase.
7	Low Value Asset (LVA) / Controlled Assets	Items that do not meet the capital asset criteria and are recorded for tracking purposes. These will be tracked in Plant Maintenance via Notification Records.
8	Capital Lease	A lease that meets one or more financial criteria as defined by FASB. This type of lease 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.
9	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. These are not relevant to Capital Assets.
10	Depreciation	The reduction of the asset book value because of decline in economic usefulness or because of legal requirements for taxes.
11	Depreciation Area	A structure which contains and maintains the valuation of a fixed asset for a particular purpose (for example, legal financial statements, balance sheets for tax purposes, or management accounting values). It can be thought of as an asset ledger or asset book. For public sector accounting, it typically reflects asset values two areas: modified accrual and full accrual purposes.
12	Screen Layout	Settings that specify 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'.
13	Account Assignment or Account Determination	Settings which defines which general ledger accounts to post to from a business transaction. These are the general ledger accounts that are used by the system for transactions that have automated general ledger postings (e.g. depreciation) or that are proposed by the system for transactions which allow an end user to override the proposed account (e.g. post capitalization).
14	Chart of Depreciation (COD)	Defines the set of 'rules' used to manage legal and business requirements for the depreciation and valuation of assets of a company. The Chart of Depreciation consists of 3 major parts: rules for Valuation, Depreciation and Special Valuation
15	Transaction Type	Each asset accounting transaction posting requires a Transaction Types to be assigned in order for posting to: – be classified by the type of business transaction (acquire, retire with revenue, retire without revenue, transfer, etc.) – define AMR and posting parameters (e.g. update capitalization or deactivation date, column for value reporting, default document type, etc.) – identify the grouping of the transaction value for some asset accounting reports. The transfer posting is a 'one-step' posting which updates the retirement from the sending asset and addition to the receiving asset – accordingly two transaction types are required. Transfer variants define the method for valuation of the receiving asset and the transaction types (retirement and acquisition) that are used for the transfer posting.
16	Transfer Variant	The transfer posting is a 'one-step' posting which updates the retirement from the sending asset and addition to the receiving asset – accordingly two transaction types are required. Transfer variants define the method for valuation of the receiving asset and the transaction types (retirement and acquisition) that are used for the transfer posting.
17	APC	Acronym for Acquisition & Production Costs for assets. This refers to the acquisition values for the asset.

SAP Organizational Structure Elements

In order to create a consistent and homogenized structure, the following discusses the asset accounting structures to be used for the Asset Accounting module of the LaGov Project.

Chart of Depreciation

The Chart of Depreciation (COD) defines the set of 'rules' used to manage legal and business requirements for depreciation and valuation of assets of a company. It consists of 3 major parts:

- Asset Valuation Rules:
  - provide ability for multiple parallel asset valuation calculations required for internal and external purposes (e.g. Full Accrual, Modified Accrual, Cost Depreciation, etc.) via 'Depreciation Areas'
- Depreciation Rules:
  - define the depreciation calculation parameters including depreciation types/methods, averaging conventions, period controls, salvage value handling, etc.
- Special valuation:
  - allow for asset value calculation for specialized purposes, such as capital leases, country specific or special tax requirements, etc.

Generally, Charts of Depreciation are defined to be country-specific and independent of other organizational units. SAP provides a sample Chart of Depreciation for each country, which can be copied and tailored to the specific requirements of an organization.

Design Point:

For State of Louisiana's entities participating in the LaGov Project, there will be:

- *One Chart of Depreciation which will be copied from the SAP standard of '1US: Sample chart of depreciation – USA' and named 'STLA: State of LA Chart of Depreciation' and linked to Company Code: 0010 which uses the Chart of Accounts: STLA.*
- *There is no requirement to have a unique fiscal year definition for Asset Accounting (i.e. depreciation periods and G/L posting periods are identical); hence, the system default of the fiscal year version from FI-GL of Company Code: 0010 will be used.*

Depreciation Areas

Within a Chart of Depreciation, it may be necessary to manage asset master records with multiple valuation rules for different legal, financial and operational purposes (e.g. legal, tax, cost accounting, etc.). This is done using 'Depreciation Areas (DA)' which define the rules used to record and calculate different values (e.g. depreciation and financial posting), in parallel, for an asset master record. SAP supplies multiple sample depreciation areas which can be used, deactivated or copied to a new depreciation area. Non-relevant depreciation areas can be deactivated.

There must be at least one depreciation area that posts financial values to the general ledger. Additional depreciation areas can also be posted to unique accounts in the general ledger or simply calculated for financial reporting purposes.

As per best business practice for Public Sector, two Depreciation Areas (DA) are required to facilitate posting and reporting of capital assets for Public Sector requirements (e.g. GASB-34):

- Modified Accrual Accounting which is used by governmental funds for fund-level reporting - every capital asset in this depreciation area is expensed in the month of acquisition.
- Full Accrual Accounting required by GASB-34 which is used by governmental funds for entity-wide reporting and by proprietary funds for both fund-level and entity-wide reporting – this depreciation area is used to capitalize the assets over their useful lives.

Each asset master record is assigned the applicable depreciation areas necessary for multiple parallel valuations of depreciation terms and values.

Note: All relevant depreciation areas should be identified and defined prior to system implementation. However, if future business needs change, it is possible to add Depreciation Areas. Implementing such a requirement has significant configuration, organizational and financial impacts and must be carefully planned and tested. This type of exercise must not be attempted without expert guidance.

Design Point:

Two required depreciation areas will be defined following SAP best business practice for public sector. Each depreciation area will be given a descriptive name identifying the purpose of each and will have rules tailored to the State of Louisiana's requirement:

- Modified Accrual recording and reporting will be done using Depreciation Area 01 (i.e. standard SAP delivered depreciation areas 01):
  - The description will be renamed to 'Modified Accrual Accounting':
  - All capital and low value assets within Depreciation Area 01 will be reported as being expensed (i.e. will be fully expensed in the month of acquisition itself).
- Full Accrual recording and reporting will be done using Depreciation Area 20 (copy of Depreciation Area 01 and modified for full accrual reporting rules):
  - The description will be renamed to 'GASB - Full Accrual Accounting':
  - All capital assets within Depreciation Area 20 will be reported in the balance sheet according to capitalization and depreciation rules as per GASB 34 regulations

It should be noted that for simplicity and consistency purposes, all capital asset master records will be recorded and valued using both modified and accrual basis, even though enterprise funds do not require the modified accrual accounting. This will eliminate the need to create multiple asset classes for fund purposes (e.g. governmental fund vs. enterprise fund assets), facilitate transfer of assets between different types of fund, allow for flexible reporting for different funds using different accounting bases and reduce difficult to correct posting errors.

SAP supplied depreciation areas that are not used will be deactivated. It is possible to delete these areas, however, there is no impact to simply deactivating these areas – the deactivated areas will not impact processing as they will not be available on an asset master record nor will they be available for reporting.

Additionally, the asset master record values and depreciation terms for a depreciation area can be defined independently or transferred. The following identifies the settings for these purposes:

- Acquisition Costs – for both areas (i.e. DA 01 and DA 20) must be identical. Hence the values posted to DA01 will be transferred (i.e. value provided) to DA20 and indicator set to disallow changing of values independently within a depreciation area.
- Depreciation Terms – are unique to each depreciation area. Hence, there will be no transfer of depreciation terms from DA 01 to DA 20.

Two additional depreciation areas were discussed, however, it was determined that these are not required for the reasons noted below:

- Federal cost reporting per centers for Medicare and Medicaid Services (CMS) for Hospital/Medical units is not utilized by any of the LaGov Project entities
- Insurance valuation is based on updates using Marshall-Swift appraisals and valuations.

Asset Class

Asset Class is the most important element for structuring asset master record. It provides the main criteria for grouping assets according to financial and operational requirements. A thoughtfully designed asset class structure will provide consistency for informational and financial reporting and reduces user

input and update errors. Generally, Asset Classes should be by categorized by asset types only, not by type of fund (governmental vs. enterprise) to keep the design of asset classes in line with the SAP standard definition of assets. This also enhances the ability to utilize SAP functionality for asset classes.

Asset Classes are used to:

- Define the rule for identifying the G/L accounts to be used for financial postings (i.e. G/L accounts such as: acquisition, accumulated depreciation, depreciation expense and gain/loss updated when a transaction is posted to the asset sub-ledger.). 'Account determination' or 'account assignment' rules are used to define the accounts that are either pre-determined (automatically completed by system, no user input available) or suggested (user can edit).
- Provide a method of classifying similar types of assets for recording, reporting and analysis purposes (e.g. sort / select criteria on reports).
- Define the data elements to be recorded for an asset master record and the characteristics associated with the data element (e.g. mandatory, optional, display only, suppressed). This is often referred to as the 'screen layout' rules.
- Define default values for data elements that are either pre-determined (automatically completed by system, no user input) or suggested (user can edit), for example, often depreciation parameters applied to assets are defaulted.
- Define the asset numbering range to be used for the asset main and sub numbers.

Additionally, the asset class record also stores other class related rules such as Asset under Construction settlement management, asset archiving restrictions, real estate integration indicator, base unit of measure, etc.

If an asset class is no longer valid, it is possible to lock the asset class which disallows any further acquisitions to it.

Design Point:

- Asset Classes will generally follow the existing OSRAP categorizations with additional asset classes defined for more flexibility in reporting ease (e.g. insurance reporting) and as placeholders for GASB 51 – Intangible Asset definition which is still under investigation.). A description of the asset class will be included in the 'notes' section - however, this detail is available only in the Asset Class change or display mode. Asset Class listing is in Appendix A.
- The Account Determination for each class will generally follow the existing base of acquisition and depreciation account distinctions with additional general ledgers for future reporting ease. See detail below for more detail regarding Account Determination.
- Screen Layout Rules for :
    - General data will have 'individual' screen layouts that are based on a template for similar types of assets (e.g. all transportation related classes will have an identical screen layout).
    - Depreciation areas will have 2 screen layouts, one of which will be relevant to only Capital Lease asset classes.
- Quantities and Units of Measure will not be used on asset master records, as each asset must be identified independently. The exception may be legacy Right of Way (ROW) assets – this will be dependent on how the data for the legacy asset is defined by DOTD – this will be finalized during the early stages of realization.
- Number ranges will be based on a two prefix identifier number for the main number. Both main and sub-numbers will be system assigned (see section on Number Ranges for more detail).
- Settlement status of asset classes will be as follows:

- All non-AuC asset classes will be 'No AuC or summary management of AuC' as they are not relevant to AuC settlement processing.
- All AuC asset classes will be identified as 'Investment Measures' as their asset master records will be defined during the project processing (in Project System module). This will enable automatic asset master record creation for Assets under Construction and will also provide controls which disallow manual creation of assets and disallow acquisition postings from non project system (i.e. can only post to AuC via settlements in PS). (Note: final asset master records will need to be manually created).
- In order to use the automatic creation of an asset under construction, additional work is required via Project Systems (i.e. the asset classes must be entered in each investment profile. These asset classes provide the system with all the master data needed for creating the asset under construction. Special considerations for these asset classes include:
  - Cannot be created using the normal asset master data transaction of the FI-AA component
  - Cannot be posted with acquisition and production costs directly in Asset Accounting.

- It can be helpful to use several asset classes for investment measures, rather than just one asset class for all investment measures. The asset class can then pass on specific values to the asset under construction for special depreciation terms or investment support. It is also useful when you have more than one balance sheet account for assets under construction. You can also specify in the investment profile whether it is permitted to manually enter other asset classes (instead of the default class) when creating an investment measure.
- Real property and movable property asset classes will have the real estate indicator turned on.
- The inventory indicator will be turned on, and set to display only mode, so that all capital assets are included in SAP standard physical inventory reports.
- The active History Status indicator will be turned on, and set to display only mode, for all assets so that:
  - The asset and the values/transactions belonging to it cannot be archived until the asset is deactivated
  - SAP standard asset master record detail report (S_ALR_87012075 - Asset History) is available for the asset.
- At this time, there is no identified requirement to 'lock' asset classes. This functionality remains available should business requirements change resulting in asset classes that need to be deactivated.

Screen Layouts

SAP supplies many fields for an asset master record which are arranged in logical format on multiple tabs. The organization and characteristics of these fields can be tailored by asset class via screen layout rules. There are two types of screen layout rules: one for the asset master record general data and the other for the depreciation area data.

- The screen layout rule defines the specification of the field characteristics (e.g. required entry, optional entry, display only after initial input, suppressed). Additionally, it is possible to define the maintenance level of each field:
  - Where does the value default from (i.e. asset class / main number / sub-number)
  - Can the default value be edited?
- The location of the data fields can be edited to another 'tab' on the asset master record. This latter feature is not recommended as the fields are already logically grouped and changes from the standard may be confusing to users who refer to SAP released documentation.

- Copy reference details can be defined to indicate which data fields can be copied from a source to target asset (i.e. when using the Create AMR functionality by using an existing asset record as a reference). This feature should be used with caution:
    - Not all fields should automatically be set to copy to a target asset as some fields may not be relevant
    - Fields that are defaulted by the system tend to be accepted by the user without appropriate review and update.

A screen layout rule can be used by one or more asset classes. However, only one screen layout rule can be assigned to an asset class for each of general data and depreciation areas.

It is strongly recommended that each screen layout rule assigned to an asset class should not be changed after an asset master record has been created for that asset class. In limited circumstances (e.g. change in business requirements) details within a screen layout rule can be changed. However, change impacts must be investigated and tested thoroughly. For example: if a field is changed from optional to mandatory, each time the asset master record is accessed, the system will require that the field be completed. If a field characteristic is changed to suppressed after values have been entered, generally, the values already entered will continue to display (to suppress these fields, you first have to define them as being changeable, and then delete their contents).

Important: It should be noted that the screen layout data fields are defined within field groups (i.e. one field group can contain one or more data elements). The field group characteristics manage the data characteristics of all the data elements within the group (i.e. if a field group contains 3 data elements, you cannot suppress one element, make one element optional and the other mandatory).

Design Point:

For the asset general data:

- A unique screen layout rule will be defined for each asset class. However, the screen layout rules will be designed using a 'template' concept (i.e. all similar asset classes will have screen layouts that are identical, such as all transportation asset classes will have the same look and feel even though each asset class will have its own screen layout rule) with the following template types:
    - Real Property
    - Infrastructure
    - Moveable Property
    - Vehicle/Transportation
    - Capital Lease.

  This will provide a screen display that is tailored to the type of asset while providing flexibility for future changes. This option is initially more time consuming to set up, review (however, use of analytical extracts can reduce the review time) and test. Future changes will need review to ensure that all the relevant screen layouts area updated appropriately. These are minor restrictions as initial deployment can be managed and future changes should happen infrequently (if at all).

- For depreciation area data, the data elements tend to be similar for all asset classes. However, for future flexibility two screen layout rules will be defined based on type of asset class and assigned to the applicable asset classes:
    - Capital asset (non-capital lease)
    - Capital lease.

The field details for the screen layouts are discussed in PDD: FIN-AA-PDD020-AMR Create and Change.

Asset Numbering Scheme

The asset master record number is composed of two parts: a 12 character main number and 4 character sub-number. The sub-number is linked directly to the asset main number and thus is applicable to the same asset class as the main number. Each asset master record is recorded and depreciated independently.

Number ranges identify the numbering scheme applicable to the Asset Master Record main number of an asset class. Numbering schemes provide for numbers to be sequentially assigned by the system (e.g. internal number) or input by the end-user (external):

- Main numbers can be defined by system or user.
- The sub-number can also be defined by the system or the users with the following restrictions:
    - If system defined (internal), it is always numeric and initial AMR always 0000, and subsequent sub-numbers for asset increment by 1
    - If user defined (external), it can be alpha-numeric and does not need to be sequentially numbered.
    - Real Property (i.e. buildings and land) – one AMR main number per RE object with sub-numbers for multiple funding sources, subsequent funding, major improvements, additional valuations, etc.
    - Infrastructure – one AMR per Control Section or Bridge for converted data. Future data will have one main number per project per Control Section or Bridge per FY with sub-numbers for multiple funding sources.
    - Moveable property – one AMR main number with sub-numbers for multiple funding sources.
    - Generally, where multiple funding sources, the main number will not be valued, the sub-numbers will contain the values (master data to be refined during realization)

An Asset Class can:

- Have an independent numbering range
- Can share a numbering range with one or more Asset Classes.

Design Point:

All main and sub-numbers will be internally assigned and use the full character spacing. This will generate sequentially assigned asset main numbers within the number range assigned to the asset class. Sub-numbers of an asset main number will always begin with ‘0000’ and will increment by one for that main number.

Number ranges (see details for the following section in Appendix A) will be based on a two prefix identifier number to help visually identify the type of asset::

- Main Number: NZXXXXXXXXXX
    - N = identifies the general category of asset class (e.g. real property, equipment, transportation, asset under construction, capital lease, etc.)
    - Z = more specific categorization (e.g. for Real Property: Land, Buildings, Leasehold Improvements, etc.)
    - X = sequentially assigned number within the range
- Sub-number: XXXX
    - X = sequentially assigned number for each main asset record number, starting with 0000.

Account Determination (Linkage to General Ledger Accounts)

Account Determination provides the linkage of asset classes to the General Ledger accounts used for asset transaction financial postings.

Account determinations or account assignments rules identify all the relevant GL accounts used in asset postings for automatic selection (no user intervention) or proposed accounts (user can edit). Each depreciation area within an account determination has independent general ledger account posting definition (e.g. the acquisition general ledger account for Modified Accrual and Full Accrual depreciation areas must be different to prevent duplicate postings.).

The rules define the general ledger accounts, by depreciation area, such as postings of

- Asset Acquisition *
- Accumulated Depreciation *
- Depreciation Expense
- Asset Gain on Sale
- Asset Loss
- Offsetting Accounts for Asset Corrections (e.g. found assets, donations, etc.).

An asset class can have only one account determination rule assigned to it. However, an account determination key can be assigned to one or more asset classes.

It is important to note that after a financial posting or a capitalization date has been input for an asset master record it is no longer possible to change the account determination rule attached to that asset class or to change the general ledger accounts assigned to certain types of postings such as asset acquisition and accumulated depreciation.

Design Point:

Account Determination rules will be unique for each asset class; however, some G/L accounts will be used by multiple Account Determination Rules.

Generally, GL accounts will be developed for each asset class for each Depreciation Area (DA):

- Asset Acquisition *
- Accumulated Depreciation *
- Depreciation Expense

*Note: * refers to Balance Sheet accounts*

Generally, one set of GL accounts will be developed for each DA and shared by all asset classes:

- Asset Gain on Sale
- Asset Loss
- Offsetting Accounts for Asset Corrections (e.g. found assets, donations, etc.)

Account Assignment Elements

When Asset Accounting is used and integrated with General Ledger (FI-GL) or Controlling (CO), it is possible to post asset transactions to additional account assignments such as Business Area, Fund, Fund Center, Cost Center, Grant, Real Estate Object, WBS Element, Internal Order, etc. The CO module must include creation of statistical cost elements for balance sheet accounts in order to post assets to the applicable cost objects.

Design Point:

The following additional account assignment elements will be activated for update via the Asset Master Record - Business Area, Fund, Fund Center, Grant, Functional Area, Cost Center and Real Estate Object.

The settings for these objects will prevent the account assignment object from being changed on the asset master record after values have been posted to the asset (i.e. ensures that account assignment is only possible to those entered in the asset master record).

The following elements will have settings for balance sheet relevance: Business Area, Fund, Grant and Functional Area. If changes are required to these fields for an Asset Master Record, then the asset must be transferred using the transfer transaction.

These will be tested, and if necessary, refined during realization.

Asset Thresholds

Capital Asset thresholds identify the acquisition dollar value required for financial purposes (i.e. depreciation). Generally, the cost of a fixed asset includes items over and above the item purchase price (e.g. duties, trade discounts, rebates, costs related to bringing and installing the asset in its needed location, cost of dismantling and removing item if no longer needed. etc.). Capital asset values must be recorded on the balance sheet for financial statement purposes.

The best practice for capital asset identification and recording is to have a clear policy on asset definitions and thresholds, including items that are part of a capital asset valuation. Users should be trained on these policies. Periodic review of acquisition values should be undertaken to ensure that assets are in the correct asset class – where differences exist they should be researched and resolved (e.g. correct the record, additional training, etc.).

Design Point:

LaGov Project will continue to use existing asset value thresholds for capital assets (possible exception of Infrastructure assets which is awaiting OSRAP guidance) and these values will be the default useful life values.

Leasehold improvements, Other Machinery & Equipment, Law Enforcement Equipment and Capital Leases have varying useful life, dependent on the item. For these OSRAP will need to be consulted to determine the useful life. During realization, the default useful life for the asset class will be determined in consultation with OSRAP.

The details by asset class are in Appendix A.

Depreciation Calculation

There are a number of parameters that impact the depreciation calculation, such as averaging convention, type of depreciation (e.g. straight line, declining, etc.), base value used for depreciation, inclusion of scrap value in depreciation calculation, allowance for shutdown functionality to temporarily stop depreciation or for multiple shifts, interest calculation, etc.

Design Point:

The State depreciation calculation will continue to be based on:

- Straight line method
- Full year averaging convention (i.e. depreciation begins beginning of year regardless of when asst acquired). Note: the averaging convention is being reviewed by OSRAP and there may be a decision to change this during the realization phase.
- Useful life based on OSRAP guidelines
- No salvage value included in depreciation calculation
- No ‘special’ depreciation
- No multiple shift calculations.
- No delayed depreciation start based on ‘in service’ date
- No planned retirement dates required for simulation
- No depreciation simulation required.

To accommodate asset 'out of service' impacts due to natural disasters such as hurricanes, the shutdown functionality will be available to temporarily suspend depreciation.

Requirements for capital lease amortization and interest calculation will be determined during realization.

Depreciation keys will be designed to accommodate depreciation calculation base on:

- Rules defined above
- No depreciation (i.e. land, non-depreciable land improvements, assets under construction)
- Depreciation immediately in month of acquisition (as per best business practice for modified accrual areas)
- Capital leases depreciation key will be reviewed and determined during realization.

These depreciation keys should be sufficient, however, during realization it may be determined that a limited number of additional depreciation keys may be required.

Depreciation Posting Rules

The posting of depreciation includes parameters such as:

- Posting frequency (monthly, quarterly, annually, etc.)
- Procedure for distributing forecasted depreciation over the posting periods within a fiscal year. The results of the chosen method are most evident when there is a time difference between the date the asset value date and the next depreciation run (e.g. delay in posting an asset acquisition which results in the 'back dating' of the asset value date). The depreciation that falls due on a transaction is posted via:
    - Catch up is posted in one total
    - Smoothing is distributed equally over the periods from the current posting period to the year end.

Design Point:

Posting of depreciation shall be done monthly.

Adjustments for depreciation will be done using the 'catch up method'.

The current policy of the owning agency at the end of year takes full year's depreciation is to be continued. However, this is being reviewed by OSRAP and there may be a decision to change this during the realization phase.

Transaction Type (TType) and Transfer Variant

Each asset accounting transaction posting requires a Transaction Types to be assigned in order for the posting to:

- Be classified by the type of business transaction (acquire, retire with revenue, retire without revenue, transfer, etc.)
- Define AMR and posting parameters (e.g. update capitalization or deactivation date, column for value reporting, default document type, etc.)
- Identify the grouping of the transaction value for some asset accounting reports.

The transfer posting is a 'one-step' process which updates the retirement from the sending asset and the addition to the receiving asset – accordingly two transaction types are required. Rather than choosing two transaction types, a Transfer Variant is used. The Transfer Variant defines the method for valuation of the receiving asset and the transaction types (retirement and acquisition) that are used for the transfer posting.

Design Point:

For each transaction, only a limited number of transaction types will be used:

- Transaction types that are system assigned (e.g. depreciation posting, APC Value posting, etc) the SAP supplied TTypes will be used.
- Transaction types that are proposed or editable by end users, TTypes will be copied from SAP delivered and given 'Z' prefix (to be finalized during realization).
- Authorization will be used to limit posting to allow only State valid TTypes.

To eliminate the need of creating many TTypes for certain types of financial analysis (e.g. impairment from Hurricane Ike, impairment from Hurricane Gustav, etc.), the remarks field on the transaction and/or AMR data fields such as Evaluation Group detail for 'acquisition' and 'disposition' method will be used for analysis purposes.

The details of the transaction types and transfer variants will be more specifically defined during the realization phase.

Document Types

The document type, which is stored in the document header, classifies the accounting documents and contains document parameters such as:

- Attributes that control the entry of the document
- Document number range
- Valid account types (e.g. G/L account, assets, customers, vendors, material).

Design Point:

Generally, the SAP delivered document types will be used for asset accounting transactions (i.e. AA – asset posting, AF – depreciation posting, AB – accounting document).

APC Value Posting requires a unique document type. There is not an SAP standard document type for this type of posting. Therefore, a new document type will be created which will be prefaced with a 'Z'.

Integration Points

SAP Asset Accounting integrates with multiple modules in SAP (e.g. FI, CO, FM, GM, MM, PS, RE, etc.).

The SAP System integration functionality enables Asset Accounting (FI-AA):

- To transfer data directly to and from other SAP components (e.g. it is possible to post from the Materials Management component directly to FI-AA, depreciation and interest postings can be passed directly to the Financial Accounting and Controlling components, etc.). Values entered for fund and functional area fields are used to update Controlling, Financial Accounting and Funds Management for all asset transactions with financial values including acquisitions, transfers, AuC settlements, retirements, and depreciation. Sort versions that are used with existing asset reports can include the fund and functional area fields.
    - CO module must include creation of statistical cost elements for balance sheet accounts in order to post assets to the applicable cost objects.
- To have linkages to other SAP modules for update, validation and reporting purposes. For example, the Asset Master Record links with:
    - Real Estate module via the REKey
    - Plant Maintenance Module via the Equipment Master Record
    - Human Resources via the Personnel Number.
    - Plant Maintenance: Notification Record is cross referenced with the Asset Master Record number.

Design Point:

Asset Accounting postings will be integrated with FI, CO, FM and GM.

The Real Estate Key (REKey) will be used to identify the building in which moveable assets are located and for depreciation postings of real property assets (e.g. buildings).

There will be limited linkage with Equipment Master Records. Capital Assets maintained by the State (e.g. vehicles) will have Equipment Master Records in Plant Maintenance/Fleet module. During realization phase further exploration will be required to determine if a linkage to these types of Equipment Records is needed and if Equipment Master Records will be used for 'parent/child' relationships (e.g. truck has a 'cab' attachment). If there is a linkage requirement synchronization fields and rules will be defined – however, these will be limited to those delivered by SAP.

The PM Notification Record will be cross referenced with the Asset Master Record; however, the Notification Record data is neither available on the AMR nor on Matchcodes for the AMR.

- The process to maintain limited Asset Master Record field in parallel with those of the Notification Record (e.g. Inventory Number, Serial Number, Personnel Number, etc.) will be finalized during the realization phase.
- Capital Assets that are assigned to State personnel will be identified via the Personnel Number on the Asset Master Record. It is important to note that this linkage does not result in the Asset Master Record being displayed on the Employee Record. If HR personnel require a listing of assets assigned to employees, it will be necessary to run an asset accounting report. There will be no linkage of Personnel Number for Real Property or Infrastructure capital assets. Hence, this linkage will be disallowed for these types of asset classes. Authorizations will be used to disallow access to the employee master record detail while still allowing employee assignment.

Negative Assets

SAP provides the ability to define an asset class to allow assets with negative acquisition and production costs and positive depreciation. This functionality is provided for unique circumstances (e.g. to collect credit memos on special assets). In the United States, this is not a generally accepted accounting practice.

Design Point:

Any legacy assets that have negative net book values must be 'cleaned up' by the relevant agency, in conjunction with OSRAP, prior to conversion.

Negative assets shall be disallowed for all asset classes except AuC asset classes:

- AuC asset classes use a background process for transferring values from WBS element to AuC asset master record (i.e. settlement process). In rare instances, the WBS element may temporarily have a credit value that occurs at the time of settlement (i.e. credit note processed before invoice processed, adjustment made resulting in a negative value, etc.) which results in a negative asset value. Without the negative value indicator, the system will generate an error. In some instances, the error may stop the settlement process and thus delay subsequent processing and/or result in incorrect subsequent processing. The correction of this error may be time-consuming and ultimately require a configuration to enable the creation of a negative asset for a temporary period.
- As a control, asset values after settlements should be reviewed for negative assets. Any such assets should be researched and monitored to ensure that they are valid and the value is temporary. This is a low risk item as such scenarios happen infrequently (if ever) and assets under construction do not have depreciation.

Interfaces

Design Point

No interface requirements have been identified.

For ease of future Infrastructure asset reporting with AGILE ASSETS, the Asset Master Records data field for 'Supernumber' will be used to identify Control Section (linear assets) and Recall Number (Bridges) for commonality/report 'join' ability with the equivalent Control Section and Recall Number elements in AGILE Assets.

Process Improvement Opportunities:

- Single source of data for Capital Assets. Centralize and standardize the fixed asset organizational structure and repository of fixed asset data for State of Louisiana organizational entities participating in the LaGov Project.
- State Assets become part of accounting system – financial integration for recording and reporting. Accurate financial reporting on capital assets. Eliminate need for duplicate recording of data (e.g. financial). Reduce manual gathering of asset data for financial reporting (e.g. CAFR)
- Simplify the financially relevant fixed asset structure to take advantage of asset master record default ability for depreciation calculations and reporting criteria selection
- Capital Asset financial data becomes transaction based to ensure that general ledger and sub-ledger balance are updated appropriately. Provide a consistent approach to asset master record creation and update processes for financial transactions within the AA modules (such as transfers, retirements, depreciation postings, value adjustments, corrections and non-cash acquisitions) and integrated transactions such as asset acquisition via procurement <MM module>, direct purchase without PO <AP module> and 'construction' projects <PS module>.
- Reduce re-tagging of moveable assets upon transfer.
- Mass record changes allowed for updates, transfers, and retirements.
- Move the operational information (e.g. maintenance, warranty, usage) of the asset records in Protégé to the more operationally relevant module within SAP (i.e. as Equipment records, for Equipment and Fleet, in the Plant Maintenance module) with linkage, as appropriate, between the Asset and Equipment Master Records.

To-Be Process Flows

Not applicable

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Chart of Depreciation: • One Chart of Depreciation which will be copied from the SAP standard of '1US: Sample chart of depreciation – USA' and named STLA: State of LA Chart of Depreciation. • This will be linked to the Company Code: 0010 which uses the Chart of Accounts: STLA. • There is no requirement to have a unique fiscal year definition for Asset Accounting, hence the FI-AA module will use the same fiscal year variant assigned to Company Code: 0010.	No processing impact, this is a configuration item and Is transparent to the end user.	No Organizational impact, this is a configuration item and Is transparent to the end user.
2	Two depreciation areas will be defined following SAP best business practice for public sector: • Modified Accrual Depreciation Area: All capital and low value assets will be reported as being expensed (i.e.	All asset transactions will have two financial postings to the general ledger and the AMR. The AMR will update for both postings immediately. Financial postings to the general ledger	End users will need to training on the two methods of asset valuation, posting processes and AMR/ financial reporting impacts.

#	Decision	Process Impact	Organizational Impact
	will be fully expensed in the month of acquisition itself). • Full Accrual Depreciation Area: All capital assets will be reported in the balance sheet according to capitalization and depreciation rules as per GASB 34 regulations. For simplicity and consistency purposes, all capital asset master records will be recorded and valued using both modified and accrual basis, even though enterprise funds do not require the modified accrual accounting. This will eliminate need to create multiple asset classes for fund purposes (e.g. governmental fund vs. enterprise fund assets), facilitate transfer of assets between different types of fund, allow for flexible reporting for different funds using different accounting bases and reduce difficult to correct posting errors.	will be done in two steps: Modified Accrual will post immediately to the general ledger, while Full Accrual postings to the general ledger will occur during a separate scheduled posting job.	
3	Asset Classes will generally follow the existing OSRAP categorizations with additional asset classes defined for more flexibility in reporting ease (e.g. insurance reporting) and as placeholders for GASB 51 – Intangible Asset definition which is still under investigation.	Correct Asset Classes will need to be chosen by the end user when creating asset master records to ensure that financial postings and reporting of assets is correct	End users will need to be trained on the asset class definition, use of asset classes and their impact on valuation and AMR/ financial reporting impacts.
4	Account Determination for each class will follow the existing base of acquisition and depreciation account distinctions with some additional general ledger accounts for future reporting ease.	For most asset processing, the choice of general ledger accounts used for postings will be transparent to the end user, as the system will use the g/l based on the account determination rules (e.g. depreciation posting). For a limited number of transactions, such as those used for non-cash asset acquisition or posting correction (e.g. post capitalization, acquisition with offsetting entry), the system will propose an offsetting g/l account for the credit posting, However, users will need to review and, where necessary, overwrite the proposed account.	End users will need to be trained on the general ledger accounts for posting asset transactions so that general ledger account review (i.e. posting simulations and reporting) and overwrite options are used appropriately.
5	Additional account assignment elements will be activated for update via the Asset Master Record - Business Area, Fund, Fund Center, Grant, Functional Area, Cost Center and Real Estate Object. The following elements will have settings for balance sheet relevance: Business Area, Fund, Fund Center, Grant and Functional Area. If changes are required to these fields for an Asset Master Record, then the asset must be transferred using the transfer transaction.	No processing impact, this is a configuration item and Is transparent to the end user.	End users will need training on financial integration and update impacts for asset accounting transitions.
6	LaGov Project will continue to use existing asset value thresholds for capital assets	Via configuration, Asset Master Records will have the useful life	End users will need training on depreciation calculation and

#	Decision	Process Impact	Organizational Impact
	(possible exception of Infrastructure assets which is awaiting OSRAP guidance).and these values will be the default useful life values. Leasehold improvements, Other Machinery & Equipment, Law Enforcement Equipment and Capital Leases have varying useful life, dependent on the item.	for depreciation defaulted (based on OSRAP guidelines).	financial impacts of depreciation rules from asset master records and postings. This includes the limited number of asset classes that will require additional guidance from OSRAP to assign the correct useful life.
7	The State depreciation calculation will continue to be based on: • Straight line method • Full year averaging convention (i.e. depreciation begins beginning of year regardless of when asst acquired). • Useful life based on OSRAP guidelines • No salvage value included in depreciation calculation • No 'special' depreciation • No multiple shift calculations.	Generally transparent to users, as the majority of calculation rules will be defined in configuration. However, limited edits to useful life and depreciation shutdown will be an end-user action.	End users will need training on depreciation calculation and financial impacts of depreciation rules from asset master records and postings. This includes the handling of temporary asset depreciation shutdown due to impairment, as defined by OSRAP.
8	Posting of depreciation will be done monthly and adjustments to depreciation will use the 'catch up method'. The current policy of the owning agency at the end of year takes full year's depreciation is to be continued. However, this is being reviewed by OSRAP, and there may be a decision to change this during the realization phase.	Depreciation will be posted monthly for all assets. The depreciation posting will need to be reviewed each month.	Posting transactions will include monthly depreciation posting and review. Financial reporting will be available on a monthly basis.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	State of Louisiana: Title 34 & RS 39:200.C, RS 39:321-328, RS 39:330-332 (Moveable Property)	Title 34 section VII: requires significant revisions; governing statutes may also need revisions	Commissioner of DOA
2	State of Louisiana: RS 39:11-14; RS 41 (Real Property)		Commissioner of DOA
3	Title 23, United States Code, Section 4029c (Infrastructure)		DOTD
4	State of Louisiana: RS 39:122 (Infrastructure)		Commissioner of DOA, Secretary of DOTD
5	GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries		OSRAP
6	GASB Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments		OSRAP
7	GASB 51 Accounting and Financial Reporting for Intangible Assets		OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
1.	Master Data	Moveable Assets	Protégé	SAP – Asset Master Record	Existing legacy source data for Moveable Property Capital Assets. Volume too large to load manually.		*NOTE: Mid year conversion for DOTD will require additional effort for transactional data from beginning of fiscal year to time of mid year conversion. Details will need to be refined.*
2.	Master Data	Real Property Assets	SLABS	SAP – Asset Master Record	Existing legacy source data for Real Property Capital Assets. Volume too large to load manually.		There will need to be a joining of Real Property Assets from SLABS and valuation data from OSRAP's worksheets which contain the real property valuation and depreciation data. This will likely need to be a manual joining of the data on the data load sheet. *NOTE: Mid year conversion for DOTD will require additional effort for*

C - Conversions		Master List of Future State Data Conversions: <Supported Process>					
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
							transactional data from beginning of fiscal year to time of mid year conversion. Details will need to be refined.
3.	Master Data	Valuation and Depreciation of Real Property Data	Excel Sheets	SAP Asset Master Record	Existing legacy source data for Real Property Capital Assets. Volume too large to load manually.		There will need to be a joining of Real Property Assets from SLABS and valuation data from OSRAP's worksheets which contain the real property valuation and depreciation data. This will likely need to be a manual joining of the data on the data load sheet. *NOTE: Mid year conversion for DOTD will require additional effort for transactional data from beginning of fiscal year to time of mid year conversion. Details will need to be refined.*
4.	Master Data	Infrastructure (Road & Bridges) Assets	Excel Spreadsheet	SAP – Asset Master Record	Existing legacy source data for Real Property Capital Assets. Volume too large to load manually.		DOTD will create worksheet with asset general and valuation data based on revaluation and reorganization of asset records as part of the change from the Wooster depreciation method. *NOTE: Mid year conversion for DOTD will require additional effort for transactional data from beginning of fiscal year to time of mid year conversion. Details will need to be refined.*

C - Conversions		Master List of Future State Data Conversions: <Supported Process>					
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
							NOTE: Infrastructure for Road & Bridges and for Right of Way may be one conversion item – to be finalized.
5	Master Data	Infrastructure (Right of Way) Assets	Excel Spreadsheet	SAP – Asset Master Record	Existing legacy source data for Real Property Capital Assets. Volume too large to load manually.		DOTD will create worksheet with asset general and valuation data based on revaluation and reorganization of asset records as part of the change from the Wooster depreciation method. *NOTE: Mid year conversion for DOTD will require additional effort for transactional data from beginning of fiscal year to time of mid year conversion. Details will need to be refined.* *NOTE: Infrastructure for Road & Bridges and for Right of Way may be one conversion item – to be finalized.*
6.	Master Data	Equipment Master Records (EMR) linkage		SAP Asset Master Record			Linkage of AMR to EMR...requirements and quantity to be finalized during realization to be determined. *NOTE: Mid year conversion for DOTD will require additional effort for transactional data from beginning of fiscal year to time of mid year conversion. Details will need to be refined.*
7.	Master Data	Real Estate		SAP Asset	Linkage of		Linkage of AMR to

C - Conversions		Master List of Future State Data Conversions: <Supported Process>					
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
		Objects linkage		Master Record	Real Estate objects and Asset Master Records is required for reporting and financial update purposes. Volume is too great for manual input.		RE Object. The Real Estate Object will need to be created before the linkage is made. *NOTE: Mid year conversion for DOTD will require additional effort for transactional data from beginning of fiscal year to time of mid year conversion. Details will need to be refined.*
8	Configuration Tables	Supernumber (V_T087, Fields ANLUE and ANLUE_TXT): Values for Control Section and Recall Number (and possibly non-State location)	Worksheets from DOTD and LPAA	Asset Accounting IMG - Supernumber Table: (V_T087U, Fields ANLUE and ANLUE_TXT):	Volume (e.g. over 18000+ items)		
9	Configuration Tables	Evaluation Group (via V_T087U, Fields ORDNR, ORD4X and ORDTX; via V_T087G, Fields GDLGRP and GDLGRP_TXT): Values for Location and Asset Classification	Worksheets from LPAA	Asset Accounting IMG – Evaluation Group Tables: (via V_T087U, Fields ORDNR, ORD4X and ORDTX; via V_T087G, Fields GDLGRP and GDLGRP_TXT):	Only if volumes are sufficiently high that manual entry is not realistic.		*NOTE: To be confirmed during realization. Volumes currently are in low thousands, however, this is going to be reviewed and streamlined.*

Conversions: integration point conversions are defined in the respective modules:

- GL: Journal Entry to load GL Balances (including those for Asset Master Record valuation)
- MM: Linkage of AMR to MM (Open Purchase Orders, Goods Receipt but not Invoiced)
- PS: Linkage of AMR to PS (WBS Settlement Rules)
- PM: Linkage of AMR with PM (Notification Record).

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Support Team	IMG update		The existing OIS SAP support policies, procedures and change request process will be followed. Post go-live: no users should have configuration access, support standards to be determined, limited access to configuration display
2.	Support Team	IMG view		The existing OIS SAP support policies, procedures and change request process will be followed. Post go-live: no users should have configuration access, support standards to be determined, limited access to configuration display
3.	End Users	NO ACCESS to configuration.		All changes to Production, post go-live, must be follow change procedures and be coordinated with the team responsible for Production support.

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	SAP will be the system of record for capital assets and their valuation for the State of Louisiana organizational entities participating in the LaGov Project, replacing the records maintained Moveable Assets (Protégé),	Single source for all Capital Asset records. Multiple SAP	Training to understand where existing data will be stored in SAP, how SAP will be used to maintain and report on

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	Real Property Assets (SLABS and worksheets/spreadsheets used by OSRAP for calculating depreciation) and Infrastructure Assets (worksheets/spreadsheets used by DOTD and OSRAP for calculating valuation and depreciation). Data will be maintained in asset master records which are classified for financial and other reporting purposes via Asset Classes. Other integration modules will be used to maintain non-capital asset detail (e.g. Real Estate, Plant Maintenance/Fleet for non-capital assets and other recording such as maintenance tracking).	modules will contain data currently stored in a single system (e.g. Protégé records will be stored in AA for Capital Assets, PM for non-capital assets and PM for fleet / maintenance detail; SLABS records will be stored in AA and RE modules)	data. Training on the concept of SAP asset classes and their purpose. Training on the concept of multiple modules used to store data most applicable to that module (e.g. Asset Accounting, Plant Maintenance, Real Estate, General Ledger, etc.)
2.	Each capital asset will be recorded in the SAP Asset Accounting during the entire asset financial life cycle (e.g. acquisition, depreciation, transfers, sale/disposal) and will be integrated with other SAP modules for master record and financial updates. Two parallel depreciation areas will facilitate simultaneous accounting on Modified and GASB-34/Full Accrual basis, which would have significant benefits for OSRAP reporting.	Transactional updates with SAP capital assets will be integrated and thus financial records will be in balance for the Capital Asset database and Financial records (e.g. G/L). Asset Accounting system will accommodate both Modified and Full Accrual reporting requirements. Financial updates to the general ledger will be based on account determination rules that are either automatically applied or proposed for user update.	Training requirements for the concept of Asset Accounting integration and financial / master data updates. Training requirements for the concept of dual deprecation areas and the financial / master data updates. Training requirements for financial postings and use of general ledger accounts for financial updates. OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation)
3.	Asset numbering will be based on Asset Class rules and Public Sector best business practice (e.g. sub-numbers for funding sources)	Existing asset records have multiple numbering schemes (based on source system) which have 'smart numbering'.	End users will need to become familiar with a new system generated numbering scheme for capital assets (and different numbering schemes for corresponding integration point records such as those in Real Estate and Plant Maintenance).
4	Depreciation will automatically be calculated for each capital asset master record based on the rules assigned via the asset master record and transaction postings. The asset master record will contain the	Depreciation calculation was processed, on an annual basis. and	End users will need training on depreciation calculation and financial impacts of depreciation rules from asset

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	planned values and will be updated with posted values when depreciation is posted, on a monthly basis, to the financial records (e.g. G/L).	then manually updated in general ledger (e.g. processed within Protégé ,calculated manually for SLABS and Infrastructure records)	master records and postings. This includes the limited number of asset classes that will require additional guidance from OSRAP to assign the correct useful life.
5	Transactional updates will include transaction types and document types which will have master record and financial update impacts.	Existing systems did not use transaction types of document types.	Users will nee d training on purpose of transaction types and document types including their master record and financial update impacts.
6	Using the Asset Accounting module, users with the appropriate security access, will be able to view the general and financial details of an asset master record and report on their fixed assets using standard delivered reports.	Although end users could view legacy assets, the financial reporting capabilities were very limited (where they existed).	Users will need training on capital asset master records and financial processing and reporting. This includes where multiple integration points will be applicable for additional information.
7	For location and physical inventory purposes, Notification Records (PM) will be maintained, in parallel, for Asset Master Records (AA). A limited number of fields on the AMR will need to be maintained with parallel data on the Notification Record (e.g. Inventory Number, Serial Number, etc.). The fields and process to maintain the parallel data will be finalized during realization.	Single record, in Protégé, currently exists to capture financial and operational data about a capital asset.	Users will need training on the financial and operational data storage locations for a capital asset. Training will also be required on fields that must be maintained in parallel and how to identify an asset master record (based on notification record detail).

Note: *The asset organization structure is defined during configuration. There are limited times when users may require additional updates post go-live. However, these will need to be managed via the Production Change Control process.*

Training Impact

The creation, maintenance and valuation of asset records will have significant changes from the existing practices and potentially have a significantly larger end user base for various business processes associated with asset master records. The following key areas regarding design of the asset structure and organizational elements will need to be addressed during training:

- Terminology change for use of SAP terms
- Concept of asset class structure and classifications (e.g. Capital – owned, Capital Lease, Assets under Construction, Intangible Assets).
  - Separating infrastructure asset classes into bridges and highways impacts DOTD invoices, projects, coding, finance sources, funding type, bidding process, and contracts and some changes to chart of accounts.
- New capital asset numbering scheme
  - Asset Numbering differs from legacy record numbers
  - Use of sub-number asset records for multiple funding sources of a capital asset
- Concept of each asset master record recording valuation for two depreciation areas

- Concept and financial implications of simultaneous and parallel accounting methods using multiple depreciation for each asset master record (i.e. DA 01: Modified Accrual Accounting and DA 20 GASB - Full Accrual Accounting)
- New asset depreciation calculation processes

- Integration:
  - Creation of AMR and financial value update from integrated processes (e.g. procurement via PO, Projects – including sourcing from RE Contract, non-cash acquisitions such as donations)
    - Acquisition of land, buildings, or infrastructure would go through a PS project to accumulate associated costs. Only DOTD, FP&C, and a small sub-set of DNR will have access to the PS module
    - Acquisition of moveable property will most frequently be via PO (MM module)
  - Integration with financials – many transactions will have automated postings (e.g. depreciation).
    - Transaction postings update GL, Cost objects (e.g. cost element, cost center, RE object), Fund/Grant values
  - Validation with HR – personnel number
  - Automated posting GL (e.g. depreciation run)
  - Integration between an AMR and the PM Notification Record will be maintained for each Capital Asset – including fields that must be maintain in parallel on both records. Training will be needed on how to identify/locate an AMR, in the Asset Accounting module, from the Notification Record detail.
    - Integration with multiple modules in one system (e.g. PS, MM, RE, etc.) – may need to use information from more than module for data analysis
- Capital Asset information would reside in multiple modules of SAP
  - Financial data for capital assets would reside in AA
  - Inventory, location, and tracking data would reside:
    - PM for moveable property
    - RE for buildings and land (including ROW)
    - Agile Assets for infrastructure
- New processes to create/update asset master records and valuations
- Asset Master Record and Financial Updates will change:
  - Asset changes will now have financial impact.
  - AMR creation at beginning of process: e.g. time of Purchase Order rather than goods receipt, when Project is started
  - Some transactions will require more steps than legacy transactions.
  - Transaction posting will require understanding of Transaction Types (transfers use transfer variant) and their financial and AMR impacts TTypes and Transfer Variants
  - Use of document types to identify type of transactions and provide posting controls
- Data monitoring via report required to ensure proper data entry. Recommendation that this be done frequently after initial implementation when data entry problems are most likely.
- Security Considerations:
  - Property Managers will not be tied to individual assets in AA
  - Security would determine who can edit which assets
  - History transaction reports will show who edited which pieces of information
  - SAP match code options cannot be filtered by user security or business area.
  - Non-financial data remains editable on deactivated asset records – Can be managed by reporting (e.g. change history audit).
- Personnel change for who creates and maintains asset master records.

- Management of fixed asset master records – including creation, field update, blocking and review of general and asset values.
- OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation)

Appendix A – Asset Class Listing

Numbering	Capital Asset – Real Property / Infrastructure	Threshold	Life (yrs)
110000000000	Land/Non-Depreciable Land Improvements (includes R.O.W)	N/A	N/A
120000000000	Depreciable Land Improvements	$100,000	20
210000000000	Buildings & Improvements	$100,000	40
220000000000	Leasehold Improvements	$100,000	Varies
310000000000	Highways	*$3,000,000*	40
320000000000	Bridges	*$3,000,000*	40
Numbering	Capital Asset – Assets under Construction	Threshold	Life (yrs)
410000000000	AuC - Capitalized Buildings	if meets Capital Asset criteria	N/A
420000000000	AuC - Infrastructure	if meets Capital Asset criteria	N/A
430000000000	AuC – Equipment (placeholder, if needed)	if meets Capital Asset criteria	N/A
440000000000	AuC – Software	if meets Capital Asset criteria	N/A
Numbering	Capital Asset – Capital Lease	Threshold	Life (yrs)
510000000000	Land	N/A	Varies *
520000000000	Buildings	N/A	Varies *
530000000000	Equipment	N/A	Varies *
Numbering	Capital Asset – INTANGIBLE ASSETS (utilize moveable property screen layout) - State handling still being reviewed by OSRAP	Threshold	Life (yrs)
600000000000	Easements	TBD	TBD
600000000000	Water Rights	TBD	TBD
600000000000	Timber Rights	TBD	TBD
600000000000	Patents	TBD	TBD
600000000000	Trademarks	TBD	TBD
600000000000	Software	TBD	TBD
600000000000	Mineral Rights	TBD	TBD

Numbering	Capital Asset – Moveable Property ** indicates OSRAP to provide user guidance*	Threshold	Life (yrs)
710000000000	Software (Purchased or Licensed)	$1,000,000	3
710000000000	Software (Internally Developed)	$1,000,000	3
710000000000	Computers and Peripheral Equipment	$5,000	5
710000000000	Voting Machines	$5,000	10
720000000000	Radio/TV Broadcasting Equipment	$5,000	6
720000000000	Telephone Station Equipment	$5,000	10

Numbering	Capital Asset – Moveable Property ** indicates OSRAP to provide user guidance*	Threshold	Life (yrs)
720000000000	Telephone Central Office Equipment	$5,000	18
720000000000	Recreation Assets (entertainment svcs for a fee)	$5,000	10
730000000000	Office Furniture and Fixtures	$5,000	10
730000000000	Office Machinery and Equipment	$5,000	6
730000000000	Printing and Publishing Equipment	$5,000	10
730000000000	Construction Equipment	$5,000	6
730000000000	Agricultural Assets	$5,000	10
730000000000	Other Machinery & Equipment (generators, shop equip. etc)	$5,000	Varies *
730000000000	Mobile Structures	$5,000	10
740000000000	Medical Equipment	$5,000	5
740000000000	Assets Used In Research/Experimentation	$5,000	10
750000000000	Law Enforcement Equipment	$5,000	Varies *
760000000000	Hogs (breeding)	$5,000	4
760000000000	Sheep & Goats (breeding)	$5,000	5
760000000000	Dairy Cattle (breeding)	$5,000	7
760000000000	Horses (breeding)	$5,000	10
760000000000	Horses (non breeding or work)	$5,000	12
760000000000	Animals, Other	$5,000	7
810000000000	Automobiles	$5,000	5
810000000000	Other Vehicles (Motorcycles, ATVs)	$5,000	5
810000000000	High Mileage Automobiles	$5,000	3
810000000000	Trucks (light general purpose)	$5,000	5
810000000000	Trucks (heavy general purpose)	$5,000	6
810000000000	Buses	$5,000	9
810000000000	Tractor Units (over the road)	$5,000	5
810000000000	Trailers & Mounted Containers	$5,000	6
820000000000	Marine & Watercraft over 26’	$5,000	18
820000000000	Marine & Watercraft 26’ & under	$5,000	18
830000000000	Airplanes	$5,000	6

Team:	Finance - Asset Accounting
PDD Name:	AMR Create and Change
PDD Number:	FIN-AA-PDD020-AMR Create and Change
Business Process Owner:	Afranie Adomako
Functional Lead:	Rhoama Speights
Functional Consultant:	Christine Wieczorek

Executive Summary

The asset accounting module uses an Asset Master Record to contain general and financial data about capital assets for the following:

- Moveable Assets
- Real Property
- Infrastructure – including Rights of Way (ROW)
- Intangible Assets (GASB 51) recording and reporting requirements are still under review by OSRAP.

The State has a very limited number of Capital Leases - SAP handling of these will be finalized during realization.

Items that do not meet Capital Asset criteria but require tracking will be managed via Notification Records, and for maintenance purposes, via Equipment Master Records in the Plant Maintenance Module. Additionally, for tracking and physical inventory purposes, Notification Records will be created and cross referenced for each corresponding capital asset (i.e. Asset Master Record).

This document describes the design of the SAP asset accounting master data records for the entities participating in the LaGov project. Detail covered includes asset data fields to be tracked and responsibility for creation and maintenance of asset master general and asset values.

To-Be Process Description

The asset accounting module uses an Asset Master Record to contain general and financial data about capital assets for the following:

- Moveable Assets
- Real Property
- Infrastructure – including Rights of Way (ROW)
- Intangible Assets (GASB 51) recording and reporting requirements are still under review by OSRAP.

The State has a very limited number of Capital Leases - SAP handling of these will be finalized during realization (this has been documented as an action item).

Items that do not meet Capital Asset criteria but require tracking will be managed via Notification Records, and for maintenance purposes, via Equipment Master Records in the Plant Maintenance Module. Additionally, for tracking and physical inventory purposes, Notification Records will be created and cross referenced for each corresponding capital asset (i.e. Asset Master Record).

This document describes the design of the SAP asset accounting master data records for the entities participating in the LaGov project. Detail covered includes asset data fields to be tracked and responsibility for creation and maintenance of asset master general and asset values.

The fields on the Asset Master Record are controlled by the rules defined within the Screen Layout assigned to the Asset Class. See PDD: FIN-AA-PDD010-AA Organizational Structure. This establishes which data fields are available and the characteristics of the field (e.g. mandatory, optional, display only, suppressed).

- These details are identified in this document and may be refined during realization.
- Post go-live, changes to Asset Master Record fields will be managed via Change Control procedures with appropriate impact analysis, testing and acceptance. Extra caution must be exercised for fields that have financial impacts – in some cases the changes will not be possible.

Capital Asset Master Records are defined prior to any transactional processing for the assets – generally, at the start of the acquisition process.

Capital Assets can be acquired via multiple paths:

- Purchase
- Construction
- Donation
- Seizure or legal settlement
- 'Found' (i.e. during physical inventory and item not updated to asset database at time of acquisition – this should be applicable to moveable capital assets only)
- Capital Lease.

In most cases there will be multiple costs and transaction postings for the acquisition value of an asset, including those that are donated or obtained via seizure or legal settlement. Generally, the value of a capital asset includes the cost of procuring the asset as well as ancillary costs such as installation, freight for goods, professional fees for surveying, legal, appraisal, and other costs as defined by OSRAP. As part of the transactional updates, in addition to the asset valuation updates, there may be system generated updates to the general data of the asset master record. In some instances, there will be a requirement for manual update to the asset master record.

The responsibility for creation and update of capital asset master records will be dependent on the type of asset. Generally, asset master records will require multiple update and review of general asset data during the financial life cycle of the asset and financial update via integrated or asset transaction processing.

- Movable Assets:
  - Property Managers will be responsible for the creation, update of general data and integrity of financial values for Capital Asset Master records including:
    - Asset shells will be created during the procurement process, and assigned to the Purchase Order during the approval for capital assets. See PDD: LOG-PUR-PDD005 PO Processing, via MM.
    - At the time of GR – the system will update the asset values for the asset master record based on the PO unit value. As part of GR, the Property managers or designates will be responsible for the update of additional details such as serial number, employee assignment, etc.
    - If there are other general master data during the financial life cycle, generally, the Property Manager will be responsible for appropriate updates. There will be limited updates by agency financial personnel responsible for assets or OSRAP.
    - Changes that have a financial impact (e.g. transfers to another 'cost center' or funding changes) will require a transfer transaction to be processed or non-cash acquisitions such as donations or asset posting corrections will be processed by the financial team of

transferring agency based on property manager direction. See PDD: FIN-AA-PDD040-AA Transfers via AA.
    - Retirements will be required for reasons such as: destruction, loss or sending to LPAA for surplus sales. In these situations, the asset will be retired without revenue by the financial team of transferring agency based on property manager direction. See PDD: FIN-AA-PDD050-AA Retirements.

- Real Property:
  - Initially, while FP&C is responsible for managing the acquisition and construction of real property, the designated project administrator will be responsible for the creation, update of general data and integrity of financial values for Capital Asset Master records including:
    - Asset shells for Asset under Construction (AuC) created (i.e. system generated) as part of the project system process and asset master records for final settlement in project system processing. See PS PDD: FIN-PS-PDD070-Capital Projects Periodic Processing.
    - After final settlement and handing over responsibility for the asset to the agency who will 'own' the asset, FP&C will relinquish asset master responsibility. At that time, the 'owning' agency will become responsible for the general ledger and valuation integrity of the asset master data for their assets.
    - If there are other general master data during the financial life cycle, then the Real Estate Property Manager will be responsible for appropriate updates.
    - Changes that have a financial impact (e.g. transfers to another 'cost center' or funding changes will require a transfer transaction to be processed, donations, corrections) will be processed by the OSRAP, financial team of transferring agency based on property manager direction. See PDD: FIN-AA-PDD040-AA Transfers.
    - Retirements may occur as a result of sale or destruction. The applicable retirement with or without revenue will be processed by the agency financial team of transferring agency based on Real Estate Property Manager direction. See PDD: FIN-AA-PDD050-AA Retirements.

- Infrastructure:
  - Initially, while the Infrastructure Project Systems team is responsible for managing the acquisition and construction of real property, the designated project administrator will be responsible for the creation, update of general data and integrity of financial values for Capital Asset Master records including:
    - Asset shells for Asset under Construction (AuC) created (i.e. system generated) as part of the project system process and asset master records for final settlement in project system processing. See PS PDD: FIN-PS-PDD070-Capital Projects Periodic Processing.
    - After final settlement and handing over responsibility for the asset to the agency (e.g. DOTD) who will 'own' the asset, the project team will relinquish asset master responsibility. At that time, the 'owning' agency will become responsible for the general ledger and valuation integrity of the asset master data for their assets.
    - If there are other general master data during the financial life cycle, then the agency facilities manager will be responsible for appropriate updates.
    - Changes that have a financial impact (e.g. transfers to another 'cost center' or funding changes will require a transfer transaction to be processed, donations, retirements by sale or disposal - noncash) will be processed by the agency financial team of transferring agency based on DOTD management direction. See PDD: FIN-AA-PDD040-AA Transfers.
    - Retirements will be either due to destruction, sale of non-economic right of way (i.e. infrastructure does not get sold), or 'exchanged with or donated' to a non-state governmental entity such as a parish. The applicable retirement without revenue will be

processed by the financial team of transferring agency based on DOTD management direction. See PDD: FIN-AA-PDD050-AA Retirements.

- Centralized financial processing for specialized asset transactions (e.g. depreciation postings, month and year end processing, depreciation area 20: Full Accrual transaction updates for general ledger) will generally be coordinated by OSRAP as instructions to technical personnel for job scheduling or, if necessary, by OSRAP's direct processing. OSRAP will also be responsible for review of errors, handover to the applicable agency with the error and ensuring correction if completed. See PDD: FIN-AA-PDD070-AA Periodic Processing.
- Sensitive transactions such as Unplanned Depreciation (i.e. Impairment) and transfers for real property asset classes will also be processed by OSRAP. Unplanned Depreciation (i.e. Impairment) for movable property must be confirmed by OSRAP prior to processing by the financial team of the agency responsible for the asset. Similarly, infrastructure impairment must be confirmed by OSRAP prior to processing by the financial team of the agency responsible for the asset – this is currently relevant mostly to DOTD, however, it will be applicable to all agencies with infrastructure. See PDD: FIN-AA-PDD090-Valuation Adjustment.

The asset accounting module also integrates with ECC and other SAP components for financial and linkage purposes. Accordingly, the integration functionality may result in transfer of data directly to and from other ECC components thereby eliminating the need to maintain data in multiple disparate systems and reconcile between these systems. Some examples of integration points are noted below.

- When an asset is purchased or constructed, the system enables the assigned AMR to be updated with the values at the time of Goods Receipt and Invoice Receipt (via Material Management –MM or Supply Relationship Management -SRM); RE Contract closing (via settlement from the Real Estate object - RE) or settlement of values to Construction AMR (AuC) or final AMR (via Project System - PS).
- Correspondingly, posting of transactions from the AA module such as depreciation will update the Financial Accounting (FI) and Controlling modules (CO).
- Additionally, funds management (FM) and grant management (GM) are integrated with the asset master record – the alignment of these areas to assets also requires configuration in the respective modules.
- In the instances where the AA: Asset Master Record is linked to the PM: Equipment Master Record, SAP provides a limited number of fields within these records to be synchronized to eliminate duplicate or non-identical data entry.

#	Process Terminology	Description
1	Asset Class	Main criterion for classifying fixed assets according to legal, financial and management requirements.
2	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.
3	Main Asset Number	Unique number, in combination with company code and asset sub number, that identifies a fixed asset
4	Sub Asset Number	Asset record for an individual part of an asset, or subsequent acquisitions, can be represented by a sub-number to a main asset number. For public sector, sub-numbers are used for each funding source of an asset.
5	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
6	Asset under Construction (AuC)	An asset that you produce or manufacture yourself which must be

#	Process Terminology	Description
		managed as a separate asset master record, generally without depreciation, during the construction phase.
7	Low Value Asset (LVA) / Controlled Assets	Items that do not meet the capital asset criteria and are recorded for tracking purposes. These will be tracked in Plant Maintenance via Notification Records.
8	Capital Lease	A lease that meets one or more financial criteria as defined by FASB. This type of lease 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.
9	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. These are not relevant to Capital Assets.
10	Depreciation	Reduction of the asset book value because of decline in economic usefulness or because of legal requirements for taxes.
11	Depreciation Area	A structure that contains and maintains the valuation of a fixed asset for a particular purpose (for example, legal financial statements, balance sheets for tax purposes, or management accounting values). It can be thought of as an asset ledger or asset book. For public sector accounting, it typically reflects asset values two areas: modified accrual and full accrual purposes.
12	Screen Layout	Settings that specify 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'.
13	Account Assignment or Account Determination	Settings which defines which general ledger accounts to post to from a business transaction. These are the general ledger accounts that are used by the system for transactions that have automated general ledger postings (e.g. depreciation) or that are proposed by the system for transactions which allow an end user to override the proposed account (e.g. post capitalization).
14	Amortization	Writing off of loans or intangible assets in equated annual/monthly installments over a scheduled period.
15	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 an expense.
16	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.
17	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.
18	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.
19	Transfer	A transfer is a partial or complete movement of an asset from a physical,

#	Process Terminology	Description
		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
20	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.
21	Physical Inventory	Methodical review and recording of the quantities and amounts relating to the asset portfolio.
22	Data Conversion:	The transfer of data from one/many existing system(s) into a new computer system. For assets, this transfer process uses existing or 'new' data elements to be 'copied' into the new system, for example general information (e.g. master records) and values (e.g. financial balances and/or transactions).
23	Data Takeover (DTO)	Another term for Data Conversion.
24	Data Mapping	Process of matching data elements between the legacy and new system. This includes identifying where 'exact' matches in terms of field length and characteristic do not exist and determining how to manage the data to fit the new system (e.g. data transformation).
25	Data Transformation	Legacy system(s) may have different characteristics for a data element that must be standardized and transformed into the new system format (e.g. update of data for loading or using cross reference data-mapping rules).
26	Project System	Module that allows the user to plan, execute and account for a project.
27	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.
28	Settlement	Full or partial allocation of costs from one object to another (e.g. from WBS to AuC, from AuC to final AMR).
29.	Intangible Assets:	GASB *"Statement No. 51 identifies an intangible asset as having the following three required characteristics:* *• It lacks physical substance—in other words, you cannot touch it, except in cases where the intangible is carried on a tangible item (for example, software on a DVD).* *• It is nonfinancial in nature—that is, it has value, but is not in a monetary form like cash or securities, nor is it a claim or right to assets in a monetary form like receivables, nor a prepayment for goods or services.* *• Its initial useful life extends beyond a single reporting period.* *Examples of intangible assets in the governmental arena include easements (which are the right to use land for a specific purpose, such as building a highway), land use rights (such as the right to use a water source or to remove minerals or other resources from land), computer software, patents, and trademarks."*

Screen Layout – Asset Fields

Asset Master Record is the method by which detailed and general and financial information is stored for each capital asset. General and depreciation type of data can be configured by field group (i.e. one or more fields predefined by SAP to be in a grouping) to determine which fields are maintained and their characteristics (e.g. mandatory, optional, displayed or no input allowed/suppressed). Fields for asset valuation (i.e. Asset Value tab) are delivered by SAP and cannot be configured.

Field detail is arranged in logical groupings in 'Tabs' and there are multiple tabs for data recording.

- General

- Time Dependent
- Allocations
- Origin
- Net Worth Tax
- Insurance
- Leasing
- Depreciation Area
- Asset Values (Planned & Posted).

Design Point:

The design of the screen layouts:

- For Real Property and Infrastructure assets the data fields used will be the minimal required to identify the asset and maintain financial data.
- Since Moveable Property assets require scanning and validation for both capital assets and low value controlled assets, the location and custodianship of all Moveable Property assets will be tracked in the Plant Maintenance module. Accordingly, for Moveable Property capital assets there will be slightly more detail on the AMR than for other asset groupings, which will be maintained in parallel with the corresponding Notification Record in Plant Maintenance. The Notification Record will be used to track limited inventory identification, location and custodianship of all movable property assets. The parallel data fields that will be maintained in both records for capital movable property, and the process to maintain them will be finalized during realization (an action item has been logged for this). See, also, Plant Maintenance, PDD: LOG-PM-PDD001, Maintenance Process.
- Maintenance type data will be tracked in the PM master records for Equipment/Fleet.
- No custom field requirements have been identified.

Capital asset master records are of the following major groupings:

- Moveable Assets
- Real Property
- Infrastructure – including Rights of Way (ROW)
- Assets under Construction.
- Intangible Assets (GASB 51) recording and reporting requirements are still under review by OSRAP
- Capital Leases.

Each asset class shall have its own screen layout, however, these will be based on templates for each major grouping of assets as noted above and these may be identical for more than one grouping.

The following fields, by tab, will be configured for use on the Asset Master Record:

- General Tab
  - Description Line 1
  - Description Line 2
  - Asset Main No. Text (default from Description Line 1, display only)
  - Acct determination (default from Asset Class, display only))
  - Inventory Number (not Real Estate, Moveable Property based on PM Notification Record inventory number)
  - Last Inventory On (not Real Estate or Infrastructure, Moveable Property to be determined during realization)
  - Inventory Note (not Real Estate or Infrastructure, Moveable Property to be determined during realization)

- o Serial Number (not Real Estate or Infrastructure)
- o Manage historically (Y - defaults from Asset Class, display only)
- o Include Asset In Inventory (Y – defaults from Asset Class, display only)
- o Capitalized On (display only, edited by transaction posting). Includes defaults for:
  - First acquisition on
  - Acquisition year
- o Deactivation on (display only; edited by transaction posting)

- Time-Dependent Tab:
  - o Business Area
  - o Cost Center
  - o Fund
  - o Fund Center
  - o Grant
  - o Functional Area
  - o Responsible Cost Center (not Real Estate or Infrastructure)
  - o Real Estate Key (not Infrastructure)
  - o Room (not Real Estate or Infrastructure, to be determined for Moveable Property)
  - o Personnel Number (not Real Estate or Infrastructure, to be determined for Moveable Property)
  - o License plate number (vehicles & Capital Leases equipment Only, , to be determined for Moveable Property)
  - o Asset Shutdown
- Allocations Tab:
  - o Evaluation Groups (see below for more detail)
  - o Investment Reason
  - o Linkage to Equipment Master Record (not Real Estate or Infrastructure)
- Origin Tab:
  - o Vendor (defaults from PO)
  - o Manufacturer (not Real Estate or Infrastructure)
  - o Asset Purch. New
  - o Type Name (not Real Estate or Infrastructure)
  - o Purchased used
  - o Original Asset (legacy asset for data conversion & auto filled for receiving asset)
  - o WBS Element (Real Estate & Infrastructure Only)
- Net Worth Tax – not used
- Insurance Tab (Moveable Assets only):
  - o Type
  - o Supplementary Text
  - o Start Date
  - o Manual Insurance Value
- Leasing Tab (Capital Lease only):
  - o To be refined during realization (this has been logged as an action item).
- Depreciation Area (for two depreciation areas – Modified and Full Accrual):
  - o Depreciation Key
  - o Useful life
  - o Ordinary depreciation start date

- Operating readiness
- Interest Calculation (Capital Leases only)

Asset Fields – Table Values

Some asset data fields are defined via table values. For integration points (such as Business Area, Cost Center, Fund, Fund Center, Grant, Functional Area, Real Estate Key, Personnel Number) the values are defined in other modules and available for selection on the Asset Master Record. For non-integrated fields, the tables are defined in Asset Accounting configuration. These values can be added to after go-live via the Production Change Request process.

Design Point:

- *'Investment Reason' (i.e. reason for acquisition) – mandatory - may need refinement for PO creation:*
  - *Agency Manufactured / Constructed*
  - *Birth (livestock)*
  - *Buy-back Acquisition*
  - *Donation*
  - *Federal Surplus*
  - *Lease*
  - *Legacy Data (DOTD)*
  - *Legal Settlement*
  - *Loan*
  - *LPFA/3rd party financing*
  - *Original Purchase*
  - *Seizure*
  - *State Surplus*
- *Values for 'Evaluation Group' - 'Disposition Method':*
  - *Initial*
  - *Abandoned to non-state*
  - *Agency Manufactured / Constructed*
  - *Agency Transfer (users will go back to original asset for original acquisition method)*
  - *Available for Transfer*
  - *Buy-Back Retire*
  - *Deceased (livestock)*
  - *Demolished*
  - *Dismantled for Parts*
  - *Impairment*
  - *Inventory Adjustment (use note field for details)*
  - *No longer in use*
  - *Scrap*
  - *Sold (not Moveable Property)*
  - *Stolen*
  - *Surplus – Destroyed*
  - *Surplus (Movable Property) – as is, where is*
  - *Surplus (Movable Property) – delivered to whse.*
  - *Surplus (Movable Property) – pick up*
  - *Trade In*
  - *Unlocated 3rd year discrepancy*
  - *Unlocated FY 20XX (where XX is the financial year – about 5 years to be setup)*

- *Values for Evaluation Group - 'Asset Classification' (not Infrastructure or Buildings):*
  - *Values to be refined during realization (i.e. map to commodity codes)*
  - *Land to include Land and Right of Way (ROW)*
- *Values for Evaluation Group - 'Reimbursement' (not applicable to Real Property or Infrastructure):*
  - *Yes, see long notes*
  - *No*
- *Values for Evaluation Group - 'Location':*
  - *To be confirmed during realization*
- *Values for Asset Super Number:*
  - *Moveable Property - Non-State Location*
  - *Infrastructure incl. ROW - Control Section / Bridge*

Asset Numbering Scheme

The asset master record number is composed of two parts: a 12 character main number and 4 character sub-number. The sub-number is linked directly to the asset main number and thus is applicable to the same asset class as the main number. Each asset master record is recorded and depreciated independently.

Number ranges identify the numbering scheme applicable to the Asset Master Record main number of an asset class. Numbering schemes provide for numbers to be sequentially assigned by the system (e.g. internal number) or input by the end-user (external):

- Main numbers can be defined by system or user.
- The sub-number can also be defined by the system or the users with the following restrictions:
  - If system defined (internal), it is always numeric and initial AMR always 0000, and subsequent sub-numbers for asset increment by 1
  - If user defined (external), it can be alpha-numeric and does not need to be sequentially numbered.
  - Real Property (i.e. buildings and land) – one AMR main number per RE object with sub-numbers for multiple funding sources, subsequent funding, major improvements, additional valuations, etc.
  - Infrastructure – one AMR per Control Section or Bridge for converted data. Future data will have one main number per project per Control Section or Bridge per FY with sub-numbers for multiple funding sources.
  - Moveable property – one AMR main number with sub-numbers for multiple funding sources.
  - Generally where there are multiple funding sources, the main number will not be valued, the sub-numbers will contain the values (master data to be refined during realization)

An Asset Class can:

- Have an independent numbering range
- Can share a numbering range with one or more Asset Classes.

Design Point:

All main and sub-numbers will be internally assigned and use the full character spacing. This will generate sequentially assigned asset main numbers within the number range assigned to the asset class. Sub-numbers of an asset main number will always begin with '0000' and will increment by one for that main number.

Number ranges (see details for the following section in Appendix A) will be based on a two prefix identifier number to help visually identify the type of asset:

- Main Number: NZXXXXXXXXXX
  - N = identifies the general category of asset class (e.g. real property, equipment, transportation, asset under construction, capital lease, etc.)
  - Z = more specific categorization (e.g. for Real Property: Land, Buildings, Leasehold Improvements, etc.)
  - X = sequentially assigned number within the range
- Sub-number: XXXX
  - X = sequentially assigned number for each main asset record number, starting with 0000.

Asset Field – Other Considerations

Some fields will have special considerations for the data that will be stored and maintained.

Design Point:

- It has been determined that a Notification Record in PM will be created for each Capital Asset (i.e. for tracking purposes and to enable utilization of a common barcode scanning solution for all track-able items). Accordingly, some of the location and custodian type fields will need to be revisited during realization and probably removed from the Asset Master Record and maintained in the Notification Record (PM). Additionally, some data fields such as Inventory and Serial Number may need to be maintained in parallel. The fields that will be maintained in parallel on Notification Record and AMR and the process to maintain these fields will be finalized during realization (action item logged for this).
- Personnel number (HR): must be maintained for movable assets that are assigned to State employees and must be returned if that person changes job responsibilities that do not require possession of that asset or if they leave State employment. Additional tracking for personnel number is at the discretion of the agency Property Manager. There will be no linkage of Personnel number for Real Property or Infrastructure capital assets or capital leased assets (hence, this linkage will be disallowed for these type of asset classes). It must be noted that there is no linkage to display the asset master record on the HR Personnel Master Record (Infotype for 'Items on Loan'). This data will be maintained on the PM Notification Record corresponding to the AMR, and during realization it will be determined if it must also be maintained in AMR.
- Equipment Master Record (PM): will be maintained on an 'as needed only' basis for moveable capital owned or capital leased assets. Synchronization of capital asset and equipment master record will be only for the SAP delivered synchronized fields (i.e. no additional development will be done for synchronization). There will be no linkage to Equipment records for Real Property or Infrastructure capital assets or capital leased assets (hence, this linkage will be disallowed for these type of asset classes.)
- Real Estate Key will be used for posting of depreciation for Real Property assets (i.e. Buildings) and for tracking purposes only for Moveable Property assets.
- There is no funding reimbursement tracking applicable to Real Property or Infrastructure assets.
- Super number will be used for:
  - Infrastructure asset classes, including land that is acquired for right of way, to identify Control Sections and Bridges for linear assets. This field will provide the reportable linkage between AA and Agile. The table data will be provided from DOTD and maintained by DOTD, likely in the AGILE ASSET system. Additions or changes to the master data will need to be communicated to the infrastructure capital assets

personnel and production support team for assets and updated according to Production Change Request processes.
  - Moveable asset classes to identify non-state assigned locations.

- Original asset will be used to identify the legacy asset for data conversion reconciliation identification/analysis and legacy system cross reference. After go-live this field will be used in transfer transaction (including settlements) by the receiving asset master record to automatically identify the sending asset master record.
- Insurance fields for Insurance Type, Start Date and Manual Valuation will be made available for ORM's use as desired. Dates and valuation will be manually maintained (i.e. no indexing or other system calculation).
- Use of the shutdown indication will require OSRAP guidance and approval.
- Depreciation Area fields will be maintained only for Depreciation Area, Depreciation Key, Useful Life (Yr and Pd) and Depreciation Start Date. The system will calculate Expired Useful Life (Yr and Pd). OSRAP has identified that salvage value is not applicable for depreciation calculations. Hence, these fields will not be maintained.

The following asset class definitions will be refined during realization: Capital Leases and Intangible assets (GASB51). The latter requirements cannot be defined until OSRAP provides guidance on how the State will handle these types of assets.

Asset Master Record Creation and Maintenance

Asset master records must be created prior to transactional processing. Values on the asset master records are either updated automatically by the transaction or must be maintained manually.

Design Point:

Creation and maintenance of capital asset master records will be limited to users who are trained/have the knowledge of the fields, their characteristics and purpose, as well as impacts for financial or other area update impacts.

Generally, this will be moveable or real estate Property Managers, agency team members responsible for capital assets and OSRAP financial personnel responsible for capital assets.

Display or reporting of asset master data will have a larger audience.

Roles and authorization will be used to control access to asset master record creation, maintenance and display.

Asset Tagging Changes

Assets often use 'tagging labels' to visually identify the asset and cross reference to the system record.

Design Point:

Legacy tag numbers will be brought over in "Inventory Number" field for reference and reporting.

Recommendation that future moveable property tags be printed and "Inventory Number" be populated with SAP master data number (based on the Notification Record inventory number for the corresponding AMR), to minimize future retagging and to provide ease of record access in SAP

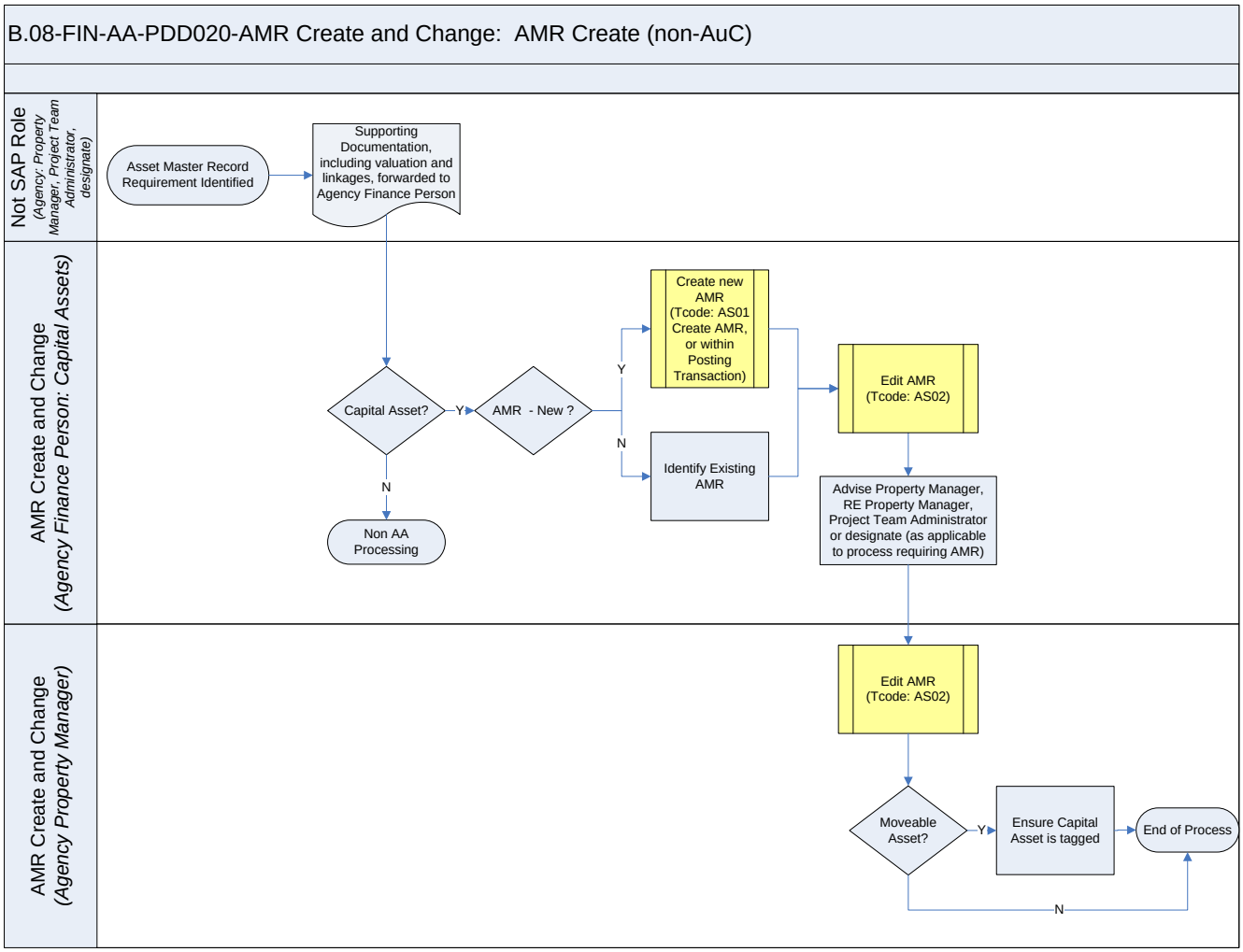
Existing tag numbers will not be required to change. For both legacy numbers and new AMR's, users will need to do a 'search', on the inventory number, to find the applicable SAP AMR.

Process Improvement Opportunities:

- Single source of data for Capital Assets. Centralize and standardize the fixed asset organizational structure and repository of fixed asset data for State of Louisiana organizational entities participating in the LaGov Project.

- State Assets become part of accounting system – financial integration for recording and reporting. Accurate financial reporting on capital assets. Eliminate need for duplicate recording of data (e.g. financial). Reduce manual gathering of asset data for financial reporting (e.g. CAFR)
- Simplify the financially relevant fixed asset structure to take advantage of asset master record default ability for depreciation calculations and reporting criteria selection
- Capital Asset financial data becomes transaction based to ensure that general ledger and sub-ledger balance are updated appropriately. Provide a consistent approach to asset master record creation and update processes for financial transactions within the AA modules (such as transfers, retirements, depreciation postings, value adjustments, corrections and non-cash acquisitions) and integrated transactions such as asset acquisition via procurement <MM module>, direct purchase without PO <AP module> and 'construction' projects <PS module>.
- Reduce re-tagging of moveable assets upon transfer.
- Mass record changes allowed for updates, transfers, and retirements.
- Move the operational information (e.g. location, physical inventory, maintenance, warranty, usage) of the capital asset records in Protégé to the more operationally relevant module within SAP (i.e. Plant Maintenance module: Equipment records, for Equipment and Fleet maintenance; Notification Records for location and physical inventory) with linkage, as appropriate, between the Asset Master Record and Notification Records / Equipment Master Records.

To-Be Process Flows



- 'FIN-AA-PDD020-AMR Create and Change - AMR Create' defines the process to create an Asset Master Record.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Use of minimal amount of asset master record data fields, as required for asset identification and accounting purposes. Moveable assets will have some additional fields for location and custodianship tracking.	Asset Master Record screen layout rules will define which fields are available for capital asset maintenance.	End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data. They will also need to understand which data is maintained in other integration point master records or in transactional data.
2	All real property assets, including Right of Way, will be linked to corresponding Real Estate Object for either	Asset Master Record screen layout rules will define which fields are available for capital asset maintenance.	End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other

	land or building (RE). Depreciation calculations will be applied to buildings and, statistically, to cost centers.		update impact or is informative data. They will also need to understand which data is maintained in other integration point master records or in transactional data.
3	All infrastructure assets will be assigned to a Control Section/Recall Number for more robust reporting and analysis.	Asset Master Record screen layout rules will define which fields are available for capital asset maintenance.	End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data. They will also need to understand which data is maintained in other integration point master records or in transactional data.
4	For location and physical inventory purposes, Notification Records (PM) will be maintained, in parallel, for Asset Master Records (AA). A limited number of fields on the AMR will need to be maintained with parallel data on the Notification Record (e.g. Inventory Number, Serial Number, etc.). The fields and process to maintain the parallel data will be finalized during realization.	o Users will need to understand the detail maintained in the AMR and corresponding Notification Record. o Users will need to search for AMR number based on other values (e.g. Inventory number). o A limited number of data fields will need to be maintained in parallel on the AMR and Notification field (e.g description, inventory number, the AMR on the Notification Record). o The processes, and master record updates, to maintain financial and physical inventory data for a capital assets will need to be understood and adhered to for system integrity. For example: financially relevant events for capital assets will need to be updated using transactions for capital assets, some events such as acquisition and deactivation will need to also be maintained on the Notification Record.	Users will need training on the financial and operational data storage locations for a capital asset. Training will also be required on fields that must be maintained in parallel and how to identify an asset master record (based on notification record detail).

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	State of Louisiana: Title 34 & RS 39:200.C, RS 39:321-328, RS 39:330-332 (Moveable Property)	Title 34 section VII: requires significant revisions. Revisions to governing revised statutes may also be required.	Commissioner of DOA
2	State of Louisiana: RS 39:11-14; RS 41 (Real Property)		Commissioner of DOA
3	Title 23, United States Code, Section 4029c (Infrastructure)		DOTD
4	State of Louisiana: RS 39:122 (Infrastructure)		Commissioner of DOA, Secretary of DOTD
5	GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries		OSRAP
6	GASB Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments		OSRAP
7	GASB 51 Accounting and Financial Reporting for		OSRAP

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
	Intangible Assets		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified						

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	BI – PS / AA/ AGILE asset reporting.	Reporting on Infrastructure from multiple modules.		X		Rae Marrero	Details to be refined during realization.
2.	BI – PS / AA reporting for AuC and settlement rules.	Reporting on assets under construction from multiple modules.		X		Rae Marrero	Details to be refined during realization. May be existing SAP delivered report that will fulfill requirements.
3.	BI – RE / AA deactivation report.	Used to ensure that master records for Real Property assets and Real Estate objects are synchronized (e.g. if active in one module, then they should be active in the other and the same for deactivation data).		X	Ensure that master records maintained in multiple modules are synchronized for active assets and deactivated assets.	Rae Marrero, Sue Wheeler	
4.	BI – RE / PM deactivation report.	Used to ensure that master records for Real Property assets and Plant Maintenance records (i.e. Notification and Equipment Master Records) are synchronized (e.g. if active in one module, then they should be active in the other and the same for deactivation data).		X	Ensure that master records maintained in multiple modules are synchronized for active assets and deactivated assets.	Rae Marrero	

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**

1.	None identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
1.	See below						

Note: *Refer to PDD: FIN-AA-PDD010-AA Organizational Structure.*

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	AA – add fields for ALV grid selection for selected SAP delivered reports	Provide additional fields for standard SAP reporting (e.g. may be required for fund, fund center, grant, functional area and limited other SAP asset master record fields)	SAP standard asset accounting reports predefine fields available for reporting. For analysis purposes often additional fields are required.	Provides enhanced reporting ability without having to create new reports.	Relatively simple enhancement that will provide additional reporting and analysis ability. Eliminates potential requirements for additional report development.

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	**Description**	**Justification**	**Comments**
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: **<Supported Process>**		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	Not applicable		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: **<Supported Process>**			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	Asset Master Data - AMR Create and Maintain	The role owner is responsible for creating and changing asset master records: o Create, change and display asset master records	Moveable Asset Classes: Property Managers, Agency Finance personnel assigned to capital assets, OSRAP personnel assigned to capital assets Real Property Asset Classes: Real Estate Property Managers, Agency Finance personnel, FP&C project	o Authorization restriction by Agency (i.e. cost center) o Additional restrictions may be required for Moveable assets used in Covert situations. o Moveable asset will need

Authorizations	Master List of Future State Roles/Authorizations: **<Supported Process>**			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		o Create asset sub-numbers	administrator personnel assigned to capital assets, OSRAP personnel assigned to capital assets Infrastructure Asset Classes: DOTD facility manager, Agency Finance personnel, project administrator personnel assigned to capital assets projects, OSRAP personnel assigned to capital assets.	authorization object for Personnel Number and Equipment Master Number (i.e. linkage). o During realization, may identify requirement to have roles split for Create and Maintain.
2.	Asset Master Data - Asset Display	The role owner monitors and checks asset balance sheet values, as well as planned and posted depreciation, on individual fixed assets. o Display Asset Master Record o Asset Explorer o Display Document (Asset related)	Broader audience including those that can create and maintain asset master records and process asset transactions and those that need to access asset data for analysis and reporting purposes.	o Authorization restriction by Agency (i.e. cost center). o Additional restrictions may be required for Moveable assets used in Covert situations. o OSRAP will have access to all asset classes. o This role also allows the user to jump to asset master record display and the display of asset documents. The user is not able to jump to the display of Financial Accounting documents unless the role owner has that authorization, which is contained in the *Asset Accounting Information System* role.
3.	Asset Master Data Maintenance – Block	The role owner is responsible for blocking asset master records. o Block asset master records	Limited to individuals who should be able to block and AMR (e.g. Property Managers, Project Team administrator, OSRAP, or designates). This will likely be a subset of the group that can create and maintain AMR.	o Authorization restriction by Agency (i.e. cost center). o Additional restrictions may be required for Moveable assets used in Covert situations. o OSRAP will have access to all asset classes
4.	Support Team	IMG update		The existing OIS SAP support policies, procedures and change request process will be followed. - Post go-live: no users should have configuration access, support standards to be determined, limited access to configuration display
5.	Support Team	IMG view		The existing OIS SAP support policies, procedures and change request process will be followed. - Post go-live: no users should have configuration access, support

Authorizations	Master List of Future State Roles/Authorizations: **<Supported Process>**			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
				standards to be determined, limited access to configuration display
6	RE: Display RE Object (Site, Building, Land)	The role owner will be able to display the RE object for linkage and drill down from the AMR.		o Authorization may be restricted based on Capital Assets requiring RE object access.
7	CO: Display Cost Center	The role owner will be able to display the Cost Center object for linkage and drill down from the AMR.		o To be determined during realization.
8	FM: Display Fund and Fund Center	The role owner will be able to display the Fund and Fund Center object for linkage and drill down from the AMR.		o To be determined during realization.
9	GM: Display Grant	The role owner will be able to display the Grant object for linkage and drill down from the AMR.		o To be determined during realization.
10	FI: Display Business Area and Functional Area	The role owner will be able to display the Business Area and Functional Area objects for linkage and drill down from the AMR		o To be determined during realization
11	PM: Display Notification Record	The role owner will be able to display the Notification Record in order to be able to determine the AMR number / obtain location and custodianship about the capital asset.		o To be determined during realization
12	PM: Display Equipment Master Record	The role owner will be able to display the Equipment Master Record for linkage and drill down from the AMR		o To be determined during realization
13	HR: Display Personnel Number	The role owner will be able to display the Personnel Number for linkage and drill down from the AMR		o Limited infotype containing only the name and personnel number for matchcode searches required for Personnel Assignment on the AMR. Note: Need for this

Authorizations	Master List of Future State Roles/Authorizations: **<Supported Process>**			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
				detail on the AMR will be determined during realization as it will be contained on the corresponding Notification Record and must be coordinated with the HCM team.

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Asset Master record creation and maintenance.	Asset master records and financial records are not integrated thus end users do not see the 'whole picture' for capital assets. Currently, users may have limited responsibility for maintenance of data. Moveable assets require additional layers of authorization for some field changes.	Responsibility for creation and maintenance of asset master records will have additional or different personnel. End users will have access to more financial data about a capital asset. End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data. They will also need to understand which data is maintained in other integration point master records or in transactional data.
2.	Asset Master record display and reporting.	Asset master records and financial records are not integrated thus end users do not see the 'whole picture' for capital assets. A larger audience will be able to display and report on assets.	Responsibility for creation and maintenance of asset master records will have additional or different personnel. End users will have access to more financial data about a capital asset. End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data. They will also need to understand which data is maintained in other integration point master records or in transactional data.
3.	SAP will be the system of record for capital assets and their valuation for the State of Louisiana organizational entities participating in the LaGov Project, replacing the records maintained Moveable Assets (Protégé), Real Property Assets (SLABS and worksheets/spreadsheets used by OSRAP for calculating depreciation) and Infrastructure Assets (worksheets/spreadsheets used by DOTD and OSRAP for calculating valuation and depreciation). Data will be maintained in asset master records which are	Single source for all Capital Asset records. Multiple SAP modules will contain data currently stored in a single system (e.g. Protégé records will be stored in AA for Capital Assets, PM for non-capital assets and PM for fleet / maintenance detail; SLABS records will be stored in AA and RE modules)	Training to understand where existing data will be stored in SAP, how SAP will be used to maintain and report on data. Training on the concept of SAP asset classes and their purpose. Training on the concept of multiple modules used to store data most applicable to that module (e.g. Asset Accounting, Plant Maintenance, Real Estate, General Ledger, etc.)

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	classified for financial and other reporting purposes via Asset Classes. Other integration modules will be used to maintain non-capital asset detail (e.g. Real Estate, Plant Maintenance/Fleet for non-capital assets and other recording such as maintenance tracking).		
5.	Each capital asset will be recorded in the SAP Asset Accounting during the entire asset financial life cycle (e.g. acquisition, depreciation, transfers, sale/disposal) and will be integrated with other SAP modules for master record and financial updates. Two parallel depreciation areas will facilitate simultaneous accounting on Modified and GASB-34/Full Accrual basis, which would have significant benefits for OSRAP reporting.	Transactional updates with SAP capital assets will be integrated and thus financial records will be in balance for the Capital Asset database and Financial records (e.g. G/L). Asset Accounting system will accommodate both Modified and Full Accrual reporting requirements. Financial updates to the general ledger will be based on account determination rules that are either automatically applied or proposed for user update.	Training requirements for the concept of Asset Accounting integration and financial / master data updates. Training requirements for the concept of dual deprecation areas and the financial / master data updates. Training requirements for financial postings and use of general ledger accounts for financial updates. OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation).
6.	Asset tagging numbers for Moveable Assets will change to reflect the Asset Master Record.	Existing numbers are the same as the Protégé record number and have a 'smart numbering' schema. Asset tag labels are preprinted and Protégé records are created based on the tag number.	Legacy tag numbers will be brought over in "Inventory Number" field for reference and reporting. Recommendation that future moveable property tags be printed and "Inventory Number" be populated with SAP master data number to minimize future retagging and to provide ease of record access in SAP Existing tag numbers will not be required to change – however, users will need to do a 'search' to find the applicable SAP AMR. Asset tagging process at time of goods receipt will change. May require additional tag printers.
7.	Data Conversion / Data Mapping effort	Legacy location fields are used inconsistently. Matching of GL and Legacy system data.	Existing data fields (particularly in Protégé) are used inconsistently, users will need training on where (if at all) this data is stored in SAP AND will need training on understanding and appropriate completion of SAP asset master record data fields. Users will need to understand the concept of integration and ledger/asset sub ledger financial updates for a balanced financial system.
8	For location and physical inventory purposes, Notification Records (PM) will be maintained, in parallel, for Asset Master Records (AA). A limited number of fields on the AMR will need to be maintained with parallel data on the Notification Record (e.g. Inventory Number, Serial Number, etc.). The fields	Single record, in Protégé, currently exists to capture financial and operational data about a capital asset.	Users will need training on the financial and operational data storage locations for a capital asset. Training will also be required on fields that must be maintained in parallel and how to identify an asset master record (based on notification record detail).

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	and process to maintain the parallel data will be finalized during realization.		

Training Impact

The creation, maintenance and valuation of asset records will have significant changes from the existing practices and potentially, have a significantly larger end user base for various business processes associated with asset master records. The following key areas regarding design of the asset structure and organizational elements will need to be addressed during training:

- Terminology change for use of SAP terms
- Concept of asset class structure and classifications (e.g. Capital – owned, Capital Lease, Assets under Construction, Intangible Assets).
  - Separating infrastructure asset classes into bridges and highways impacts DOTD invoices, projects, coding, finance sources, funding type, bidding process, and contracts and some changes to chart of accounts.
- New capital asset numbering scheme
  - Asset Numbering differs from legacy record numbers
  - Use of sub-number asset records for multiple funding sources of a capital asset
- Concept of each asset master record recording valuation for two depreciation areas
  - Concept and financial implications of simultaneous and parallel accounting methods using multiple depreciation for each asset master record (i.e. DA 01: Modified Accrual Accounting and DA 20 GASB - Full Accrual Accounting)
  - New asset depreciation calculation processes
- Integration:
  - Creation of AMR and financial value update from integrated processes (e.g. procurement via PO, Projects – including sourcing from RE Contract, non-cash acquisitions such as donations)
    - Acquisition of land, buildings, or infrastructure would go through a PS project to accumulate associated costs. Only DOTD, FP&C, and a small sub-set of DNR will have access to this module (PS module)
    - Acquisition of moveable property will most frequently be via PO (MM module)
  - Integration with financials – many transactions will have automated postings (e.g. depreciation).
    - Transaction postings update GL, Cost objects (e.g. cost element, cost center, RE object), Fund/Grant values
  - Validation with HR – personnel number
  - Automated posting GL (e.g. depreciation run)
  - Integration between an AMR and the PM Notification Record will be maintained for each Capital Asset – including fields that must be maintain in parallel on both records. Training will be needed on how to identify/locate an AMR, in the Asset Accounting module, from the Notification Record detail.
  - Integration with multiple modules in one system (e.g. PS, MM, RE, etc.) – may need to use information from more than module for data analysis
- Capital Asset information would reside in multiple modules of SAP
  - Financial data for capital assets would reside in AA
  - Inventory, location, and tracking data would reside:
    - PM for moveable property
    - RE for buildings and land (including ROW)
    - Agile Assets for infrastructure

- New processes to create/update asset master records and valuations
- Asset Master Record and Financial Updates will change:
  - Asset changes will now have financial impact.
  - AMR creation at beginning of process: e.g. time of Purchase Order rather than goods receipt, when Project is started
  - Some transactions will require more steps than legacy transactions.
  - Transaction posting will require understanding of Transaction Types (transfers use transfer variant) and their financial and AMR impacts TTypes and Transfer Variants
  - Use of document types to identify type of transactions and provide posting controls
- Data monitoring via report required to ensure proper data entry. Recommendation that this be done frequently after initial implementation when data entry problems are most likely.
- Asset Master Record Field Data:
  - Visible and, generally immediate, financial impact on asset master record transaction postings, including the nuances for multiple depreciation areas
  - Capital asset records need to be created at the 'front-end' of acquisition process (not 'back-end' as is done currently)
  - Control Section changes require configuration and manual synchronization in AA, PS, and Agile
  - Linkage with AGILE Assets will be non-integrated, however, the Super-number on the AMR will use the Control Section mapping. Control Section changes require configuration and manual synchronization in AA, PS, and Agile
  - More discrete data being maintained for Infrastructure assets
- Asset tagging changes
  - Legacy tag numbers will be brought over in "Inventory Number" field for reference and reporting.
  - Recommendation that future moveable property tags be printed and "Inventory Number" be populated with SAP master data number to minimize future retagging and to provide ease of record access in SAP
  - Existing tag numbers will not be required to change – however, users will need to do a 'search' to find the applicable SAP AMR.
- SAP allows duplicate data in "Inventory Number" field
  - SAP must allow duplicates for multiple funding sources
  - SAP "Inventory Number" is a free form field and therefore does not automatically assign numbers
- Security Considerations:
  - Property Managers will not be tied to individual assets in AA
  - Security would determine who can edit which assets
  - History transaction reports will show who edited which pieces of information
  - SAP match code options cannot be filtered by user security or business area.
  - Non-financial data remains editable on deactivated asset records – Can be managed by reporting (e.g. change history audit).
- Data Conversion:
  - Reconciliation with Agile, PM, RE, and MM before go-live
  - Reconciliation of DOTD Land and Buildings to data in SLABS for upload to RE, conversion of assets
  - Reporting by financial owning "Business Area" and "Cost Center" or "Responsible Cost Center" replaces LPAA defined department / agency.
  - Legacy location fields are used inconsistently. Matching of GL and Legacy system data
  - Open POs for capital assets require special attention during conversion (i.e. AMR numbers will need to be attached). Recommendation that steps be taken to minimize the number of records which fall into this category

  - Open Projects for capital assets require special attention during conversion (i.e. AuC creation and settlement rules). Close out as many AuC projects as possible prior to cut-over to simplify conversion and settlement process
  - Fund & Fund-type need to match those defined funds and fund-types in new system
  - Personnel change for management of capital asset master records – including creation, field update, blocking and review of general and asset values:
  - Management of fixed asset master records – including creation, field update, blocking and review of general and asset values.
  - OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation)
- Inventory number for new capital assets will be based on the corresponding PM: Notification Record inventory number.

Appendix

Not Applicable

Team:	Finance - Asset Accounting
PDD Name:	PM Notification Record (Create and Change for Controlled Assets)
PDD Number:	FIN-AA-PDD100-PM Notification Record (Create and Change for Controlled Assets)
Business Process Owner:	Afranie Adomako
Functional Lead:	Rhoama Speights
Functional Consultant:	Paul Petro / Christine Wieczorek

Executive Summary

The plant maintenance module uses a Notification Record to contain general and location/custodianship data about all trackable movable property items – non-capital and capital assets.

- Items that meet capital asset criteria will also have a corresponding Asset Master Record(s) (AMR) in the Asset Accounting Module to track general and financial data relevant for financial reporting and analysis purposes. The Asset Master Record number is recorded in the Notification Record for tracking and physical inventory purposes.
- Items that require tracking for maintenance purposes will also have an Equipment Master Records (EMR) in the Plant Maintenance Module. The Equipment record will be referenced as the technical object in the notification. The Asset Master Record number is linked to the Equipment record and is recorded in the notification for tracking and physical inventory purposes.
    - Notification, Asset and Equipment numbers are searchable using standard SAP plant maintenance reporting tools for Notification records.

The processing and management of moveable property for asset transfers and retirements will have significant changes from current processes. Moveable Property will be managed by the agencies (i.e. without LPAA approval for transfers or retirements via surplus or scrapping; and discontinue the LPAA fee processing on transfer transactions). Property Managers will manage the creation and updates for Notification Records. For items that are also capital assets, agency finance personnel will manage the transaction processing for Moveable Property transfers and retirements. However, LPAA will continue to manage surplus sales, auction preparation and fund reimbursement using Protégé. The changes to handling of moveable assets will require updates to Louisiana Administrative Code, Title 34 – Section 7.

This document describes the process of creating and changing a SAP plant maintenance Notification Record for the entities participating in the LaGov project. Details covered include when to use the notification, types of information entered in the notification and responsibility for creation and maintenance of Notification Records.

To-Be Process Description

Notification Records are created after the item is received. Most common means of acquiring controlled assets are:

- ACQUISITION VIA PO
- ACQUISITION VIA DONATION/SEIZURE/SETTLEMENT
- ACQUISITION VIA ‘FOUND’ ITEM
    - e.g. during physical inventory an item which did not have a notification created at time of acquisition

- ACQUISITION VIA P-CARD
  - Expected to be on limited basis
- ACQUISITION VIA CONSTRUCTION
  - e.g. building project is of a 'turn-key' nature which includes some moveable assets as part of the project completion criteria

Notification Record Create (New Notification)

For new acquisitions after go-live, the Notification Record number will become the item's tag number (replacing the numbering scheme previously used within Protégé). Existing assets will retain their tag numbers. The tag number for new and legacy assets will be stored in a searchable field on the Notification Record.

For items that are non-capital in nature the Notification Record will contain limited valuation data (i.e. acquisition value) which will be manually entered. The values entered for the non-capital items must reflect the acquisition value as defined by OSRAP. This includes the actual cost of the item (purchased or appraised if a donated/seized/settlement item) and ancillary costs such as installation, freight for goods, appraisal, and other costs as defined by OSRAP.

The Notification Record will also indicate the person and/or property manager responsible for each asset. Notification subject codes will be used for the Protégé class code, and the notification item detail section will be used to assign the SAP classification/characteristics functionality. User statuses will be used to show assets being created, transferred and/or retired. Dates will be used to show date/time the asset was created, active and/or retired. During physical inventory one of the options will be to use Blind Audits which will use the Notification Record via MAM (Mobil Asset Management) to update the notification record as required.

Location detail will be maintained to enable a moveable asset to be easily located. At a minimum, the building, floor, room and limited other location data will be maintained.

- For items that are also capital assets, the Asset Master Record in the Asset Accounting module will contain very detailed financial data. Valuation details are explained in FIN-AA-PDD020-AMR Create and Change and FIN-AA-PDD030-AA Acquisitions.

The responsibility for creation and update of Notification Records will reside with Property Managers or their designate. They will be responsible for the creation, update of general data, and integrity of Notification Records. Notification Records will be created after the goods are received (e.g. goods receipt for items acquired via PO). For items that are acquired via a non-PO method, the Notification Record will be created upon receipt of the item (e.g. donated/seized/settlement, purchase by P-card, etc.).

For many Notification Records there will be corresponding master records that must be manually maintained in parallel (e.g. Capital Asset Master Records in AA for items that meet capital asset criteria and Equipment Master Records in PM for vehicles and equipment that require maintenance tracking). It will be critical to ensure that the corresponding master records are appropriately created and deactivated in parallel with Notification Records.

Notification Record Transfer (Existing Notification)

A moveable property transfer is arranged between two business entities. Supporting documentation is consolidated by the sending agency Property Manager.

- If the transfer is for a moveable property which is also a capital asset, the Property Manager forwards documentation to the receiving agency Property Manager and financial personnel responsible for capital asset for their follow-up.

The sending property manager shall update the Notification Record and advise the receiving agency Property Manager of transfer details.

Upon receipt of the moveable property item, the receiving agency Property Manager will review and update their Notification Record data as necessary, and advise the receiving agency finance personnel. If the item is also a capital asset, the Property Manager shall ensure that the corresponding AMR is appropriately updated.

For details related to corresponding capital asset transfer processes, see FIN-AA-PDD040-AA Transfers.

Notification Record Retirement (Existing Notification)

Retirements of moveable property can be made for multiple reasons, such as the item being:

- Damaged beyond use
- No longer required and not saleable thus will be scrapped
- Dismantled
- Moveable Property: no longer required and declared surplus (i.e. sent to LPAA for sale)
- Moveable Property: lost or stolen

Previously, LPAA had been responsible for approval to dispose of moveable property assets – either via scrapping or surplus sale.

On a go-forward basis, with the SAP implementation, the agencies will be responsible for determining if a moveable property item is no longer of use. If the item cannot be transferred to another State entity, then the owning agency will need to determine if the asset should be sent to LPAA for surplus sale or disposal. During realization, the handling of moveable property scrapping will be refined. Some items must be destroyed in a controlled manner (e.g. surplus firearms). Accordingly, it may be more effective to have LPAA manage the process for items that are to be scrapped.

Although LPAA will no longer be responsible for transfer and retirement approvals of movable property, they will continue to manage Surplus disposal activities. In some circumstances, such as equipment changeovers or accumulation of items for a surplus 'load', there can be a significant volume of items in a surplus transfer. To facilitate the LPAA processing of items sent to the Surplus warehouse the following will be developed:

- A form to identify the surplus capital assets being sent to LPAA. The data on this form will be used by LPAA as a 'Pickup' and 'Warehouse receiving' document as well as data necessary for fund reimbursement processing. Furthermore, a request has been made to be able to include the limited text data for additional information such as the location of the item and the reason for surplus.

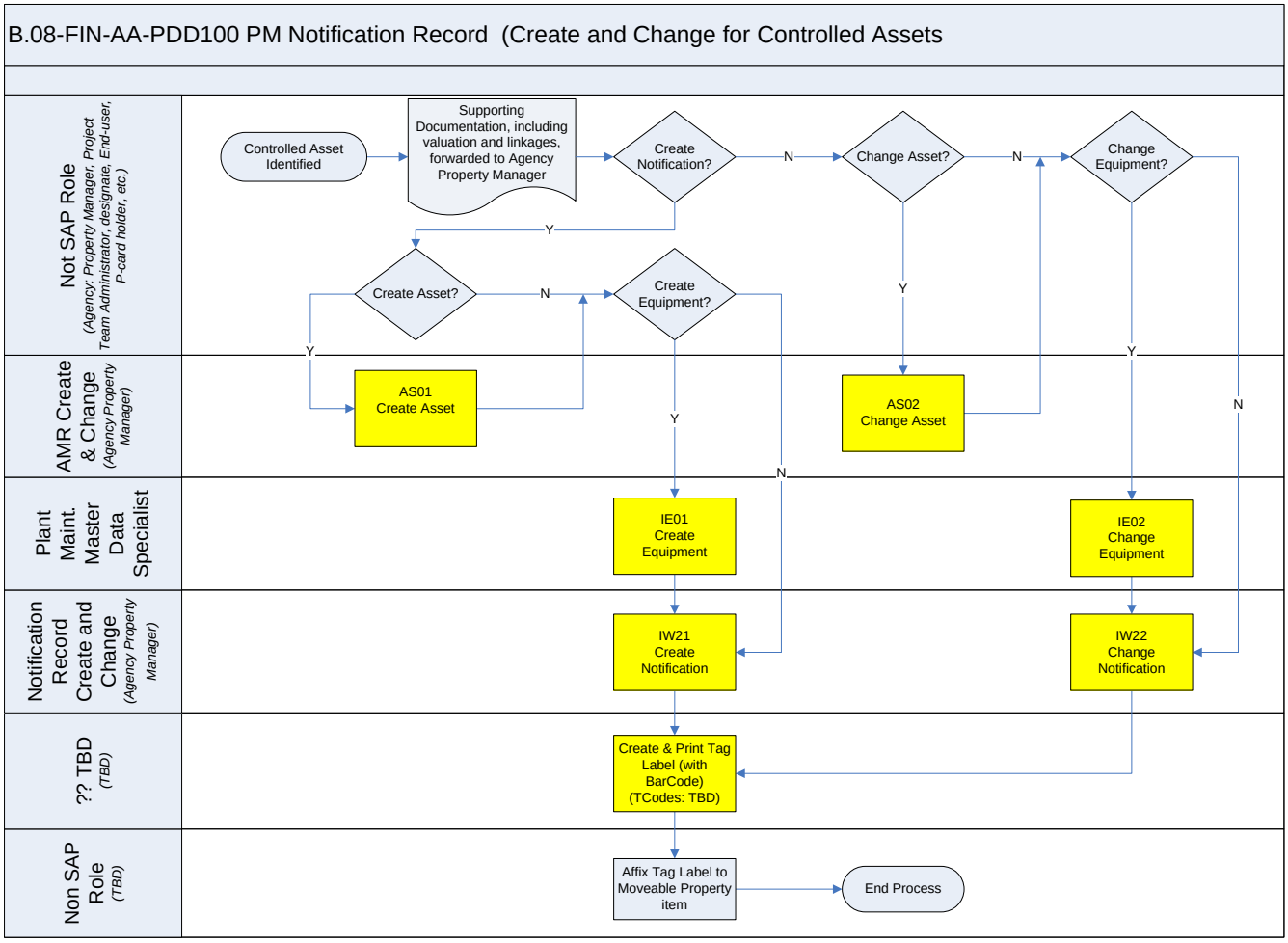
Process:

- Supporting documentation for an asset retirement is received by the Property Manager.
- If the capital asset is Computer or Telecom relevant, approval for retirement must be obtained from:
  - Computer: Director of the Office of State Purchasing (OSP)
  - Telecom: Director of the Office of Telecommunications Management (OTM)
- If approval is received for Computer or Telecom equipment, when applicable, and the Property Manager approves the requested retirement, then the Property Manager:
  - Updates the Notification Record.
  - Ensures that the appropriate action is taken for disposal of the asset (e.g. sent to LPAA surplus)
  - If the item is also a capital asset, forwards documentation to agency finance person responsible for capital assets for their follow-up.
- For details related to corresponding capital asset retirement processes, see FIN-AA-PDD050-AA Retirement

#	Process Terminology	Description
1	Notification Record	Master Record in Plant Maintenance module which will be used to record data trackable moveable assets for inventory and tracking purposes. ☐ For items that meet capital asset criteria, a corresponding financial Asset Master Record (AA) will also be created. ☐ For vehicles and equipment that have maintenance tracking requirements, a corresponding Equipment Master Record (PM) will also be created.
2	Notification Type	A major categorizing of notification records for process and reporting considerations (e.g. maintenance notification, controlled asset notification, etc.). A unique notification type for Controlled Assets will be determined during realization.
3	Low Value Asset (LVA) / Controlled Assets	Items that do not meet the capital asset criteria and are recorded for tracking purposes. These will be tracked in Plant Maintenance via Notification Records.
4	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.
5	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.
6	Asset under Construction (AuC)	An asset that you produce or manufacture yourself which must be managed as a separate asset master record, generally without depreciation, during the construction phase.
7	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.
8	P-card (Purchasing Card)	A purchasing card is a form of company credit card that allows goods and services to be procured without utilizing a traditional purchasing process. Purchasing Cards are usually issued to employees who are required to operate within a set of company rules and guidelines which usually include an approved spend limit.
9	Transfer	A transfer is a 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
10	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.
11	Physical Inventory	Methodical review and recording of the quantities and amounts relating to the asset portfolio.
12	Project System	Module that allows the user to plan, execute and account for a project.

To-Be Process Flows

- Notification Record Create or Change



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	For location and physical inventory purposes, Notification Records (PM) will be maintained. Other master records will be maintained, in parallel, for financial reporting and analysis - Asset Master Records in AA, for maintenance tracking of vehicles and equipment – Equipment Master Record in PM. A limited number of fields on the AMR and	o Users will need to understand the detail maintained in the Notification Records and corresponding master records (e.g. AMR and EMR). o A limited number of data fields will need to be manually maintained in parallel on the Notification Record and corresponding master records (i.e. AMR and EMR). o The processes, and master record updates to maintain financial and physical inventory data for corresponding capital Asset Master Records will need to be understood	Users will need training on the location/inventory tracking, financial and operational data storage locations for a trackable moveable property item. Training will also be required on fields that must be maintained in parallel.

#	Decision	Process Impact	Organizational Impact
	possibly EMR will need to be maintained with parallel data on the Notification Record (e.g. Inventory Number, Serial Number, etc.). The fields and process to maintain the parallel data will be finalized during realization (an action item is logged for this).	and adhered to for system integrity. For example: financially relevant events for capital assets will need to be updated using transactions for capital assets, whereas these may be simply updates to the Notification Record.	
2	For new items, the Notification Number will be used for the tag/bar code number. Legacy trackable items will retain their tag/bar code numbers and these will be stored on the Notification Record.	o Users will need to understand the change in tag/bar code numbers. o Users will need to understand how to identify Notification Numbers for legacy trackable items.	Users will need to understand how to identify Notification Records for legacy trackable items.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	State of Louisiana: Title 34 & RS 39:200.C, RS 39:321-328, RS 39:330-332 (Moveable Property)	Title 34 section VII: requires significant revisions. Revisions to governing revised statutes may also be required.	Commissioner of DOA
2	GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries		OSRAP
3	GASB Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments		OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: Controlled Asset Notifications						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	A form to select and record moveable property capital assets being sent to LPAA is required.	Data on this form will be used by LPAA as a 'Pickup' and 'Warehouse Receiving' document – request has been made to have ability to include limited text data for additional information (e.g. location of item, reason for surplus).	X	X	Replace similar functionality in Protégé used by LPAA to manage Surplus pickup and warehouse receipt.	Rebecca Kleinpeter	

R – Reports	Master List of Current and Future State Reports: Controlled Asset Notifications						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**

R – Reports	Master List of Current and Future State Reports: Controlled Asset Notifications						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1	Creation and printing of Tags/Inventory Labels, with tag and bar code	Labels with Tag and Bar Code detail for affixing to moveable property for identification purposes	X	X	Requirement to be able to identify moveable items and their system detail.	Rebecca Kleinpeter	Detail will be refined during realization
2	A report / extract of asset master record data for items being sent to LPAA surplus, in a format that could be used for upload by Protégé.	Data loading worksheet for use by LPAA to create Protégé master records for items sent to Surplus.		X	This would reduce the manual data entry required for Protégé record input.	Rebecca Kleinpeter	

I – Interfaces	Master List of Current and Future State Interfaces: Controlled Asset Notifications						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified						

C - Conversions	Master List of Future State Data Conversions: Controlled Asset Notifications						
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
1.	Load Controlled assets as a notification, with reference to Asset Master only, or Asset Master and Equipment Master, or without reference to either Asset Master or Equipment Master		Protégé	SAP		Standard LSMW structures: IBIP_NOTI_CREATE Single record, simple notification IBIP_PART Partners for notification IBIP_NOTI_TASK Tasks for notification header IBIP_NOTI_ITEM Items for notification IBIPFEAT Characteristics for item class	No ABAP programming should be required. Field mapping and conversion rules to be determined during the realization phase. The Plant/Fleet Maintenance Functional Team will manage all relevant data conversions, using standard SAP tools and techniques. Conversion functional/technical specs are not required. Mapping documentation and record counts will be available.

E – Enhancements		Master List of Future State Enhancements: Controlled Asset Notifications			
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	A report / extract of Notification Record data for items being sent to LPAA surplus, in a format that could be used for upload by Protégé.	'Flat file' of items transferred to LPAA	Protégé: extract file for use by Protégé system	This would reduce the manual data entry required for Protégé record input.	Similar item on the AA side – this will need to be coordinated with the AA data.
2	User Exit or similar to select from RE Object list	From Notification Record: user exit to be able to select from the RE Object listing in RE (likely based on Building object, but may include Land or Site object)		Single file source for identifying 'building' that a Notification Record asset is located.	
3	a) Table to hold Sub classification values b) User Exit or similar to select from Sub classification List	Create table that will hold valid values for sub-classification values – ability to create, maintain and delete records. From Notification Record: user exit to be able to select from the sub classification listing table		Single file source for identifying 'sub classifications' that are relevant for reporting purposes re: Notification Record	Similar to existing Protégé classes (however, the existing values will be cross walked to a new list of values based on commodity codes)
4	a) Table to hold Location values b) User Exit or similar to select from Location List	Create table that will hold valid values for location values – ability to create, maintain and delete records. From Notification Record: user exit to be able to select from the location listing table		Single file source for identifying 'locations' that are relevant for reporting purposes re: Notification Record	Similar to existing Protégé location field (however, the existing table will be cleansed). Provides more specific information about a physical location for Notification Record asset.

W – Workflow	Master List of Future State Workflow Events: Controlled Asset Notifications		
No.	**Description**	**Justification**	**Comments**
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: Controlled Asset Notifications		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	Not applicable		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	Notification Record Create and Maintain	The role owner is responsible for creating and changing Notification Records: o Create and change Notifcation Records.	Property Managers and designates	o Authorization restriction by Agency (i.e. cost center) o Additional restrictions may be required for Moveable assets used in Covert situations. o Moveable asset will need authorization object for Personnel Number, Asset Master Record and Equipment Master Number (i.e. linkage). o During realization, may identify requirement to have roles split for Create and Maintain.
2.	Notification Record - Display	The role owner displays Notification Record data for analysis purposes. o Display Notification Record	Broader audience including those that can create and maintain Notification Records and those that need to access this data for analysis and reporting purposes.	o Authorization restriction by Agency (i.e. cost center). o Additional restrictions may be required for Moveable assets used in Covert situations.
3.	Support Team	IMG update		The existing OIS SAP support policies, procedures and change request process will be followed. Post go-live: no users should have configuration access, support standards to be determined, limited access to configuration display
4.	Support Team	IMG view		The existing OIS SAP support policies, procedures and change request process will be followed. Post go-live: no users should have configuration access, support standards to be determined, limited access to configuration display
5	AMR: Display AMR	The role owner will be able to display the AMR object for linkage and drill down from the		To be determined during realization.

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		Notification Record		
6	CO: Display Cost Center	The role owner will be able to display the Cost Center object for linkage and drill down from the Notification Record.		o To be determined during realization.
7	FM: Display Fund and Fund Center	The role owner will be able to display the Fund and Fund Center object for linkage and drill down from the Notification Record.		o To be determined during realization..
8	GM: Display Grant	The role owner will be able to display the Grant object for linkage and drill down from the Notification Record.		o To be determined during realization.
9	FI: Display Business Area	The role owner will be able to display the Business Area objects for linkage and drill down from the Notification Record		o To be determined during realization
10	PM: Display Notification Record	The role owner will be able to display the Notification Record in order to be able to determine the Notification Record number / obtain location and custodianship about the capital asset.		o To be determined during realization
11	PM: Display Equipment Master Record	The role owner will be able to display the Equipment Master Record for linkage and drill down from the Notification Record		o To be determined during realization
12	RE: Display RE Object (Site, Building, Land)	The role owner will be able to display the RE object for linkage and drill down from the Notification Record.		o Authorization may be restricted based on agency
13	HR: Display Personnel Number	The role owner will be able to display the Personnel Number for linkage and drill down from the Notification Record		o Limited infotype containing only the name and personnel number for matchcode searches required for Personnel Assignment on the Notification Record.

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Notification Record creation and maintenance.	Currently, users may have limited responsibility for maintenance of data. In Protégé, moveable property records required additional layers of authorization for some field changes – going forward there will be more empowerment for data updates. In Protégé, the master record contained detail for multiple areas. In SAP, this detail will be stored in the module most appropriate for the detail. Thus Notification Records will have corresponding master records for capital asset financial data (i.e. Asset Master Record in AA) and maintenance data (i.e. Equipment Master Record inPM).	Responsibility for creation and maintenance of Notification Record will have additional or different personnel. End users will need to have an understanding of what fields are maintained within the Notification Record and corresponding master records in AA and PM. They will also need to understand which data is maintained in other integration point master records or in transactional data. End users will need to understand what processing steps are required to ensure that corresponding master records are created/updated/deactivated so that they are all in sync. End users will need to understand what manual updates are required for parallel fields on the various corresponding master records.
2.	Notification Record display and reporting.	A larger audience will be able to display and report on assets.	End users will need to have an understanding of what fields are maintained within the Notification Record and corresponding master records in AA and PM. They will also need to understand which data is maintained in other integration point master records or in transactional data. End users will need to understand what processing steps are required to ensure that corresponding master records are created/updated/deactivated so that they are all in sync. End users will need to understand what manual updates are required for parallel fields on the various corresponding master records.
3.	SAP will be the system of record for trackable moveable property for the State of Louisiana organizational entities participating in the LaGov Project, replacing the Moveable Assets records maintained in Protégé. Thus, Notification Records will have corresponding master records for capital asset financial data (i.e. Asset Master Record in AA) and maintenance data (i.e. Equipment Master Record inPM).	Multiple SAP modules will contain data currently stored in a single system (e.g. Protégé records detail will also be stored in AA for Capital Assets, PM for all trackable assets and PM for fleet / maintenance detail).	Training to understand where existing data will be stored in SAP, how SAP will be used to maintain and report on data. Training on the concept of multiple modules used to store data most applicable to that module (e.g. Asset Accounting, Plant Maintenance, Real Estate, General Ledger, etc.)
4.	Asset tagging numbers for Moveable Assets will change to reflect the Notification Record.	Existing numbers are the same as the Protégé record number and have a 'smart numbering' schema. Asset tag labels are preprinted and Protégé records are created based on the tag number.	Legacy tag numbers will be brought over in a searchable notification field for reference and reporting. Existing tag numbers will not be required to change – however, users will need to do a 'search' to find the applicable SAP Notification Record. May require additional tag printers.

Training Impact

The creation, maintenance and valuation of Notification Records will have significant changes from the existing practices and potentially, have a significantly larger end user base for various business processes associated with these records. The following key areas regarding design of the Notification Record structure and organizational elements will need to be addressed during training:

- Terminology change for use of SAP terms
- New Notification Record numbering scheme
  - Notification Record numbering differs from legacy record numbers
- Integration:
  - Manual creation of Notification Record from integrated processes (e.g. procurement via PO, Projects, non-cash acquisitions such as donations)
    - Acquisition of moveable property will most frequently be via PO (MM module)
    - Donation, seizure or legal settlement
    - 'Found' (i.e. during physical inventory and item not updated to notification database at time of acquisition).
    - Construction (e.g. building project is off a 'turn-key' nature which includes some moveable assets as part of the project completion criteria)
    - Procured via P-card (although this is a limited occurrence).
  - Validation with HR – personnel number (mini-master).
  - Integration between corresponding PM Notification Record and AMR will be maintained for each Capital Asset – including fields that must be maintain in parallel on both records. Training will be needed on how to identify/locate the corresponding parallel records. Also, the same for PM Notification Record and Equipment Master Record.
  - Integration with multiple modules in one system (e.g. PS, MM, RE, etc.) – may need to use information from more than one module for data analysis
- New processes to create/update Notification Records.
- Data monitoring via report required to ensure proper data entry. Recommendation that this be done frequently after initial implementation when data entry problems are most likely.
- Notification tagging changes
  - Legacy tag numbers will be brought over in a searchable notification field for reference and reporting.
  - Recommendation that future moveable property tags (and bar codes) be created based on Notification Record number to minimize future retagging and to provide ease of record access in SAP
  - Existing tag numbers will not be required to change – however, users will need to do a 'search' to find the applicable SAP Notification Record.
- Security Considerations:
  - Property Managers will not be tied to individual Notification Records for access purposes
  - Security would determine who can edit which Notification Record
  - History reports will show who edited which pieces of information
- Data Conversion:
  - Reconciliation with AA (Asset Master Record) and PM (Equipment Master Record) before go-live
  - Reporting by financial owning "Business Area" and "Cost Center" replaces LPAA defined department / agency.
  - Legacy location fields are used inconsistently.
  - Fund & Fund-type need to match those defined funds and fund-types in new system
- Personnel change for management of Notification Records – including creation, field update, blocking and review of general and asset values:

- Management of Notification Records – including creation, field update, status change and review of general data.

Appendix

Not applicable

Team:	Finance - Asset Accounting
PDD Name:	Acquisitions
PDD Number:	FIN-AA-PDD030-AA Acquisitions
Business Process Owner:	Afranie Adomako
Functional Lead:	Rhoama Speights
Functional Consultant:	Christine Wieczorek

Executive Summary

Capital Assets can be acquired via multiple paths:

- Purchase
- Construction
- Donation
- Seizure or legal settlement
- 'Found' or 'Corrections' (e.g. moveable property capital asset 'found' during physical inventory and item not updated to asset database at time of acquisition)
- Capital Lease

Capital Asset Master Records are defined prior to any transactional processing for the assets – generally, at the start of the acquisition process.

In most cases, the acquisition of the Capital Asset will be initiated outside of the Asset module either through a Purchase Order and subsequent Goods Receipt/Invoice Receipt in Materials Management (MM) or from costs accumulated in Project Systems (PS). Other types of non-cash acquisitions such as Donations, Seizures or Legal Settlements will be posted via the Asset Accounting module; however, there may be additional costs that initiate from other areas such as MM or PS. Corrections, such as when a moveable property capital asset is 'found' during physical inventory (i.e. where it was not entered into capital asset database at time of acquisition) are also initiated via the Asset Accounting module.

This document describes the design of the SAP Capital Asset acquisition transaction processing, including flowcharts for Moveable Property, Real Property and Infrastructure.

The State has a very limited number of Capital Leases - SAP handling of these types of acquisitions will be finalized during realization.

Items which do not meet Capital Asset criteria but require tracking will be managed via Notification Records, and for maintenance purposes, via Equipment Master Records in the Plant Maintenance Module. Additionally, for tracking and physical inventory purposes, Notification Records will be created and cross referenced for each corresponding capital asset (i.e. Asset Master Record).

Information on the physical tracking and inventory of assets can be found in PDD: FIN-AA-PDD060-AA Physical Inventory.

To-Be Process Description

#	Process Terminology	Description
1	Asset Class	Main criterion for classifying fixed assets according to legal, financial and management requirements.
2	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.
3	Main Asset Number	Unique number, in combination with company code and asset sub number, that identifies a fixed asset
4	Sub Asset Number	Asset record for an individual part of an asset, or subsequent acquisitions, can be represented by a sub-number to a main asset number. For public sector sub-numbers are used for each funding source of an asset.
5	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
6	Asset under Construction (AuC)	An asset that you produce or manufacture yourself which must be managed as a separate asset master record, generally without depreciation, during the construction phase.
7	Low Value Asset (LVA) / Controlled Assets	Items that do not meet the capital asset criteria and are recorded for tracking purposes. These will be tracked in Plant Maintenance via Notification Records.
8	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.
9	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. These are not relevant to Capital Assets.
10	Depreciation	Reduction of the asset book value because of decline in economic usefulness or because of legal requirements for taxes.
11	Depreciation Area	A structure that contains and maintains the valuation of a fixed asset for a particular purpose (for example, legal financial statements, balance sheets for tax purposes, or management accounting values). It can be thought of as an asset ledger or asset book. For public sector accounting, it typically reflects asset values two areas: modified accrual and full accrual purposes.
12	Screen Layout	Settings that specify 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'.
13	Account Assignment or Account Determination	Settings which defines which general ledger accounts to post to from a business transaction. These are the general ledger accounts that are used by the system for transactions that have automated general ledger postings (e.g. depreciation) or that are proposed by the system for transactions which allow an end user to override the proposed account (e.g. post capitalization).
14	Amortization	Writing off of loans or intangible assets in equated annual/monthly installments over a scheduled period.
15	Post Capitalization	Correction of asset value, which was either set too low because

#	Process Terminology	Description
		capitalization was not performed in the past or which was treated entirely as expense
16	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.
17	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.
18	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.
19	Transfer	A transfer is a 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
20	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.
21	Physical Inventory	Methodical review and recording of the quantities and amounts relating to the asset portfolio.
22	Data Conversion	The transfer of data from one/many existing system(s) into a new computer system. For assets, this transfer process uses existing or 'new' data elements to be 'copied' into the new system, for example general information (e.g. master records) and values (e.g. financial balances and/or transactions).
23	Data Takeover (DTO)	Another term for Data Conversion.
24	Data Mapping	Process of matching data element between the legacy and new system. This includes identifying where 'exact' matches in terms of field length and characteristic do not exist and determining how to manage the data to fit the new system (e.g. data transformation).
25	Data Transformation	Legacy system(s) may have different characteristics for a data element that must be standardized and transformed into the new system format (e.g. update of data for loading or using cross reference data-mapping rules).
26	Project System	Module that allows the user to plan, execute and account for a project.
27	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 as described in the project definition.
28	Settlement	Full or partial allocation of costs from one object to another (e.g. from WBS to AuC, from AuC to final AMR).
29.	Intangible Assets:	GASB "Statement No. 51 identifies an intangible asset as having the following three required characteristics: • It lacks physical substance—in other words, you cannot touch it, except in cases where the intangible is carried on a tangible item (for example, software on a DVD). • It is nonfinancial in nature—that is, it has value, but is not in a monetary

#	Process Terminology	Description
		form like cash or securities, nor is it a claim or right to assets in a monetary form like receivables, nor a prepayment for goods or services. • Its initial useful life extends beyond a single reporting period. Examples of intangible assets in the governmental arena include easements (which are the right to use land for a specific purpose, such as building a highway), land use rights (such as the right to use a water source or to remove minerals or other resources from land), computer software, patents, and trademarks."

Overview

Capital Assets can be acquired via multiple paths:

- Purchase
- Construction
- Donation
- Seizure or legal settlement
- 'Found' or 'Corrections' (e.g. moveable property capital asset 'found' during physical inventory and item not updated to asset database at time of acquisition)
- Capital Lease.

Upgrades or additions to an existing asset will only be capitalized if they independently meet the capitalization threshold.

Capital Asset Master Records are defined prior to any transactional processing for the assets – generally, at the start of the acquisition process.

In most cases there will be multiple costs and transaction postings for the acquisition value of an asset, including those that are donated or obtained via seizure or legal settlement. Generally, the value of a capital asset includes the cost of procuring the asset as well as ancillary costs such as installation, freight for goods, professional fees for surveying, legal, appraisal, and other costs as defined by the Office of Statewide Reporting and Accounting Policy (OSRAP).

As part of the transactional updates, in addition to the asset valuation updates, there may be system generated updates to the general data of the asset master record. In some instances, there will be a requirement for manual update to the asset master record.

The process of acquiring a capital asset is generally initiated outside of the Asset Accounting Module:

- Moveable property generally has a short time frame for the acquisition process (i.e. from the time an item need is identified until the time the item is purchased and received by the State), thus it will be managed via the acquisition process in MM by the agency acquiring the item. Generally, these types of assets are acquired via one or more Purchase Orders (PO) (e.g. if multiple vendors are involved, an asset may have a Purchase Order for the asset acquisition and another for setup/installation). Current policy disallows the direct purchase of moveable Capital Asset (i.e. purchase of items over $5000 in value without a Purchase Order or use of PCards) for Capital Asset purchases.
- The timeframe for real property and infrastructure asset acquisition is generally lengthier and may involve multiple State parties. These categories of assets, whether purchased, constructed or donated, require additional steps such as feasibility, environmental and other assessments, appraisals, etc. Accordingly, these types of acquisitions will normally be managed via projects in Project Systems.
    - Infrastructure - under the current infrastructure capitalization policy (i.e. $3M per year per agency), these types of assets are generally limited to DOTD. These types of assets are generally constructed, however, 'donations' (typically, from a local government) will

sometimes occur. Land acquired for Rights of Way (ROW) is part of the infrastructure requirements and is generally procured as part of the infrastructure project.

- Real Property capital assets, including land (but excluding right of way procured by the Department of Transportation and Development (DOTD) which is part of an Infrastructure project), as well as buildings and related real property improvements are generally processed by Facilities Planning and Control (FP&C) through a project. This includes acquisition via purchase, construction or donation. Upon completion and final acceptance of the project, the asset is turned over to the agency that will 'own' it. There are:
  - Limited number of agencies which have exemption from capital asset real property procurement via FP&C. These exceptions are defined in State of Louisiana, Revised Statute 39:14.
  - Occasions where agencies such as Wildlife and Fisheries receive donated real property.

To have a consistent approach to real property acquisition recommendation is that FP&C process all real property asset acquisitions (excluding Right of Way for infrastructure).

The asset accounting module is also used to enter a capital asset for the following scenarios that do not originate with a standard purchase order or project:

- An item is acquired without a cash transaction (e.g. donated, seized or obtained through legal settlement) which requires that a capital asset record be created and valued.
  - For infrastructure and real property capital assets, often there are additional costs such as those related to appraisals, environmental assessments, etc. These costs will typically be added to the asset via a Project. Donated assets are most applicable to infrastructure (where there is movement of infrastructure 'ownership' between non-State and State) and, infrequently, for real property.
  - For moveable property, additional costs for accepting and putting a donated asset into service are infrequent. Where they do occur these additional costs will be generally handled via a Purchase Order. Seized or legal settlement acquisitions are most applicable to moveable property.
- If a capital asset is erroneously not entered into the Asset Accounting database at the time of acquisition, it is possible to subsequently create the asset master record with the correct capitalization date and asset value. This may be the case for moveable capital assets that are 'found' during a physical inventory. However, it is less likely to be relevant for infrastructure and real property capital assets. For each correction instance, the offsetting general ledger account will need to be evaluated to ensure that the financial impact is appropriate (e.g. During a current year acquisition, an agency may choose to offset the expense account that was posted to in error).
  - Capital lease acquisitions are very infrequent. Approximately a dozen such active leases were identified, and these are spread among multiple agencies. During realization, a closer analysis of the existing leases will be done to determine if implementing and providing end-user training for SAP Capital Lease functionality would be more effective than continuing with manual capital lease maintenance.
  - At this time, the recommendation is to continue to manage these capital leases, including amortization and interest postings, manually, similar to the existing process. However, for tracking purposes these should be setup as 'shells' on the Asset Accounting module with sufficient details to be able to identify the lease and lease terms.
  - As a reference, the usual process for managing Capital Lease valuation includes:
    - The initial setup of the lease would be developed with a journal entry with the following debits and credits:
      DR *Capital Assets*
      CR *Capital Lease Obligation (liability)*
    - Determine the asset value using present value table.

- Calculate the amortization schedule to determine how much of the monthly payments represents principal repayments and how much represents interest expense.
- Create a recurring accounting entry for payment with the following debits and credits:
  DR *Capital lease obligations*
  DR *Interest*
  CR *Vendor.*

- Although a capital asset transfer can be considered an acquisition for the receiving agency, this business process is discussed in the document for Asset Transfers (see PDD: FIN-AA-PDD040-AA Transfers).
- Intangible Assets: Processes cannot be defined until OSRAP provides guidance on how GASB 51: *Accounting and Financial Reporting for Intangible Assets* will be handled by the State of Louisiana. The action item is currently under review by OSRAP.
- It has been determined that a Notification Record in PM will be created for each Capital Asset (i.e. for tracking purposes and to enable utilization of a common barcode scanning solution for all track-able items). Accordingly, some of the location and custodian type fields will need to be revisited during realization and probably removed from the Asset Master Record and maintained only in the Notification Record (PM). Additionally, some data fields such as Inventory and Serial Number may not be needed to be maintained in parallel. The fields that will be maintained in parallel on Notification Record and AMR and the process to maintain these fields will be finalized during realization (action item logged for this).

Related PDDs for capital asset acquisitions include:

- Project Systems, see PDD: FIN-PS-PDD070-Capital Projects Periodic Processing
- Material Management, see PDD: LOG-PUR-PDD005 PO Processing
- Plant Maintenance, see PDD : LOG-PM-PDD001, Maintenance Process.

Procurement – Capital Moveable Assets

Generally, these types of asset acquisitions will be made for new items where there is no existing AMR; however, there will be instances where there are additional costs for a new or donated/seized/other non-cash acquisition item such as installment or setup fees, freight, appraisal fees, etc. Additional care will need to be exercised to insure that all applicable costs are included in a capital asset valuation. At time of Goods Receipt, it will be necessary to create a corresponding Notification Record with physical inventory and location tracking detail in addition to updating the applicable AMR fields.

Property Managers or their designate will be responsible for the creation or update of general data and the integrity of financial values for Capital Asset Master Records including:

- Purchase with a Purchase Requisition and Purchase Order:
  - Upon identification of the need for a Capital Asset, a Purchase Requisition will be initiated by agency personnel; however, it will not be identified as an 'Asset' type procurement until the Purchase Order is created.
  - Items that meet commodity code and value criteria for a capital asset will require the review and approval of a Property Manager during the creation of the Purchase Order. If it is determined that the item meets Capital Asset criteria, the Property Manager will change the type of Purchase Order Account Assignment to 'A' (assets) in order to assign an Asset Master Record to the Purchase Order. This can either be done by creating an Asset shell or by identifying an existing asset master record to update.
  - At the time of goods receipt the system will automatically update the asset values for the asset master record based on the Purchase Order unit value. As part of GR process, the Property managers or designates will be responsible for assessing the asset master record and updating additional details such as serial number, employee assignment, etc.

  - If there is a valuation difference, within the tolerance limits, between the Purchase Order and Invoice Receipt (IR), – the system will automatically update the asset values for the asset master record based on the IR value.
  - If there are other general master data changes during the financial life cycle, the Property Manager or designate will be responsible for appropriate updates.
  - Details for Capital Asset procurement design can be found in the aforementioned PDD for capital asset acquisitions via Material Management/SRM.
- Purchase without Purchase Order / with PCard:
  - Current policy disallows the direct purchase of moveable Capital Asset (i.e. purchase without a Purchase Order or use of PCards) for Capital Asset purchases.
    - If a Capital Asset is purchased without a Purchase Order it will be necessary to retroactively create a Purchase Order and follow applicable procurement procedures.
    - For items purchased with a PCard, these will need to be independently evaluated to determine appropriate capital asset data recording – this may involve multiple steps to accommodate the out of policy acquisition method.
- Purchase from Surplus:
  - Historically, there have been few acquisitions from Surplus that meet capital asset criteria (e.g. 1 in the past 15 years). If such a situation occurs, there will need to be an evaluation of the processes to accommodate this. As with other moveable asset procurements, the agency acquiring the asset will be responsible for creating the asset master record and processing the valuation transaction.

Procurement or Construction: Real Property

Initially, FP&C is responsible for managing the acquisition, construction and donation recording of real property capital assets (e.g. land and buildings) using project systems for recording and tracking costs for all but a limited number of agencies. Exceptions are identified in Louisiana Revised Statute 39:14. After final settlement of costs to the asset, the 'owning' agency assumes responsibility for maintaining the asset master record.

For processing and financial consistency, and to streamline training and re-training for seldom-used processes, the recommendation is that LaGov agencies which currently manage their own real property procurement and construction (and generally have low volumes of such acquisitions), should have FP&C manage the process using Project Systems.

This process definition starts from the time that the capital asset construction project has been approved and is with FP&C.

FP&C's designated project administrator will be responsible for the creation and update of general data as well as the integrity of financial values for Capital Asset Master Records while managing projects for real property capital asset acquisitions.

- Asset shells for Assets under Construction (AuC) are created, via an SAP program, as part of the project system process.
- Costs are posted to the appropriate Project/Work Breakdown Structure (WBS), including the purchase of real property (e.g. land or buildings via RE Contract, which is maintained by the Agency Real Estate administrator).
- Settlement rules are created for the WBS and AuC(s).
- Periodically (e.g. at month end) the costs are settled from the WBS to the AuC.
- This cycle continues until construction is deemed complete.
- Construction is deemed complete when the 'Final Acceptance' document is issued by FP&C. FP&C will:
  - Notify the Office of Risk Management (ORM), for insurance purposes, to have the construction inspected.

  - Advise the final asset 'owning' agency finance team so that the final AMR record(s) are created manually. The receiving agency is to be identified by the cost center of the Asset Master Record to eliminate the need for a 'transfer' transaction.
  - Define settlement rules from AuC to final AMR.
  - Perform settlement to the final AMRs (note: there may be additional settlements as noted below).
  - Hand over responsibility for the Asset Master Records to the agency who will 'own' the asset.
  - Note: there is typically a delay between the time the 'final acceptance' is completed, which allows the asset to be put into service, and the receipt of final costs. The project is not closed until all the costs have been recorded and the 'final' settlement to AMR's is processed.
- The Real Estate Property Manager at the 'owning' agency will become responsible:
  - For the financial integrity, general master data (including ensuring REKey linkage) or other updates during the financial life cycle of the Asset Master Record(s).

There may be occasions where a constructed asset is partially completed and put in use while the balance of the asset is being completed (e.g. multi-story building, where 1st floor is completed and occupied, while balance of building is being completed). In such cases, OSRAP must need to be notified when the *'partial acceptance'* is issued so they can provide instructions on how to handle the asset capitalization and depreciation. OSRAP will take into consideration the amount of completion and the expected completion date for the balance of the asset – thus each scenario must be evaluated independently. To accommodate the financial requirements defined by OSRAP there are multiple processes that may be used – the most appropriate will need to be identified on a case-by-case basis:

- Do not perform settlement to the final AMR (i.e. capitalize and start depreciation) until the asset is fully completed.
- Perform a settlement from the AuC to final AMR based on absolute $ or % for the value of the asset that should be capitalized and depreciation started. When the AMR is fully completed, then settle the AuC balance to one of :
  - The existing final AMR(s) (Note: if settled to the same AMR as the initial settlement, there may be a temporary 'spike' in the depreciation for a period.)
  - New AMR(s)/AMR sub-numbers if the depreciation rules should be different from that of the initial value. (Note: If settled to a new AMR/sub-number, then the financial life of the actual asset may end at different times).
  - New AMR(s)/AMR sub-numbers with the depreciation useful life adjusted to end concurrently with the initial AMR.

Construction: Infrastructure

Based on the current infrastructure capitalization policy (i.e. $3 million per year per agency), infrastructure assets are generally limited to DOTD only. The recording of infrastructure assets by other agencies will need to be reviewed when such a circumstance occurs. These types of assets are generally constructed. However, 'donations' (typically, from local government) will sometimes occur. Land acquired for Rights of Way is part of the infrastructure requirements and is generally procured as part of the Infrastructure project.

DOTD's designated project administrator / asset coordinator will be responsible for the creation and update of general data as well as the integrity of financial values for Capital Asset Master Records while managing projects for real property capital asset acquisition

- Asset shells for Asset under Construction (AuC) are created, via an SAP program, as part of the project system process.
- Costs are posted to the appropriate Project/WBS, including the purchase of real property such as land for Right of Way, or through a real estate contract, which is maintained by the DOTD Real Estate administrator.

- Settlement rules are created for the WBS and AuC(s).
- Periodically (e.g. at month end) the costs are settled from the WBS to the AuC.
- This cycle continues until construction is deemed complete.
- Construction is deemed complete when the 'Final Inspection' document is issued by DOTD. The DOTD project administrator / asset coordinator will:
  - Create the final AMR records. Asset Master Records for final settlement in project system processing must be created manually – the receiving agency should be identified in the cost center of the Asset Master Record to eliminate the need for a 'transfer' transaction. This may be done by the DOTD finance team personnel or the finance representative on the project.
  - Define settlement rules from AuC to final AMR.
  - Perform settlement to the final AMRs (note: there may be additional settlements as noted below).
  - Hand over responsibility for the Asset Master Records to the DOTD project administrator / asset coordinator who will become responsible for the financial and data management of the asset master record
  - Note: there is typically a delay between the time the final inspection is completed (which allows the asset to be put into service) and the receipt of final costs. The project is not closed until all the costs have been recorded and the 'final' settlement to the AMR is processed.
- DOTD project administrator / asset coordinator will become responsible:
  - for the financial integrity, general master data or other updates during the financial life cycle of the Asset Master Record(s)

There may be occasions where a constructed asset is partially completed and put in use while the balance of the asset is being completed (e.g. multi-lane highway with turning lane). In such cases, OSRAP should be notified when the 'partial acceptance' is issued so they can provide instructions on how to handle the asset capitalization and depreciation. OSRAP will take into consideration the amount of completion and expected completion date for the balance of the asset – thus each scenario must be evaluated independently. To accommodate the financial requirements defined by OSRAP there are multiple processes that may be used – the most appropriate will need to be identified on a case-by-case basis:

- Do not perform settlement to the final AMR (i.e. capitalize and start depreciation) until the asset is fully completed.
- Perform a settlement from the AuC to final AMR based on absolute $ or % for the value of the asset that should be capitalized and depreciation started. When the AMR is fully completed, then settle the AuC balance to one of :
  - The existing final AMR(s) (Note: if project costs are settled to the same AMR as the initial settlement, there may be a temporary 'spike' in the depreciation for a period.)
  - New AMR(s) or AMR sub-numbers if the depreciation rules should be different from that of the initial value. (Note: If settled to a new AMR sub-number, then the financial life of the actual asset may end at different times).
  - New AMR(s)/AMR sub-numbers with the depreciation useful life adjusted to end concurrently with the initial AMR.

Donation (including Seizures/Legal Settlements): Moveable Property

Process for LaGov project entities:

- A movable asset donation is proposed to an agency. If accepted, the receiver of the donation ensures that appropriate documentation (e.g. Act of Donation or equivalent) and valuation is prepared. The capital asset and/or supporting documentation is forwarded to the agency Property Manager.

- Donation acceptance must follow State of Louisiana policy. The capitalized value must include appraisal or other determination of the asset value and any additional costs (as defined by OSRAP) for the acceptance and placement into service of the asset.
- Property Manager reviews the documentation, including valuation support, and if:
  - The value of the item is less than $5000 and it is a trackable item, it follows the process for master data setup in Plant Maintenance. No capital asset action is required.
  - The value of the item is equal to or greater than $5000 and meets capital asset criteria, an Asset Master Record must be created.
- For an accepted capital asset donation, the Property Manager forwards the detail to a designated finance person responsible for capital assets who:
  - Assigns the Asset Master Record (if one already exists) or creates the new Asset Master Record using the transaction for 'Acquisition with Offsetting Entry'. If the acquisition should have a prior year capitalization date, a 'Post Capitalization' transaction is created. Valuation is based on the appraised value (i.e. fair market value). The offsetting entry for the Asset Acquisition must be the applicable donation revenue account.
  - Ensures that all costs incurred to date are posted to the asset, such as appraisal or other costs that must be included in the asset value.
- The Finance Person advises the Property Manager that an AMR has been setup.
- The Property Manager or designate becomes responsible for managing the capital asset updates and:
  - Ensures that additional fields are completed.
  - Ensures that associated PM record has been created, if applicable.
  - Ensures the asset is tagged.
  - If additional costs relevant to the capital asset value are incurred, ensures that these are posted directly to the AMR.

Donation: Real Property

For LaGov project entities:

- A real property donation proposed to an agency.
- Donation acceptance must follow State of Louisiana policy. The capitalized value must include an appraisal or other determination of the asset value and any additional costs (as defined by OSRAP) for the acceptance and placing into service of the asset.
- The agency reviews the proposed donation and, if not immediately declined, requests that FP&C set up a project to manage costs.
- FP&C advises agency financial personnel and the Real Estate Property Manager of coding for costs (e.g. Project/WBS).
- Agency performs its due diligence for acceptance (e.g. justification, environmental assessment, appraisal, etc.), The Real Estate Property Manager ensures that costs are posted to appropriate project/WBS.
  - Costs (e.g. appraisals, surveys, environmental assessments, legal or other costs related to a potential capital asset) are collected and assigned to the applicable WBS element, but settlement is deferred until the donation is either declined by the agency or until after donation approval decision is made by appropriate authority (e.g. Commissioner of Administration*)*.
- Agency makes the donation status decision:
  - If the donation is declined, the agency real estate Property Manager is advised and follows up with FP&C to settle costs to the agency cost center and close the project.
  - If the donation is accepted, the Real Estate Property Manager forwards supporting documentation to OSRAP.

  - The agency ensures that all costs incurred to date are posted and advises FP&C so that costs are settled to the AMR and the project is closed. (Note: there is not an AuC for this process).
  - The agency forwards appraisal and other supporting documents to SLO.
- The OSRAP finance person responsible for capital assets:
  - Creates the final Asset Master Record(s) using the transaction for 'Acquisition with Offsetting Entry'. If the acquisition should have a prior year capitalization date, a 'Post Capitalization' transaction is entered. Valuation is based on the appraised value (i.e. fair market value). The offsetting entry for the Asset Acquisition must be the applicable donation revenue account.
  - Provides AMR(s) numbers to the FP&C & Property Manager
- FP&C advises the agency Real Estate Property Manager and Finance person that costs have been settled and that the project is closed.
- The Real Estate Property Manager or designate becomes responsible for managing the capital asset updates and:
  - Ensures that Asset Master Record has been linked to the Real Estate Object by the Agency person responsible for Real Estate.
  - Ensures additional fields are completed.
  - If additional costs relevant to the capital asset value are incurred, ensures that these are posted directly to the AMR.

Donation Infrastructure

NOTE: For the donated item, the account assignment (i.e. DR for Asset Acquisition Accounts will be as defined in account assignments – manual update to these accounts is not possible; however, the offsetting entry for the acquisition will need to be reviewed during 'Acquisition with Offsetting Entry or Post-capitalization' transaction processing and updated to be the appropriated 'donation revenue' account).

For LaGov project entities, generally only DOTD has received Infrastructure donations. Should there be infrastructure donations to non-DOTD agencies in the future, business processes for non-DOTD infrastructure donations will need to be reviewed. The following business process is based on DOTD infrastructure:

- Donation proposed to DOTD.
- Donation acceptance must follow State of Louisiana policy. Capitalized value must include an appraisal or other determination of the asset value and any additional costs (as defined by OSRAP) for the acceptance and placing into service of the asset.
- DOTD Planning Section reviews the proposed donation and does its due diligence for acceptance.
  - If the donation is declined, then no further action required for capital assets
  - If the donation is accepted, then the DOTD Planning Section forwards the documentation and advises the DOTD finance team (e.g. DOTD Planning Section notifies DOTD Finance Section upon filing of legal documents – '1104' at Clerk-of-Court).
    - Generally, there are no additional costs related to an infrastructure donation. If there are, these costs would need to be posted directly to the Asset Master Record
- For an accepted donation, the DOTD Finance person responsible for Capital Assets:
  - Assigns an existing Asset Master Record (where applicable) or creates the Asset Master Record(s) using the transaction for 'Acquisition with Offsetting Entry'. If the acquisition should have a prior year capitalization date, a 'Post Capitalization' transaction is entered. Valuation is based on the appraised value (i.e. fair market value). The offsetting entry for the Asset Acquisition must be made to the applicable donation revenue account. The super-number must have the applicable Control Section/Recall number assigned.

  - Advises OSRAP and, if Real Property is included in donation (e.g. ROW), DOTD Real Estate personnel.
  - Ensures that all costs incurred to date are posted.
- After final settlement, the DOTD finance person responsible for capital assets becomes responsible for managing the capital asset:
  - If there is Right of Way, the DOTD finance person ensures that Asset Master Record has been linked to the Real Estate Object by the DOTD Agency person responsible for Real Estate.
  - Ensures additional fields are completed.
  - If additional costs relevant to the capital asset value are incurred, these are posted directly to the AMR.

Corrections: Item Acquired but not on Capital Asset Database

Note: *For the donated item, the account assignment (i.e. DR for Asset Acquisition Accounts will be as defined in account assignments – manual update to these accounts is not possible; however, the offsetting entry for the acquisition will need to be reviewed during 'Acquisition with Offsetting Entry or Post-capitalization' transaction processing and updated accordingly. It may be necessary to obtain OSRAP guidance on the offsetting account.)*

The following process applies to Movable Property, Real Property and Infrastructure for LaGov project entities. It is a process that should only happen rarely, if at all, for Real Property and Infrastructure.

- A capital asset is identified as not being on SAP Asset Accounting database (e.g. it is found during physical inventory, the item was not identified for initial data load/conversion, or a coding error was made on the original acquisition, etc.). Pertinent information is forwarded to the Property Manager or designate for further investigation.
- The Property Manager or designate investigates to ensure that item is not on the SAP Asset Accounting database and determines when/how the asset was acquired to determine how the accounting should be handled.
  - If the item is determined to be on the Capital Asset database, ensures that all the relevant data is correct (e.g. Moveable Asset – inventory/serial number is correct, Real Property – RE Key is correct, Infrastructure – Super-number has the correct Control Section, etc). Advise relevant parties so they can ensure any corresponding records are correct (e.g. Agency Real Estate personnel, DOTD Infrastructure / AGILE personnel, ORM, etc).
  - If the asset is not on the SAP Asset Accounting database, forward the AMR setup detail to the Agency Finance person responsible for capital assets.
- The agency finance person responsible for capital assets shall setup the Asset Master Record:
  - If acquired in the current fiscal year, create a new Asset Master Record using the transaction for 'Acquisition with Offsetting Entry'. The posting should update the valuation of the existing AMR as it should have been initially posted and thus reverse the erroneous initial posting – value and general ledger account.
  - If acquired in a prior closed fiscal year, create the Asset Master Record using the transaction 'Post Capitalization'. If the original posting can be found, the valuation should be based on the original value. If the original posting cannot be located, the asset will need to be valued – contact OSRAP for valuation guidance. The offsetting general ledger account should be the new general ledger account for post capitalization.
  - Advise the Property Manager or designate of the updated Asset Master Record.
- The Property Manager or designate should review the Asset Master Record and make general data updates, and ensure that linkages to other modules such as REKey, personnel number, etc. are updated, as applicable.

- If this is a moveable property asset, ensure that the capital asset gets tagged.

Process Improvement Opportunities:

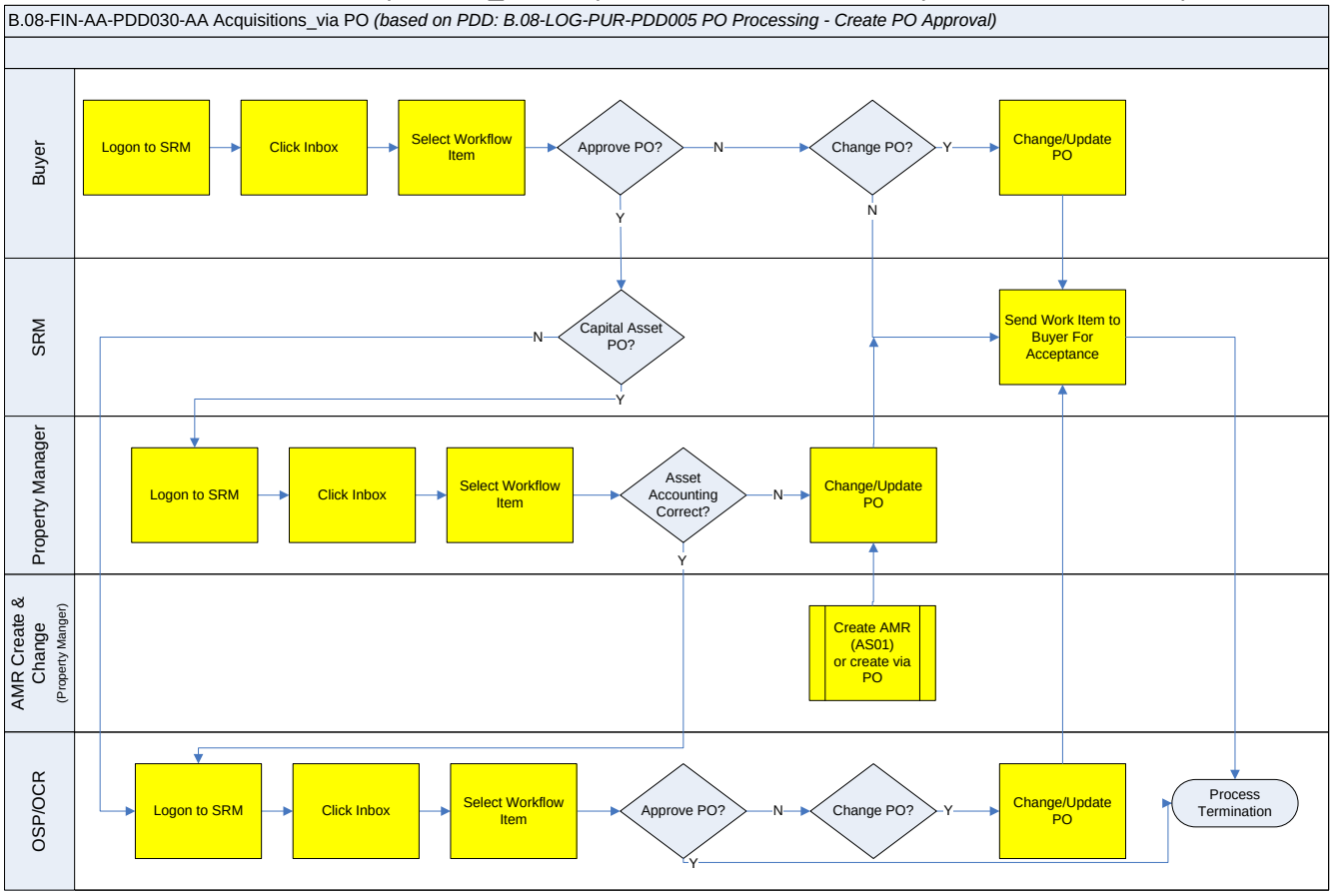
- A single source of data for Capital Assets. Centralize and standardize the fixed asset organizational structure and repository of fixed asset data for State of Louisiana organizational entities participating in the LaGov Project.
- State Assets become part of the accounting system, meaning complete financial integration for recording and reporting. Accurate financial reporting on capital assets. Eliminate the need for duplicate recording of data (e.g. financial). Reduce manual gathering of asset data for financial reporting (e.g. CAFR)
- Capital Asset financial data becomes transaction based to ensure that general ledger and sub-ledger balance are updated appropriately. Provide a consistent approach to asset master record creation and update processes for financial transactions within the AA modules (such as transfers, retirements, depreciation postings, value adjustments, corrections and non-cash acquisitions) and integrated transactions such as asset acquisition via procurement (MM module), direct purchase without Purchase Order (AP module) and 'construction' projects (PS module).
  - Acquisition costs of capitalized assets coming directly from purchase orders (GR/IR), projects or contracts provide more accurate data and more detailed reporting.
  - Ability to 'drill-down' to source data for transaction analysis (with appropriate approvals)
- Reduce re-tagging of moveable assets upon transfer.
- Ability for easier and more accurate reporting of asset acquisition data by funding source.

To-Be Process Flows

The following provide process flows for the capital asset acquisition methods:

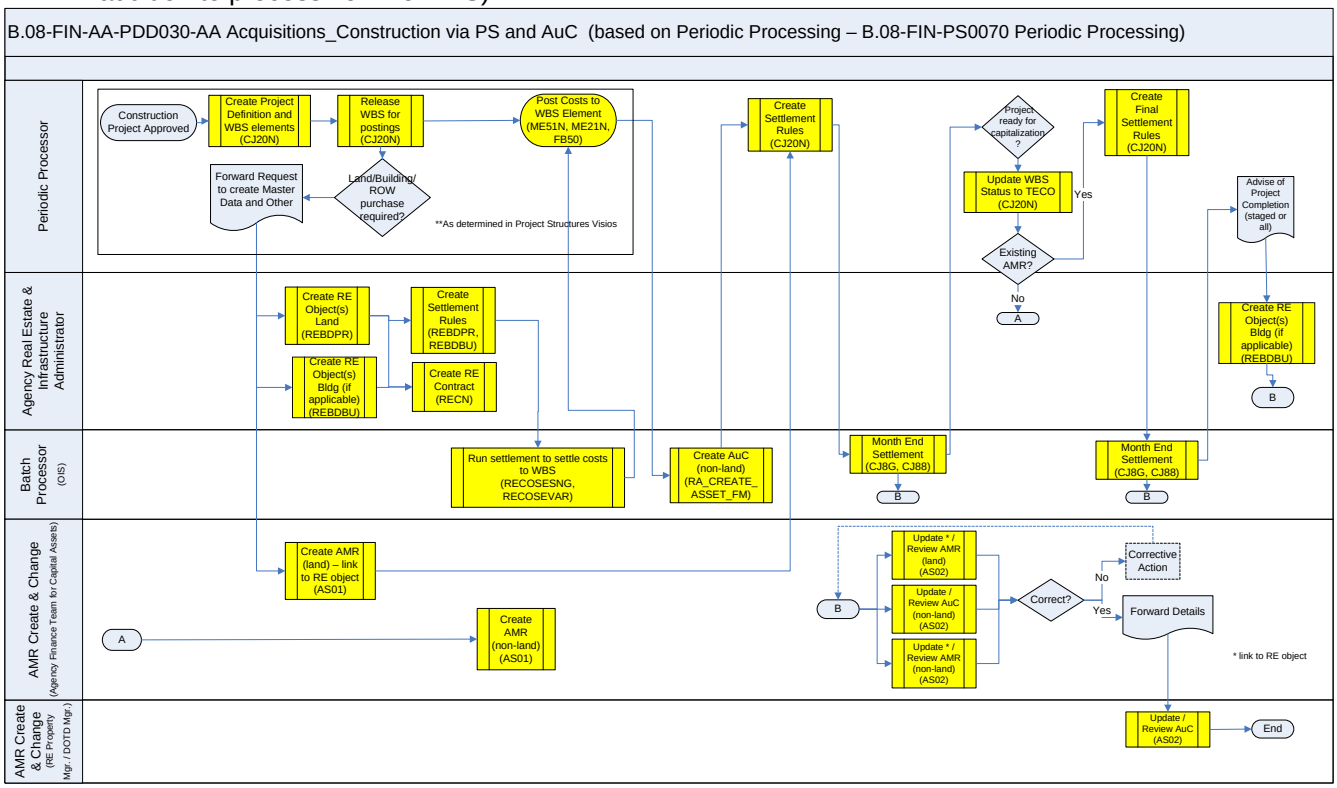
- Moveable assets are most often procured via the MM module (i.e. Purchase Orders).
- Due to the time line and multiple step requirements, Real Property and Infrastructure are most often acquired via the PS module (i.e. Projects).
- 'Donations' of Real Property, which require acceptance analysis and have additional costs, will also be managed via Projects.
- 'Donations' of Infrastructure and Moveable Assets will be managed via the Asset Accounting module as there are limited additional costs involved with these capital assets.
- via Material Management: PDD: LOG-PUR-PDD005 PO Processing:

- FIN-AA-PDD030-AA Acquisitions_via PO (one user role in addition to process flow from MM)

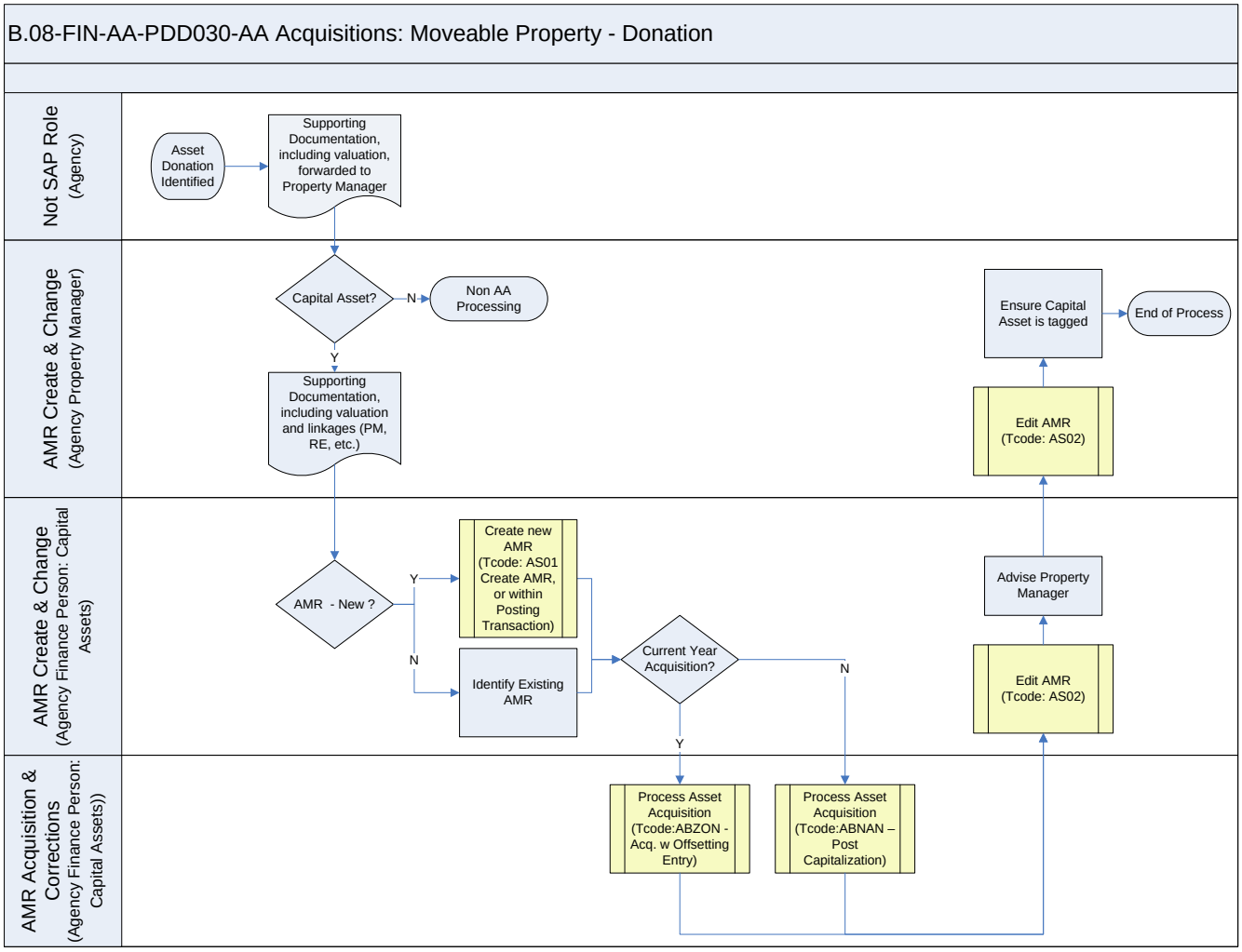


- via Project System, see PDD: FIN-PS-PDD070-Capital Projects Periodic Processing:

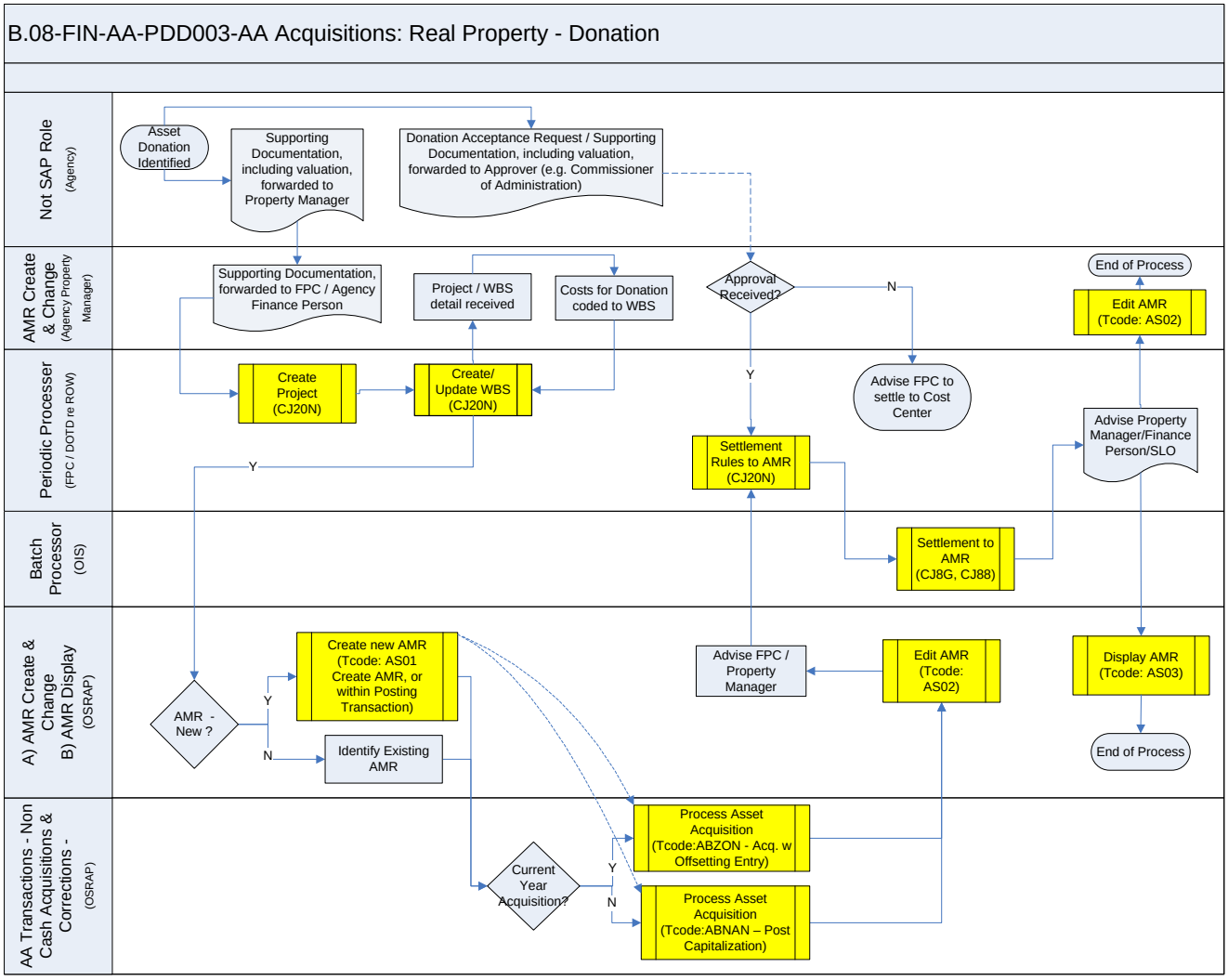
- FIN-AA-PDD030-AA Acquisitions_Construction via PS and AuC_ DRAFT.vsd (one user role in addition to process flow from PS)



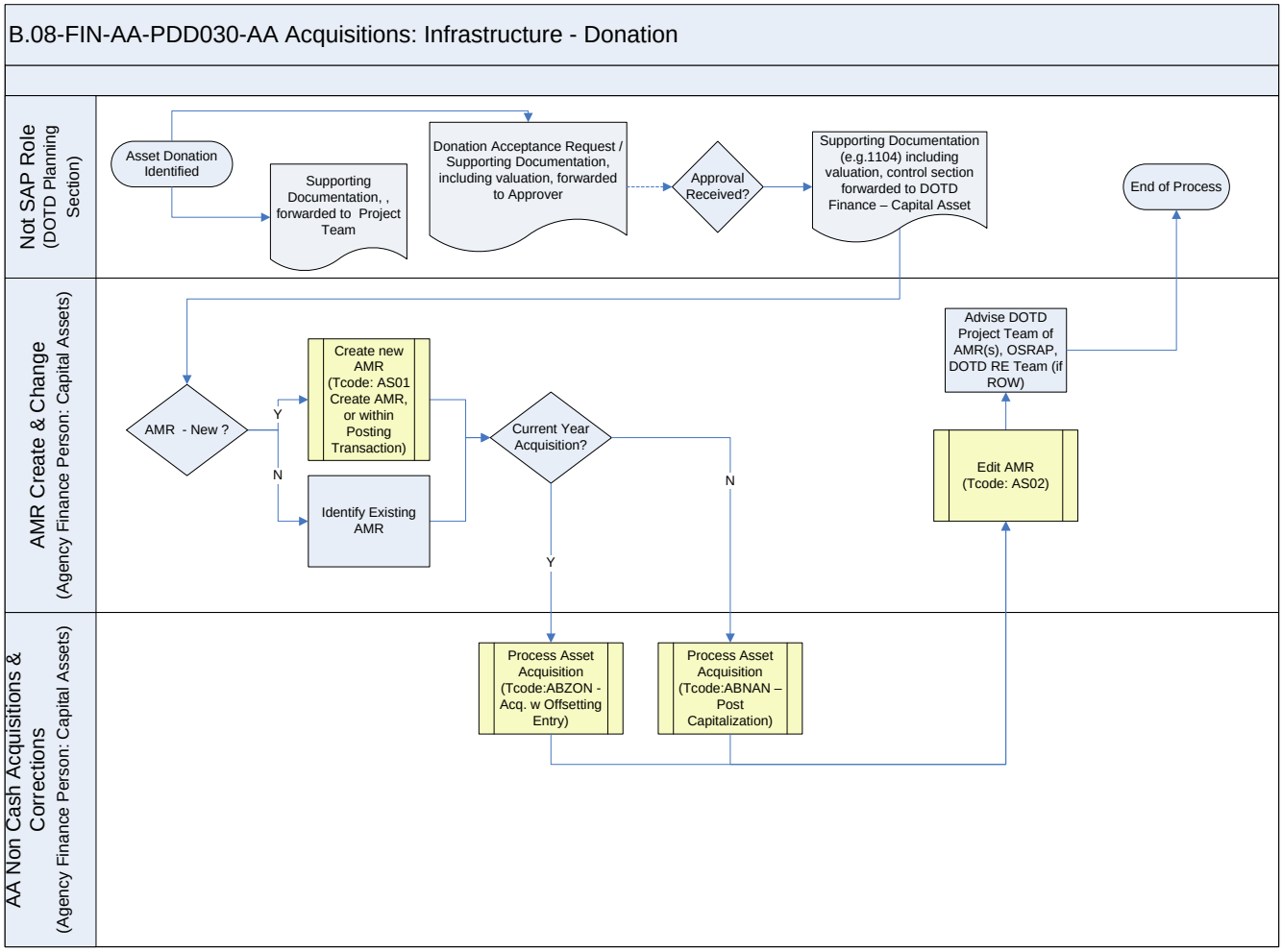
- FIN-AA-PDD030-AA Acquisitions_Moveable Property - Donation.vsd



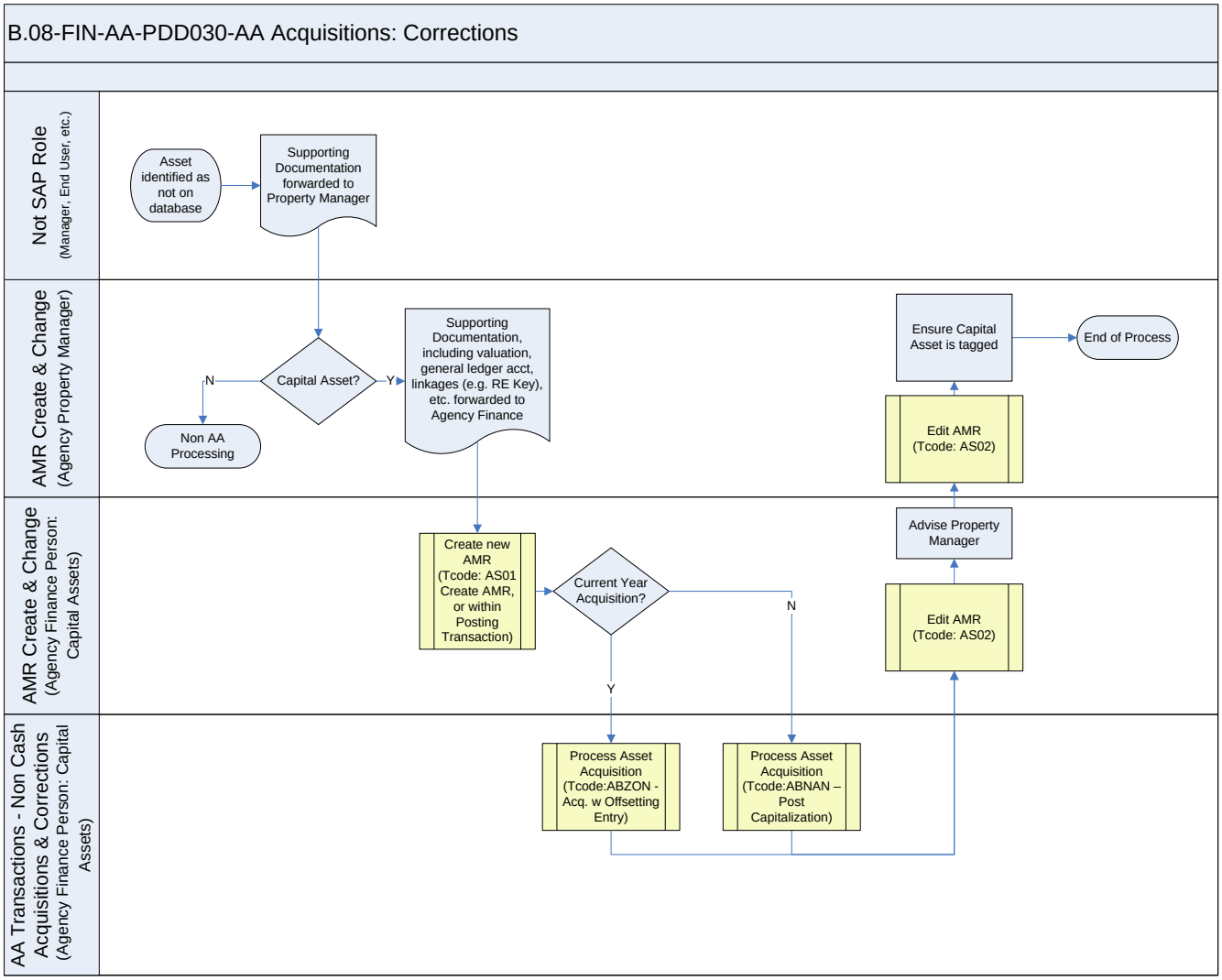
- FIN-AA-PDD030-AA Acquisitions_Real Property - Donation.vsd (does not include RE Object creation or roles – these will be managed via the RE module).



- FIN-AA-PDD030-AA Acquisitions_Infrastructure - Donation.vsd



- FIN-AA-PDD030-AA Acquisitions_Corrections.vsd



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Existing donation processes to accept donations must be followed. This includes insuring that all applicable capitalized costs for accepting donation are included in asset valuation.	Existing practices do not always have the applicable additional costs incurred in accepting the capital asset donation included in the capitalized cost.	Training requirements to have State personnel become knowledgeable as to what additional costs for donation acceptance are applicable to the capitalized value of the asset. OSRAP needs to provide a clear direction on the costs to be included in donation capitalized values.
2	OSRAP will create Asset Master Records for donated Real Property (excluding Right of Ways); otherwise it	OSRAP will become more active in the ongoing record maintenance for certain types of asset master records.	OSRAP personnel will need to be trained on asset master data record and transaction maintenance.

#	Decision	Process Impact	Organizational Impact
	will be the agency finance person responsible for capital assets or the project finance person/administrator if acquired via a project.		

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	State of Louisiana: Title 34 & RS 39:200.C, RS 39:321-328, RS 39:330-332 (Moveable Property)	Title 34 section VII: requires significant revisions. Revisions to governing revised statutes may also be required.	Commissioner of DOA
2	State of Louisiana: RS 39:11-14; RS 41 (Real Property)		Commissioner of DOA
3	Title 23, United States Code, Section 4029c (Infrastructure)		DOTD
4	State of Louisiana: RS 39:122 (Infrastructure)		Commissioner of DOA, Secretary of DOTD
5	GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries		OSRAP
6	GASB Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments		OSRAP
7	GASB 51 Accounting and Financial Reporting for Intangible Assets		OSRAP
8	State Purchasing Commodity Based Procurement Policy - Policy re Capital Asset Procurement via Purchase Order		DOA/OSP
9	DIVISION OF ADMINISTATION LOUISIANA "LACARTE" PURCHASING CARD POLICY – limits purchases to $1,000 with exceptions granted by OSP		DOA/OSP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments

1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified						

Note: *Conversions – a mid-year conversion will require that transactional data for partial year be converted. Conversion information is detailed in PDD: FIN-AA-PDD010-AA Organizational Structure and PDD: FIN-AA-PDD080-AMR Data Conversion_all systems.*

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Not applicable		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Asset Master Data Maintenance – Create and Change	The role owner is responsible for creating and changing asset master records: o Create, change and display asset master records o Create asset sub-	Moveable Asset Classes: Property Managers, Agency Finance personnel assigned to capital assets, OSRAP personnel assigned to capital assets Real Property Asset Classes: Real Estate Property Managers, Agency Finance personnel, FP&C project	o Authorization restriction by Agency (i.e. cost center) o Additional restrictions may be required for Moveable assets used in Covert situations. o Moveable assets will need authorization object for

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		numbers	administrator personnel assigned to capital assets, OSRAP personnel assigned to capital assets Infrastructure Asset Classes: DOTD facility manager, Agency Finance personnel, project administrator personnel assigned to capital assets projects, OSRAP personnel assigned to capital assets.	Personnel Number and Equipment Master Number (i.e. linkage). During realization, may identify requirement to have roles split for Create and Maintain.
2.	Asset Master Data – Display AMR and Values	The role owner monitors and checks asset balance sheet values, as well as planned and posted depreciation, on individual fixed assets. o Display Asset Master Record o Asset Explorer o *Display Document (Asset related)*	Broader audience including those that can create and maintain asset master records and process asset transactions and those that need to access asset data for analysis and reporting purposes.	o Authorization restriction by Agency (i.e. cost center). o Additional restrictions may be required for Moveable assets used in Covert situations. o OSRAP will have access to all asset classes. This role also allows the user to jump to asset master record display and the display of asset documents. The user is not able to jump to the display of Financial Accounting documents unless the role owner has that authorization, which is contained in the *Asset Accounting Information System* role.
3.	Asset Transactions – AA Non Cash Acquisitions & Corrections (AMR not in database)	The role owner makes non integrated acquisition postings in Asset Accounting or updates for assets not in database. Note: via AA transactions, not via integrated MM and PS. o Acquisition with offsetting entry o Post-capitalization	Limited to individuals who should be able to process financial asset transactions AMR (e.g. Agency or OSRAP finance team personnel responsible for capital assets or their designees).	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* In asset posting transactions it is sometimes possible to directly create asset master records. To be able to use this function, you need the role for *Asset Master Data Maintenance – Create and Change.* Limit TTypes to those valid for State.
4.	Asset Transactions – Asset Document Edit / Reverse	The role owner makes corrections to posted asset documents (limited fields available) or corrects postings made previously via the asset module – acquisitions, transfers, and retirements. o Reverse asset transaction (i.e. via the AA module only), acquisition, retirements, transfers.	Limited to individuals who should be able to process financial asset transactions AMR (e.g. Agency or OSRAP finance team personnel responsible for capital assets or their designees). This may be refined during realization to a smaller subset of this group.	Limitations will be required for business area, cost center, transaction type, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* Limit reversals to transaction types for Acquisitions. Limit TTypes to those valid for State.

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		o *Edit asset documents (limited fields e.g. text not values)*		
5.	Asset Accounting Information System	The role owner oversees and monitors fixed assets using Asset Accounting reports. The role contains the complete Information System of Asset Accounting. o Execute reports (list to be determined during realization.)	Broader audience including those that can create and maintain asset master records and process asset transactions and those that need to access asset data for analysis and reporting purposes. Generally, this would be the same group as those that have access to 'Asset Master Data – Display AMR and Values'	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* The role owner needs authorization for executing reports and inquiries. These authorizations are provided by the SAP_BC_ENDUSER single role.
6.	Periodic Processor (PS module – see PDD: FIN-PS-PDD070-Capital Projects Periodic Processing)	Role will be responsible for creating the AuC, creating settlement rules and overseeing the settlement process		
7.	Real Estate and Infrastructure Administrator (RE module integrated with PS – see PDD: see PDD: FIN-PS-PDD070-Capital Projects Periodic Processing)	This role will be responsible for creating the real estate objects and maintaining the settlement rules from the real estate object to the appropriate WBS element		
8.	Batch Processor	This role will be responsible for running the batch job for periodic settlement		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Asset Master record creation and maintenance as part of acquisition transaction.	Asset master records and financial records are not integrated thus end users do not see the 'whole picture' for capital assets. Currently, users may have limited responsibility for maintenance of data. Moveable assets require additional layers of authorization for some field changes.	Responsibility for creation and maintenance of asset master records will have additional or different personnel. End users will have access to more financial data about a capital asset. End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data. They will also need to understand which data is maintained in other integration point master records or in transactional data.
2.	Asset Master record display and reporting.	Asset master records and financial records are not integrated thus end	Responsibility for creation and maintenance of asset master records will have additional or

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
		users do not see the 'whole picture' for capital assets. A larger audience will be able to display and report on assets.	different personnel. End users will have access to more financial data about a capital asset. End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data. They will also need to understand which data is maintained in other integration point master records or in transactional data.
3.	SAP will be the system of record for capital assets and their valuation for the State of Louisiana organizational entities participating in the LaGov Project, replacing the records maintained Moveable Assets (Protégé), Real Property Assets (SLABS and worksheets/spreadsheets used by OSRAP for calculating depreciation) and Infrastructure Assets (worksheets/spreadsheets used by DOTD and OSRAP for calculating valuation and depreciation). Data will be maintained in asset master records which are classified for financial and other reporting purposes via Asset Classes. Other integration modules will be used to maintain non-capital asset detail (e.g. Real Estate, Plant Maintenance/Fleet for non-capital assets and other recording such as maintenance tracking).	Single source for all Capital Asset records. Multiple SAP modules will contain data currently stored in a single system (e.g. Protégé records will be stored in AA for Capital Assets, PM for non-capital assets and PM for fleet / maintenance detail; SLABS records will be stored in AA and RE modules)	Training to understand where existing data will be stored in SAP, how SAP will be used to maintain and report on data. Training on the concept of SAP asset classes and their purpose. Training on the concept of multiple modules used to store data most applicable to that module (e.g. Asset Accounting, Plant Maintenance, Real Estate, General Ledger, etc.)
5.	Each capital asset will be recorded in the SAP Asset Accounting during the entire asset financial life cycle (e.g. acquisition, depreciation, transfers, sale/disposal) and will be integrated with other SAP modules for master record and financial updates. Two parallel depreciation areas will facilitate simultaneous accounting on Modified and GASB-34/Full Accrual basis, which would have significant benefits for OSRAP reporting.	Transactional updates with SAP capital assets will be integrated and thus financial records will be in balance for the Capital Asset database and Financial records (e.g. G/L). Asset Accounting system will accommodate both Modified and Full Accrual reporting requirements. Financial updates to the general ledger will be based on account determination rules that are either automatically applied or proposed for user update.	Training requirements for the concept of Asset Accounting integration and financial / master data updates. Training requirements for the concept of dual deprecation areas and the financial / master data updates. Training requirements for financial postings and use of general ledger accounts for financial updates. OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation).
6.	Acquisition Transactions	In SAP, multiple paths will be used for processing asset acquisitions and these will all be integrated with applicable SAP financial and other module updates. Personnel responsible for the transaction processing will differ, depending on	Training required for personnel that will be using the various methods of asset acquisitions. This includes the significance of the transaction fields and how they impact master data and financial valuations, as well as integration points, such as GL, FM, CO, etc.

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
		the method used (e.g. Procurement via Purchase Order will involve Property Managers and receiving staff, while constructed assets will involve personnel using SAP Project Systems). Additionally, the asset record creation is at the beginning of the acquisition process. Currently, the acquisition process uses multiple paths and personnel; however, the asset record is generally created at the end of the acquisition process and is not integrated with financial and other systems. This also results in additional effort to update the general ledger with asset values.	

Training Impact

The creation, maintenance and valuation of asset records will have significant changes from the existing practices and potentially have a significantly larger end user base for various business processes associated with asset master records. The following key areas regarding design of the asset structure and organizational elements will need to be addressed during training:

- Terminology change for use of SAP terms
- Concept of asset class structure and classifications (e.g. Capital – owned, Capital Lease, Assets under Construction, Intangible Assets).
  - Separating infrastructure asset classes into bridges and highways impacts DOTD invoices, projects, coding, finance sources, funding type, bidding process, and contracts and some changes to chart of accounts.
- New capital asset numbering scheme
  - Asset Numbering differs from legacy record numbers
  - Use of sub-number asset records for multiple funding sources of a capital asset
- Concept of each asset master record recording valuation for two depreciation areas
  - Concept and financial implications of simultaneous and parallel accounting methods using multiple depreciation for each asset master record (i.e. DA 01: Modified Accrual Accounting and DA 20 GASB - Full Accrual Accounting)
  - New asset depreciation calculation processes
- Concept of capturing all relevant costs that need to be included in the capitalized value of a capital asset:
  - This includes the cost of the actual asset purchased or built, fair market or equivalent value for donated assets and other costs as defined by OSRAP for the various types of assets (e.g. freight, installation)
- End users who work with capital asset records (including property managers and financial personnel) will need to:
  - Understand the postings required for capital asset acquisitions, including the nuances for multiple depreciation area posting requirements and impacts
  - Understand the automated financial postings and asset master record updates during an acquisition transaction
  - Understand the consequences of changes to the financial attributes of asset master records which have had values posted
- Integration:

- o Creation of AMR and financial value update from integrated processes (e.g. procurement via PO, Projects – including sourcing from RE Contract, non-cash acquisitions such as donations)
  - Acquisition of land, buildings, or infrastructure would go through a PS project to accumulate associated costs. Only DOTD, FP&C, and a small sub-set of DNR will have access to this module (PS module)
  - Acquisition of moveable property will most frequently be via Purchase Order (MM module)
- o Integration with financials – many transactions will have automated postings (e.g. depreciation).
  - Transaction postings update GL, Cost objects (e.g. cost element, cost center, RE object), Fund/Grant values
- o Validation with HR – personnel number
- o Automated posting GL (e.g. depreciation run)
- o Integration with multiple modules in one system (e.g. PS, MM, RE, etc.) – may need to use information from more than module for data analysis

- Capital Asset information would reside in multiple modules of SAP
  - o Financial data for capital assets would reside in AA
  - o Inventory, location, and tracking data would reside:
    - PM for moveable property
    - RE for buildings and land (including ROW)
    - Agile Assets for infrastructure
- New processes to create/update asset master records and valuations
- Asset Master Record and Financial Updates will change:
  - o Asset changes will now have financial impact.
  - o AMR creation at beginning of process: e.g. time of Purchase Order rather than goods receipt, when Project is started
  - o Some transactions will require more steps than legacy transactions.
  - o Transaction posting will require understanding of Transaction Types (transfers use transfer variant) and their financial and AMR impacts TTypes and Transfer Variants
  - o Use of document types to identify type of transactions and provide posting controls
- Data monitoring via report required to ensure proper data entry. Recommendation that this be done frequently after initial implementation when data entry problems are most likely.
- Asset Master Record Field Data:
  - o Visible and, generally immediate, financial impact on asset master record transaction postings, including the nuances for multiple depreciation areas
  - o Capital asset records need to be created at the 'front-end' of acquisition process (not 'back-end' as is done currently)
  - o Control Section changes require configuration and manual synchronization in AA, PS, and Agile
  - o Linkage with AGILE Assets will be non-integrated; however, the Super number on the AMR will use the Control Section mapping. Control Section changes require configuration and manual synchronization in AA, PS, and Agile
  - o More discrete data being maintained for Infrastructure assets
- Security Considerations:
  - o Property Managers will not be tied to individual assets in AA
  - o Security would determine who can edit which assets
  - o History transaction reports will show who edited which pieces of information
  - o SAP match code options cannot be filtered by user security or business area.
  - o Non-financial data remains editable on deactivated asset records – Can be managed by reporting (e.g. change history audit).
- Personnel change for management of capital asset master records – including creation, field

update, blocking and review of general and asset values:

- Management of fixed asset master records – including creation, field update, blocking and review of general and asset values.
- OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation)

Appendix

Not applicable

Team:	Finance - Asset Accounting
PDD Name:	Valuation Adjustment
PDD Number:	FIN-AA-PDD090-Valuation Adjustment
Business Process Owner:	Afranie Adomako
Functional Lead:	Rhoama Speights
Functional Consultant:	Christine Wieczorek

Executive Summary

During the financial life cycle of an asset master record, special circumstances may require an asset valuation increase or decrease:

- Decreases in value can result from an unexpected permanent reduction in the value of an asset due to damage or technical obsolescence. Such adjustments can result from impairment due to natural disasters such as hurricanes, which require financial adjustments as per *GASB Statement No. 42: Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.*
- Increases in value can result from the depreciation being excessively high in prior years. It has been determined that this type of correction is not a requirement for State of Louisiana.

The transactions that enable valuation adjustments are very powerful as they can adversely affect financial reporting (i.e. statements) if used improperly. Accordingly, financial guidance from OSRAP is required and OSRAP will process all valuation adjustment transactions.

This document describes the design of the SAP Capital Asset Unplanned Depreciation transaction processing (i.e. valuation decrease adjustments), including flowcharts for Moveable Property, Real Property and Infrastructure.

To-Be Process Description

#	Process Terminology	Description
1	Asset Class	Main criterion for classifying fixed assets according to legal, financial and management requirements.
2	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.
3	Main Asset Number	Unique number, in combination with company code and asset sub number, that identifies a fixed asset
4	Sub Asset Number	Asset record for an individual part of an asset, or subsequent acquisitions, can be represented by a sub-number to a main asset number. For public sector sub-numbers are used for each funding source of an asset.
5	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
6	Asset under Construction (AuC)	An asset that you produce or manufacture yourself which must be managed as a separate asset master record, generally without

#	Process Terminology	Description
		depreciation, during the construction phase.
7	Low Value Asset (LVA) / Controlled Assets	Items that do not meet the capital asset criteria and are recorded for tracking purposes. These will be tracked in Plant Maintenance via Notification Records.
8	Capital Lease	A lease that meets one or more financial criteria as defined by FASB. This type of lease 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.
9	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. These are not relevant to Capital Assets.
10	Depreciation	Reduction of the asset book value because of decline in economic usefulness or because of legal requirements for taxes.
11	Depreciation Area	A structure that contains and maintains the valuation of a fixed asset for a particular purpose (for example, legal financial statements, balance sheets for tax purposes, or management accounting values). It can be thought of as an asset ledger or asset book. For public sector accounting, it typically reflects asset values two areas: modified accrual and full accrual purposes.
12	Screen Layout	Settings that specify 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'.
13	Account Assignment or Account Determination	Settings which define which general ledger accounts to post to from a business transaction. These are the general ledger accounts that are used by the system for transactions that have automated general ledger postings (e.g. depreciation) or that are proposed by the system for transactions which allow an end user to override the proposed account (e.g. post capitalization).
14	Amortization	Writing off of loans or intangible assets in equated annual/monthly installments over a scheduled period.
15	Unplanned depreciation	Financial valuation adjustment that 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.
16	Write-up	Financial valuation adjustment that increases the asset net book value via adjustment to depreciation posted. Reasons for adjustment include excessive past depreciation or reversal of unplanned depreciation.
17	Transfer	A transfer is a 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
18.	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.
19	Impairment	GASB statement number 42 defines and impairment as a significant, unexpected decline in the service utility of a capital asset. The events and changes in circumstances that lead to impairments are not considered normal and ordinary.

#	Process Terminology	Description
20	Service Utility	The usable capacity that a capital asset was expected to provide at its acquisition.

During the financial life cycle of an asset master record, special circumstances may require an asset valuation increase or decrease:

- Decreases in value can result from an unexpected permanent reduction in the value of an asset due to damage or technical obsolescence. Such adjustments can result from impairment due to natural disasters such as hurricanes, which require financial adjustments as per GASB Statement No. 42: Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.

This type of adjustment uses the 'Unplanned Depreciation' transaction in the Asset Accounting module.

If the asset is damaged beyond repair (i.e. 100% impairment), then the asset will be retired using the 'Retirement by Scrapping' transaction (see PDD: FIN-AA-PDD050-AA Retirements).

- Increases in value can result from the depreciation being excessively high in prior years.

This type of adjustment uses the 'Write-up' transaction in the Asset Accounting module.

The transactions that enable valuation adjustments are very powerful as they can adversely affect the financial reporting (i.e. statements) if used improperly. Accordingly, financial guidance from OSRAP is required and OSRAP will process all valuation adjustment transactions.

For more informative tracking of asset valuation decreases, the following data elements will be used:

- Transaction processing (i.e. transaction type and text fields)
- Asset Master record (i.e. disposition type – only if total impairment occurs and the asset is scrapped).

Valuation Adjustment Transactions

Asset Valuation Decreases: Unplanned depreciation will be included in the asset accounting design. This will accommodate valuation adjustment and reporting requirements for impaired assets (e.g. GASB 42).

Asset Valuation Increases: Write-up transactions are not a current requirement for the asset accounting design. Should these be required post go-live, it is relatively simple to have this functionality enabled.

Transaction Types

For asset transactions, a transaction type (TType) is used for rules regarding the transaction valuation (i.e. TType defines how the depreciation and valuation of the asset will be handled).

Transaction types (TTypes) for Unplanned Depreciation will be copied from existing SAP delivered TTypes using a 'Z' prefix for the type and a name that represents the purpose. At a minimum, there will be three TTypes available: Technical Obsolescence, Natural Disaster, and Damage. Additional TTypes may be defined during realization. It was determined that creating multiple TTypes for each natural disaster was not effective – if a user chose the wrong TType, it would require additional steps to make corrections.

To provide more detail on the type or reason for impairments, the text field must be completed for Unplanned Depreciation postings.

Depreciation Shutdown

For impairments that result in a capital asset being taken out of service for a period of time, the option to temporarily discontinue depreciation (i.e. shutdown indicator on asset master record) is being included. This functionality is not currently used in legacy systems. For impairment situations, OSRAP will

evaluate whether the out-of-service timeframe warrants a temporary stoppage of depreciation and, if so, update the asset master record accordingly. This functionality will require further review by OSRAP during realization.

Asset Valuation and Transaction Posting

Unplanned depreciation is a sensitive and powerful transaction. If used incorrectly the financial reporting of capital asset values could be significantly affected.

Accordingly, it was decided that OSRAP finance personal shall be responsible for the valuation adjustments:

- Impairment value calculations to be posted to a capital asset will be based on documentation provided to OSRAP supporting a valuation adjustment request. Valuation adjustments will follow OSRAP's GASB 42 policies.
- Only OSRAP financial personnel shall post valuation decrease adjustments for Real and Moveable Property using the transaction for 'Unplanned Depreciation'.

Processes

Moveable Property

- An asset value decrease is identified by agency personnel (e.g. damage, impairment, technically obsolete, etc.) and supporting documentation is forward to the agency Property Manager.
- The agency Property Manager receives request and forwards it to the agency financial personnel.
- Agency financial personnel assess the request and if a valuation decrease is applicable forward it to OSRAP financial personnel.
- OSRAP reviews the documentation and determines if impairment processing is required:
  - If completely impaired, the documentation is returned to the Property Manager for Retirement processing.
  - If partially impaired, OSRAP processes the valuation adjustment and advises the agency finance personnel and Property Manager.
- If additional asset master data updates are required (e.g. general data), the Property Manager updates the Asset Master Record.
- OSRAP reviews the month-end depreciation run to ensure that financial postings for unplanned depreciation are processed correctly.

Real Property

- An asset value decrease is identified by agency personnel (e.g. damage, impairment, technically obsolete, etc.) and supporting documentation is forward to the OSRAP finance personnel.
- OSRAP reviews the documentation and determines if impairment processing is required:
  - If completely impaired, the documentation is returned to the Property Manager for Retirement processing.
  - If partially impaired, OSRAP processes the valuation adjustment and advises the agency finance personnel and Property Manager.
- If additional asset master data updates are required (e.g. general data), the Property Manager updates the Asset Master Record.
- OSRAP reviews the month end depreciation run to ensure that financial postings for unplanned depreciation are processed correctly.

Infrastructure

- An asset value decrease is identified by DOTD personnel (e.g. damage, impairment, technically obsolete, etc.) and supporting documentation is forward to the DOTD financial personnel.
- DOTD financial personnel assess the request and if a valuation decrease is applicable, forwards the request to OSRAP financial personnel.
- OSRAP reviews the documentation and determines if impairment processing is required:
  - If completely impaired, the documentation is returned to the DOTD finance personnel for Retirement processing.
  - If partially impaired, OSRAP processes the valuation adjustment and advises the agency finance personnel and DOTD personnel reporting the impairment.
- If additional asset master data updates are required (e.g. general data), the DOTD personnel responsible for infrastructure capital assets update the Asset Master Record.
- OSRAP reviews the month-end depreciation run to ensure that financial postings for unplanned depreciation are processed correctly.

Note*: If an impairment is identified for non-DOTD infrastructure, the process should be the same as for Real Property.*

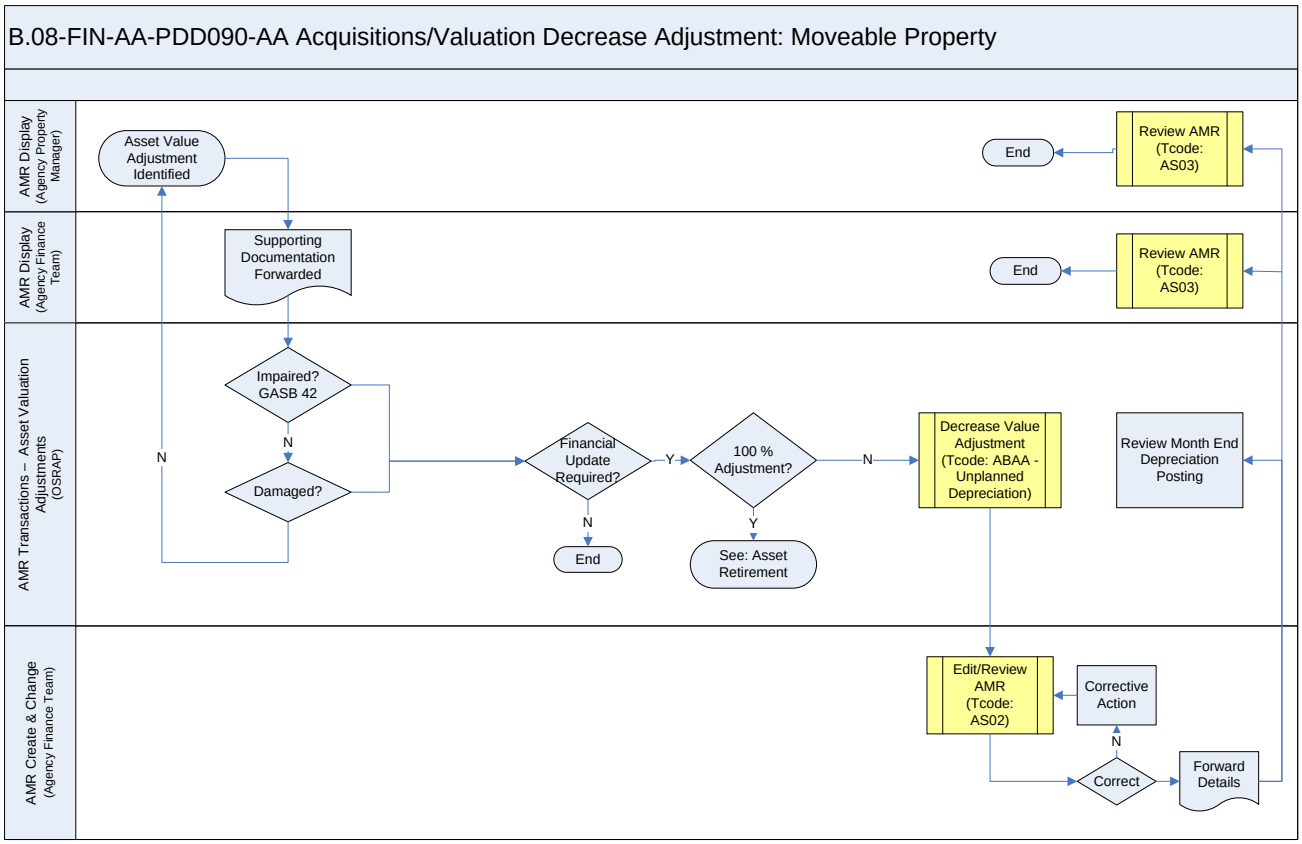
Process Improvement Opportunities

- State Assets become part of the accounting system. There is financial integration for recording and reporting. Accurate financial reporting on capital assets. Eliminate the need for duplicate recording of data (e.g. financial). Reduce manual gathering of asset data for financial reporting (e.g. CAFR)
- Capital Asset financial data becomes transaction based to ensure that the general ledger and sub-ledger balance are updated appropriately. Provide a consistent approach to asset master record creation and update processes for financial transactions within the AA modules (such as transfers, retirements, depreciation postings, value adjustments, corrections and non-cash acquisitions) and integrated transactions such as asset acquisition via procurement <MM module>, direct purchase without PO <AP module> and 'construction' projects <PS module>.
- Impairment valuation adjustments use a consistent approach for financial updates. This enables easier identification of such transactions for analysis and reporting purposes (including GASB42 reporting).
- Ability to 'drill-down' to source data for transaction analysis (with appropriate approvals).
- Infrastructure assets being moved away from the 'Wooster' depreciation method will allow more discrete asset tracking and thus will allow impairment values to be more easily calculated.

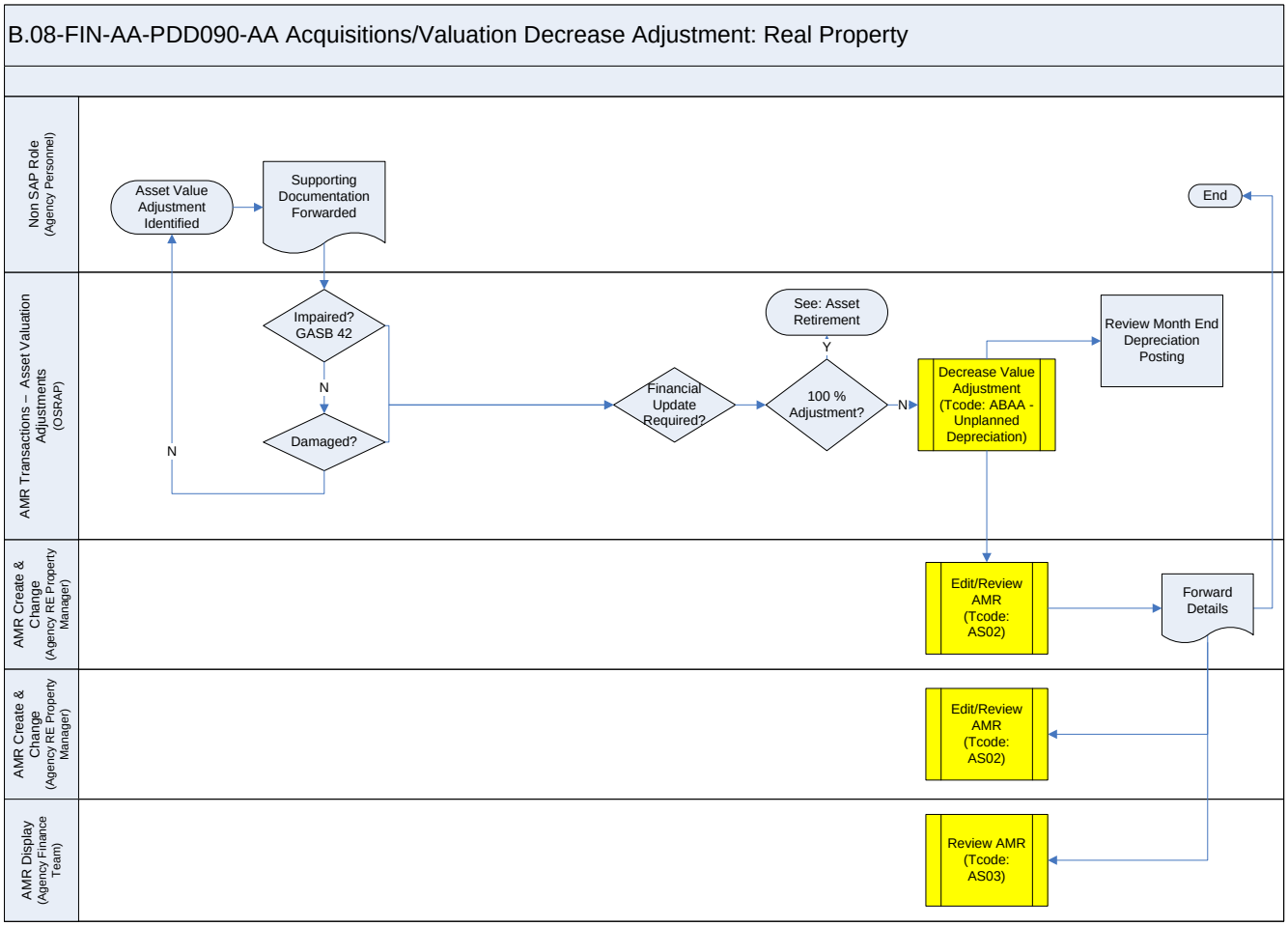
To-Be Process Flows

The following provide process flowcharts for the capital asset valuation decrease adjustments. Although the processes are essentially the same for moveable property, real property and infrastructure, for some tasks, the end users performing the tasks differ.

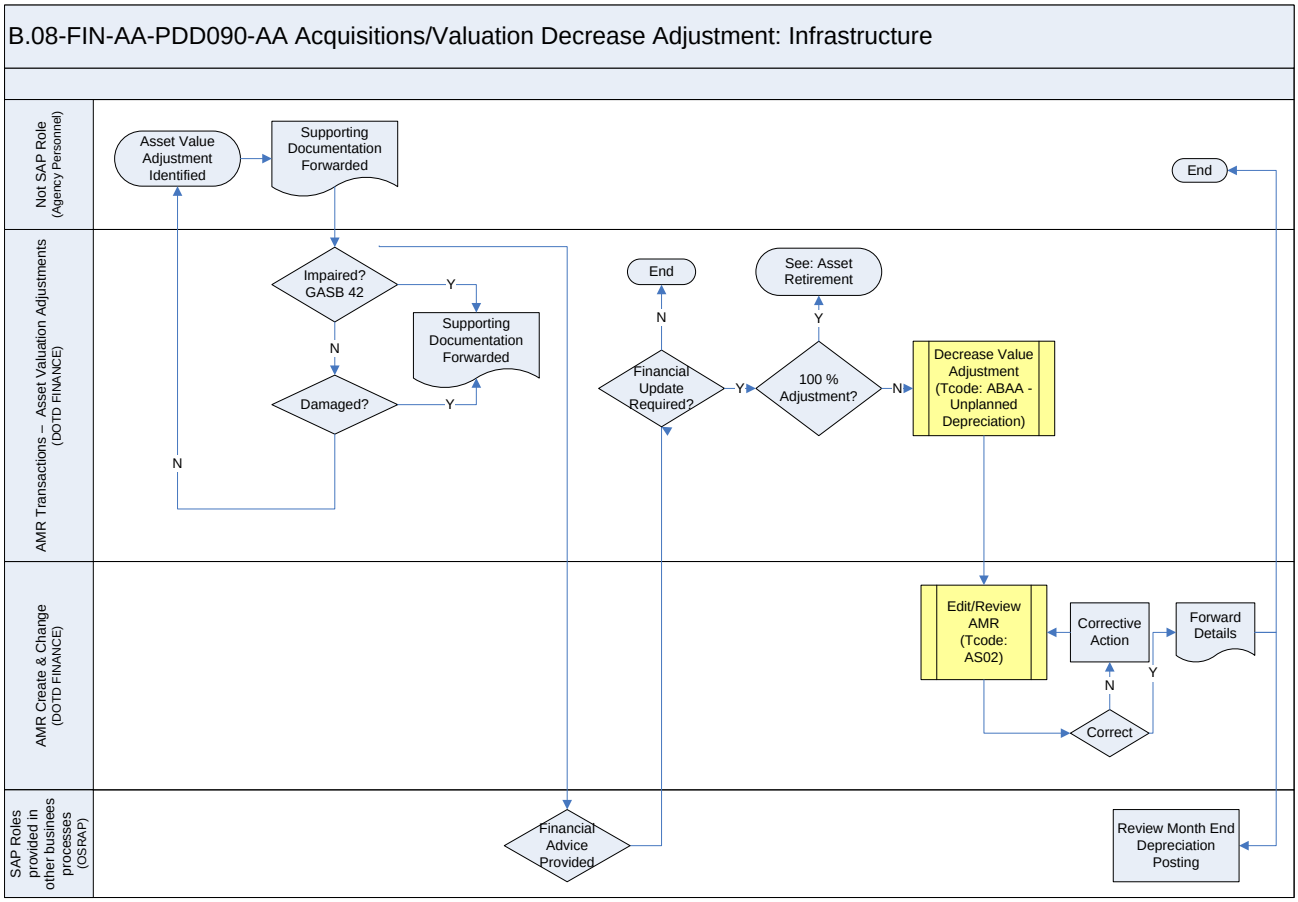
- FIN-AA-PDD090-AA Acquisitions_Valuation Decrease Adjustment_Moveable Property



- FIN-AA-PDD090-AA Acquisitions_Valuation Decrease Adjustment_Real Property



- FIN-AA-PDD090-AA Acquisitions_Valuation Decrease Adjustment_Infrastructure



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	All valuation decrease adjustments shall be processed by OSRAP financial personnel responsible for capital assets.	New transaction/processing method for recording impairments.	Procedures or policies regarding impairment processing and reporting need to be reviewed and, if necessary, updated. These must be communicated to personnel who would be reporting such occurrences. Training needs to be provided to OSRAP personnel for transaction processing and to end users for impact on asset master valuation reporting.
2	All valuation decrease amounts will be determined by OSRAP using supporting documentation provided to them.	No process impact – confirmation that existing process will continue.	No organizational impact
3	Impairment valuation shall follow OSRAP's GASB 42 policies.	No processing impact.	No organizational impact

#	Decision	Process Impact	Organizational Impact
4	Asset Valuation Increases: Write-up transactions are not a current requirement for the asset accounting design.	No processing impact. Should these be required post go-live, it is relatively simple to have this functionality enabled.	No organizational impact
5	For impairment situations, OSRAP will evaluate whether the out-of-service timeframe warrants a temporary stoppage of depreciation and, if so, update the asset master record accordingly. This functionality will require further review by OSRAP during realization.	Limited processing impact – asset master record updates and monitoring of time frames for shutdown, by OSRAP.	No organizational impact

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	State of Louisiana: Title 34 & RS 39:200.C, RS 39:321-328, RS 39:330-332 (Moveable Property)	Title 34 section VII: requires significant revisions. Revisions to governing revised statutes may also be required.	Commissioner of DOA
2	State of Louisiana: RS 39:11-14; RS 41 (Real Property)		Commissioner of DOA
3	Title 23, United States Code, Section 4029c (Infrastructure)		DOTD
4	State of Louisiana: RS 39:122 (Infrastructure)		Commissioner of DOA, Secretary of DOTD
5	GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries	OSRAP business processes related to GASB 42 will need to be updated to reflect requirement that agencies forward potential impairment information to OSRAP at time of impairment identification rather than after fiscal year close.	OSRAP
6	GASB Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments		OSRAP
7	GASB 51 Accounting and Financial Reporting for Intangible Assets		OSRAP

Identified Development Objects (FRICE-W)

F – Forms		Master List of Current and Future State Forms: <Supported Process>					
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	See below						

Note: *Conversions – a mid year conversion will require that transactional data for partial year be converted. Conversion detailed in PDD: FIN-AA-PDD010-AA Organizational Structure and PDD: FIN-AA-PDD080-AMR Data Conversion_all systems*

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Not Applicable		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Asset Master Data Maintenance – Create and	The role owner is responsible for creating and changing	Moveable Asset Classes: Property Managers, Agency Finance personnel assigned to capital assets, OSRAP	o Authorization restriction by Agency (i.e. cost center) o Additional restrictions may

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
	Change	asset master records: o Create, change and display asset master records o Create asset sub-numbers	personnel assigned to capital assets Real Property Asset Classes: Real Estate Property Managers, Agency Finance personnel, FCP project administrator personnel assigned to capital assets, OSRAP personnel assigned to capital assets Infrastructure Asset Classes: DOTD Project Managers, Agency Finance personnel, project administrator personnel assigned to capital assets projects, OSRAP personnel assigned to capital assets.	be required for Moveable assets used in Covert situations. o Moveable asset will need authorization object for Personnel Number and Equipment Master Number (i.e. linkage). During realization, may identify requirement to have roles split for Create and Maintain.
2.	Asset Master Data – Display AMR and Values	The role owner monitors and checks asset balance sheet values, as well as planned and posted depreciation, on individual fixed assets. o Display Asset Master Record o Asset Explorer o *Display Document (Asset related)*	Broader audience including those that can create and maintain asset master records and process asset transactions and those that need to access asset data for analysis and reporting purposes.	o Authorization restriction by Agency (i.e. cost center). o Additional restrictions may be required for Moveable assets used in Covert situations. o OSRAP will have access to all asset classes. This role also allows the user to jump to asset master record display and the display of asset documents. The user is not able to jump to the display of Financial Accounting documents unless the role owner has that authorization, which is contained in the *Asset Accounting Information System* role.
3.	Asset Transactions – Asset Valuation Adjustments	The role owner makes asset financial adjustment postings in Asset Accounting and corrects postings made previously. ☐Depreciation Adjustments: Unplanned Depreciation	Limited to individuals who should be able to process financial asset transactions AMR (i.e. OSRAP finance team personnel responsible for capital assets or their designee).	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* In asset posting transactions it is sometimes possible to directly create asset master records. To be able to use this function, you need the role for *Asset Master Data Maintenance – Create and Change.* Limit TTypes to those valid for State.
4.	Asset Transactions – Asset Document Edit / Reverse	The role owner makes corrections to posted asset documents (limited fields available) or corrects postings made previously via the asset module – acquisitions, transfers, and retirements.	Limited to individuals who should be able to process financial asset transactions AMR (e.g. Agency or OSRAP finance team personnel responsible for capital assets or their designee). This may be refined during realization to a smaller subset of this group.	Limitations will be required for business area, cost center, transaction type *(other such as functional area, fund, fund center or grant to be determined during realization phase).* Limit reversals to transaction types for Acquisitions. Limit TTypes to those valid for

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		o Reverse asset transaction (i.e. via the AA module only), acquisition, retirements, transfers. o *Edit asset documents (limited fields e.g. text not values)*		State.
5.	Asset Accounting Information System	The role owner oversees and monitors fixed assets using Asset Accounting reports. The role contains the complete Information System of Asset Accounting. o Execute reports (list to be determined during realization.)	Broader audience including those that can create and maintain asset master records and process asset transactions and those that need to access asset data for analysis and reporting purposes. Generally, this would be the same group as those that have access to 'Asset Master Data – Display AMR and Values'	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* The role owner needs authorization for executing reports and inquiries. These authorizations are provided by the SAP_BC_ENDUSER single role.

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Asset Master record maintenance as part of value adjustment transaction.	Asset master records and financial records are not integrated thus end users do not see the 'whole picture' for capital assets. Currently, users may have limited responsibility for maintenance of data. Moveable assets require additional layers of authorization for some field changes.	Responsibility for creation and maintenance of asset master records will have additional or different personnel. End users will have access to more financial data about a capital asset. End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data. They will also need to understand which data is maintained in other integration point master records or in transactional data.
2.	Asset Master record display and reporting.	Asset master records and financial records are not integrated thus end users do not see the 'whole picture' for capital assets. A larger audience will be able to display and report on assets.	Responsibility for creation and maintenance of asset master records will have additional or different personnel. End users will have access to more financial data about a capital asset. End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data. They will also need to understand which data is maintained in other integration point master records or in transactional data.
3.	SAP will be the system of record for capital assets and their valuation for the State of Louisiana	There will be a single source for all Capital Asset records. Multiple SAP modules will contain data currently stored in a single	Training to understand where existing data will be stored in SAP, how SAP will be used to maintain and report on data. Training on the concept of SAP asset classes and

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	organizational entities participating in the LaGov Project, replacing the records maintained Moveable Assets (Protégé), Real Property Assets (SLABS and worksheets/spreadsheets used by OSRAP for calculating depreciation) and Infrastructure Assets (worksheets/spreadsheets used by DOTD and OSRAP for calculating valuation and depreciation). Data will be maintained in asset master records which are classified for financial and other reporting purposes via Asset Classes. Other integration modules will be used to maintain non-capital asset detail (e.g. Real Estate, Plant Maintenance/Fleet for non-capital assets and other recording such as maintenance tracking).	system (e.g. Protégé records will be stored in AA for Capital Assets, PM for non-capital assets and PM for fleet / maintenance detail; SLABS records will be stored in AA and RE modules)	their purpose. Training on the concept of multiple modules used to store data most applicable to that module (e.g. Asset Accounting, Plant Maintenance, Real Estate, General Ledger, etc.)
5.	Each capital asset will be recorded in the SAP Asset Accounting during the entire asset financial life cycle (e.g. acquisition, depreciation, transfers, sale/disposal) and will be integrated with other SAP modules for master record and financial updates. Two parallel depreciation areas will facilitate simultaneous accounting on Modified and GASB-34/Full Accrual basis, which would have significant benefits for OSRAP reporting.	Transactional updates with SAP capital assets will be integrated and thus financial records will be in balance for the Capital Asset database and Financial records (e.g. G/L). The Asset Accounting system will accommodate both Modified and Full Accrual reporting requirements. Financial updates to the general ledger will be based on account determination rules that are either automatically applied or proposed for user update.	Training requirements for the concept of Asset Accounting integration and financial / master data updates. Training requirements for the concept of dual deprecation areas and the financial / master data updates. Training requirements for financial postings and use of general ledger accounts for financial updates. OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation).
6.	Unplanned Depreciation Transactions (i.e. capital asset valuation decrease)	The process to identify and assess the capital asset valuation decrease resulting from damage, impairment or other reasons remains basically unchanged from the current process. GASB 42 policies defined by OSRAP will continue to be used to determine the valuation decrease. OSRAP will need to receive the supporting documentation so a financial assessment can be made. However, the personnel and method for recording the valuation decreases	Training required for personnel that will be processing the transactions. This includes the significance of the transaction fields and how they impact master data and financial valuations, as well as integration points, such as GL, FM, CO, etc. Additionally, other asset accounting users will need training on the purpose of this transaction and how it impacts financial values and financial reporting (i.e. AMR updated at time of transaction posting, General Ledger (GL) updated during next depreciation run).

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
		will change. Only OSRAP financial personnel (or their designee) will process this type of postings. Transactions to record the valuation adjustment will need to be processed for each capital asset master record that has a valuation adjustment determined. Additionally, asset master record detail may need to be updated, for informational purposes, separately from the transaction posting.	
7.	Financial postings for Unplanned Depreciation are done in the following Depreciation Run	OSRAP personnel will need to review Depreciation Posting logs to confirm that all the Unplanned Depreciation postings have processed as expected. This is different from both the existing processes which are, essentially, paper based for valuation purposes, with some updates to legacy systems such as Protégé or SLABS AND from other types of asset transactions (i.e. AMR updated at time of transaction posting, however, GL updated during next depreciation run).	Training required for personnel that will be processing the transactions. This includes the significance of the transaction fields and how they impact master data and financial valuations, as well as integration points, such as GL, FM, CO, etc. Additionally, other asset accounting users will need training on the purpose of this transaction and how it impacts financial values and financial reporting (i.e. AMR updated at time of transaction posting, GL updated during next depreciation run).

Training Impact

The creation, maintenance and valuation of asset records will have significant changes from the existing practices and will have the potential to significantly increase the end-user base for various business processes associated with asset master records. The following key areas regarding design of the asset structure and organizational elements will need to be addressed during training:

- Terminology change for use of SAP terms
- Concept of each asset master record recording valuation for two depreciation areas
  - Concept and financial implications of simultaneous and parallel accounting methods using multiple depreciation rules for each asset master record (i.e. DA 01: Modified Accrual Accounting and DA 20 GASB - Full Accrual Accounting)
  - New asset depreciation calculation processes
- Integration with financials – many transactions will have automated postings (e.g. depreciation).
  - Transaction postings update GL, Cost objects (e.g. cost element, cost center, RE object), Fund/Grant values
  - Automated posting to the GL (e.g. depreciation run)
- New processes to update asset master valuations
- Asset Master Record and Financial Updates will change:
  - Asset changes will now have financial impact.
  - Some transactions will require more steps than legacy transactions.
  - Transaction posting will require understanding of Transaction Types (transfers use transfer variant) and their financial and AMR impacts TTypes and Transfer Variants
  - Use of document types to identify type of transactions and provide posting controls
- Data monitoring via reports will be required to ensure proper data entry. Recommendation that this be done frequently after initial implementation when data entry problems are most likely.
  - Asset Master Record Field Data:
    - Visible and, generally immediate, financial impact on asset master record transaction postings including the nuances for multiple depreciation areas

    - Capital asset records need to be created at the 'front-end' of the acquisition process (not 'back-end' as is done currently)
    - Control Section changes require configuration and manual synchronization in AA, PS, and Agile
    - Linkage with AGILE Assets will be non-integrated; however, the Super-number on the AMR will use the Control Section mapping. Control Section changes require configuration and manual synchronization in AA, PS, and Agile
    - More discrete data being maintained for Infrastructure assets
  - End users who work with capital asset records (including property managers and financial personnel) will need to:
    - understand the postings required for capital asset valuation decrease adjustments (i.e. unplanned depreciation) including the nuances for multiple depreciation area posting requirements and impacts
    - understand the automated financial postings and asset master record updates during a unplanned depreciation transaction
    - consequences of changes to the financial attributes of asset master records which have had values posted
  - Security Considerations:
    - Security would determine who can edit which assets
    - History transaction reports will show who edited which pieces of information
    - SAP match code options cannot be filtered by user security or business area.
    - Non-financial data remains editable on deactivated asset records – Can be managed by reporting (e.g. change history audit).
- Personnel change for management of capital asset master records – including creation, field update, blocking and review of general and asset values:
    - Management of fixed asset master records – including creation, field update, blocking and review of general and asset values.
    - OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation)
    - OSRAP to have sole responsibility for processing of asset valuation decreases via Unplanned Depreciation.

Appendix

Not applicable

Team:	Finance - Asset Accounting
PDD Name:	AA Transfers
PDD Number:	FIN-AA-PDD040-AA Transfers
Business Process Owner:	Afranie Adomako
Functional Lead:	Rhoama Speights
Functional Consultant:	Christine Wieczorek

Executive Summary

Actual transfers of capital assets can be:

- Within an agency (e.g. from one cost center to another)
- From one agency to another in the same department
- From one department to another department.

Additionally, transfer transactions will be used for:

- Correction of a posting error (e.g. initially used wrong class or financial detail, such as BA, cost center, fund, grant, etc.) with a need to transfer cost from an existing asset to a new asset record with the correct financial parameters.

If there is not a financial impact, it may be sufficient to simply update the Asset Master Record (see PDD FIN-AA-PDD020-AMR Create and Change).

If there is a financial impact (i.e. asset has values posted and there is a change to Business Area, cost center, fund, grant or functional area) then an asset transfer transaction must be processed – this is consistent with Public Sector best business processes for transfers. This will 'retire' the asset master record in the sending agency / department (i.e. deactivation date based on the 'Asset Value Date' of the transaction) and provide the functionality to update values for a new or existing asset master record in the receiving agency / department (i.e. also update the capitalization date on a newly created receiving asset).

The processing and management of capital asset transfers will have significant changes from current processes. Moveable Property will be managed by the agencies (i.e. without LPAA approval or fee processing on transfer transactions). The transaction processing for Moveable and Infrastructure transfers will be managed by agency finance personnel, while OSRAP will process the Real Property transfer transactions.

Depreciation processing changes are recommended for consistency across the portfolio and to conform to GAAP principles. Action items for the handling of depreciation are logged and with OSRAP:

- Currently, most moveable assets are fully depreciated upon transfer. The recommendation is that depreciation will continue with the receiving asset when an asset is transferred. Exceptions to this will need to be evaluated and handled independently.
- Currently, for Real Property, when an asset is not fully depreciated upon transfer (i.e. has some remaining net book value), the receiving asset has the full year of depreciation posted to it, regardless of when the transfer occurred. This does not reflect the true usage of the asset and recommendation is to have the depreciation posted to the 'owning' asset during the owned term).

This document describes the design of the SAP Capital Asset Transfer transaction processing, including flowcharts for Moveable Property, Real Property and Infrastructure.

To-Be Process Description

#	Process Terminology	Description
1	Asset Class	Main criterion for classifying fixed assets according to legal, financial and management requirements.
2	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.
3	Main Asset Number	Unique number, in combination with company code and asset sub number, that identifies a fixed asset
4	Sub Asset Number	Asset record for an individual part of an asset, or subsequent acquisitions, can be represented by a sub-number to a main asset number. For public sector sub-numbers are used for each funding source of an asset.
5	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
6	Asset under Construction (AuC)	An asset that you produce or manufacture yourself which must be managed as a separate asset master record, generally without depreciation, during the construction phase.
7	Low Value Asset (LVA) / Controlled Assets	Items that do not meet the capital asset criteria and are recorded for tracking purposes. These will be tracked in Plant Maintenance via Notification Records.
8	Capital Lease	A lease that meets one or more financial criteria as defined by FASB. This type of lease 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.
9	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. These are not relevant to Capital Assets.
10	Depreciation	Reduction of the asset book value because of decline in economic usefulness or because of legal requirements for taxes.
11	Depreciation Area	A structure that contains and maintains the valuation of a fixed asset for a particular purpose (for example, legal financial statements, balance sheets for tax purposes, or management accounting values). It can be thought of as an asset ledger or asset book. For public sector accounting, it typically reflects asset values two areas: modified accrual and full accrual purposes.
12	Screen Layout	Settings that specify 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'.
13	Account Assignment or Account Determination	Settings which defines which general ledger accounts to post to from a business transaction. These are the general ledger accounts that are used by the system for transactions that have automated general ledger postings (e.g. depreciation) or that are proposed by the system for transactions which allow an end user to override the proposed account (e.g. post capitalization).
14	Amortization	Writing off of loans or intangible assets in equated annual/monthly installments over a scheduled period.
15	Post Capitalization	Correction of asset value, which was either set too low because

#	Process Terminology	Description
		capitalization was not performed in the past, or which was treated entirely as expense
16	Transfer	A transfer is a 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
17	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.
18	Transaction Type	Each asset accounting transaction posting requires a Transaction Types to be assigned in order for the posting to: – be classified by the type of business transaction (acquire, retire with revenue, retire without revenue, transfer, etc.) – define AMR and posting parameters (e.g. update capitalization or deactivation date, column for value reporting, default document type, etc.) – identify the grouping of the transaction value for some asset accounting reports The transfer posting is a 'one-step' posting which updates the retirement from the sending asset and the addition to the receiving asset – accordingly two transaction types are required. Transfer variants define the method for valuation of the receiving asset and the transaction types (retirement and acquisition) that are used for the transfer posting.
19	Transfer Variant	The transfer posting is a 'one-step' posting which updates the retirement from the sending asset and addition to the receiving asset – accordingly two transaction types are required. Transfer variants define the method for valuation of the receiving asset and the transaction types (retirement and acquisition) that are used for the transfer posting.

Actual transfers of capital assets can be:

- Within an agency (e.g. From one cost center to another)
- From one agency to another in the same department
- From one department to another department.

Additionally, transfer transactions will be used for:

- Correction of a posting error (e.g. initially used wrong class or financial detail, such as BA, cost center, fund, grant, etc.) with a need to transfer cost from existing asset to new asset record with the correct financial parameters.

If there is not a financial impact, it may be sufficient to simply update the Asset Master Record (see PDD FIN-AA-PDD020-AMR Create and Change).

If there is a financial impact (i.e. asset has values posted and there is a change to Business Area, cost center, fund, grant or functional area) then an asset transfer transaction must be processed – this is as per Public Sector best business processes for transfers. This will 'retire' the asset master record in the sending agency / department (i.e. deactivation date based on the 'Asset Value Date' of the transaction) and provide the functionality to update values for a new or existing asset master record in the receiving agency / department (i.e. also update the capitalization date on a newly created receiving asset).

Transfers can be:

- For the entire asset (which will generally be the case for movable assets)
- For only part of an asset (for example, the 'not required portion' of ROW parcel of land)
  - For a partial transfer, the value of the transfer can be defined as a dollar amount or a percentage

The transfer transaction can be:

- For a single asset or multiple assets. However, header detail must be the same for all the assets (e.g. Document, posting, asset value dates and text data).
- Via mass transfers (e.g. agency restructuring which results in change from one agency number to another agency number).
  - This will require coordination with the post go-live support team due to the power of this transaction and expertise required, which is outside of the normal day-to-day operations.
  - The handling of sub-numbers in mass transfers requires additional caution to ensure that they are transferred appropriately (e.g. sub-number to new sub-number, not a main number).
  - Similar to the regular transaction, the number of mass processing cycles will be dependent on the number of unique header details.

Transaction Types / Transfer Variant

For asset transactions, a transaction type (TType) is used for rules regarding the transaction valuation (i.e. defines how the depreciation and valuation of the asset will be handled). The transfer transaction is essentially two transactions (i.e. retirement and acquisition) performed in one step. SAP has accommodated this via 'transfer variants' which allows the user to make one selection that contains both the sending and receiving transaction types.

Depending on the reason for transfer and the timing, there will be different requirements for how the sending and receiving asset should be treated. Accordingly, each transfer will need to be evaluated independently to ensure correct financial postings are made. For example: the 'transaction type' selected for the valuation posting defines how depreciation and valuation of the asset will be transferred from the sending to receiving asset (i.e. asset detail is pulled from the "sending" asset master record to the "receiving" asset master record so that no depreciation or valuation information is lost).

The most frequently applicable 'transfer variant' will be defined as the default for the transaction – prior to posting evaluation will need to be done to determine if this value must be edited.

- Transfer variants will use the limited number of transaction types (to be determined during realization) defined for State of Louisiana.
- It was determined that the fields used on the AMR for 'acquisition method' (i.e. Investment Reason) and 'disposition method' field (i.e. Evaluation Group) would be more useful for analysis purposes than having multiple transaction types. This would also eliminate the possibility of choosing the transaction type/variants incorrectly and having to do corrective postings for accurate reporting purposes.
- For transaction types, a copy will be made from SAP delivered TTypes and renamed with a 'Z' coding convention. Role & authorizations would restrict the TTypes valid for State use (i.e. System will continue to display full range of TTypes; however, at time of transaction saving system would only allow those that are valid for State).
- For the transfer variant, a copy of SAP delivered transfer variants will be made and tailored to State requirements. The transfer variant will use a 'Z' coding convention and be renamed to describe its purpose. Role & authorizations would restrict the TTypes valid for State use as this is what is actually used for posting purposes (i.e. system will continue to display full range of Transfer Variants; however, at time of transaction saving, the system would only allow those that are valid for the State).
- Transaction types and transfer variants will be more specifically defined as part of the realization phase.

Asset Master Record Update

When a transfer transaction is posted, it may also be necessary to update general data fields on the Asset Master Records (see PDD FIN-AA-PDD020-AMR Create and Change). If the entire asset is being transferred, the system treats this as a retirement and will automatically define the deactivation date based on the 'Asset Value Date' of the transaction. Depending on the transaction type assigned to the receiving asset posting, a capitalization date will be assigned to the receiver if it is a new asset master record. The receiving asset will also have the sending asset master record defined on the Origins screen for cross-referencing and visual audit purposes. Both the sending and receiving asset master records will have the transfer transaction listed in the Asset Values screen for analysis and audit history.

For ease of processing and to reduce input errors, functionality to 'copy' asset master record data from the sending to receiving asset will be used for data fields that are of a static nature. This does not negate the requirement for asset master record review and field edit where applicable. Fields identified for transfer are listed below – these will be evaluated and refined during the realization phase:

- Description line 1
- Description line 2
- Serial number
- Real Estate Key (land and buildings)
- Inventory Number
- Last inventory on
- Inventory note
- Evaluation Group (i.e. Asset Classification)
- Super-number
- Vendor
- Manufacturer
- Type Name
- Equipment Master Record(s).

To keep the asset history linked in a more visual fashion, the new asset master record for the receiving asset can be a sub-number (or multiple sub-numbers if there are multiple funding sources) of the initial asset master record. The only exception to this would be postings used to remedy incorrect use of asset class on initial asset. In this case the receiving asset would need to be a new main asset number.

Asset Valuation

As a general rule:

- Real Property assets should continue depreciation in the receiving asset master record. Currently, the procedure is to have the 'owner' of the asset at year end receive depreciation for the entire year, regardless of when the transfer occurred. An action item is logged and with OSRAP to confirm that depreciation will be posted to 'owning' asset during the owned term.
- Moveable Property assets currently have a non-standard depreciation process, whereby, for most transfers, the sending asset is fully depreciated and the receiving asset has no depreciation. An action item is logged and with OSRAP to confirm that depreciation will be posted to 'owning' asset during the owned term.
- Infrastructure assets are not currently transferred and no further development is required for this scenario. The exception is for correction of posting errors that have a financial impact (e.g. business area, cost center, fund, grant, functional area). In such a scenario, the agency (i.e. DOTD finance person responsible for capital assets) will process the correcting transaction.

Transfer Transactions

Transfers will be managed by the agency personnel (e.g. LPAA will no longer need to approve moveable asset transfers). Generally, the sending agency finance personnel will be responsible for processing transfers. It will be the responsibility of both the sending and receiving agency to ensure that the transfer is processed correctly and asset master records are updated appropriately.

Moveable property capital assets can sometimes be utilized by other agencies. To provide an opportunity for agencies to search the database to determine if there is internal availability of an item (i.e. reduce need to purchase new items or from Surplus) the owning agency will be able to update the field used for disposition method to indicate 'Available for transfer'.

Transfers from non-state, non-LaGov project entities or LPAA State Surplus will be treated as acquisitions. See PDD: FIN-AA-PDD030-AA Acquisitions.

Transfers to non-state, non-LaGov project entities or LPAA State Surplus will be treated as retirements. See PDD: FIN-AA-PDD050-AA Retirements.

Transfers to non-LaGov project state agencies will require additional GL entries to remove the 'loss' accounting entry prior to retirement.

Title 34, Statutes, Etc.

Existing Title 34 sections for moveable property and relevant statutes will need to be updated to enable process changes for this design of the LaGov Project SAP implementation.

Processes

Moveable Property

- An asset transfer is arranged between two business entities. Supporting documentation is consolidated by the sending agency Property Manager, who forwards it to the sending agency financial personnel responsible for capital asset.
- Finance personnel review the documentation to determine if the transfer has a financial impact:
  - If there is no financial impact, the asset master record is updated.
  - If there is a financial impact, a transfer transaction is processed to remove the asset from the sending agency inventory and place it into the receiving agency inventory. If an existing receiving asset is not available, the sending agency will create a new asset master record with the appropriate financial detail. Upon completion of the transfer posting, detail will be forwarded to the sending agency property manager and receiving agency financial personnel responsible for capital assets.
- Sending property manager shall review their asset master record (note: if a field update is required, they will be able to do so).
- Receiving agency finance personnel responsible for capital assets will review, update their asset master data if necessary, and advise the receiving agency property manager. Additionally, the property manager will need to ensure that the corresponding Notification Record is updated with the new AMR number.
- Receiving property manager shall review their asset master record (note: if a field update is required, they will be able to do so).

Real Property

- An asset transfer is arranged between two business entities. Supporting documentation is consolidated by the sending agency Real Estate Property Manager and notification sent to sending agency financial personnel responsible for capital assets, receiving agency Real Estate Property Manager, SLO, and FPC. Approval request is initiated.
- When an authorized approval is obtained (e.g. from Commissioner or designee), the sending Real Estate Property Manager forwards documentation to OSRAP personnel responsible for Capital Assets.
- OSRAP personnel responsible for Capital Assets review the documentation to determine if the transfer has a financial impact:
  - If there is no financial impact, the asset master record is updated

  - If there is a financial impact, a transfer transaction is processed to remove the asset from the sending agency inventory and place it into the receiving agency inventory. If an existing receiving asset is not available, the sending agency will create a new asset master record with the appropriate financial detail. Upon completion of the transfer posting, detail will be forwarded to the sending agency Property Manager and financial personnel responsible for capital asset, receiving agency real estate Property Manager, SLO, ORM and FPC.
- Sending Property Managers and finance personnel responsible for Capital Assets shall review their asset master record (note: if field update is required, they will be able to do so).
- Receiving agency Property Managers will review and update their asset master data if required and advise the receiving agency finance personnel responsible for Capital Assets.
- Receiving agency finance personnel responsible for Capital Assets shall review their asset master record (note: if field update is required, they will be able to do so).

Correction Transaction – Moveable Property, Real Property and Infrastructure

- An error in the financial objects (e.g. business area, cost center, fund, grant, etc.) for an asset master is identified. Supporting documentation is forwarded to the person responsible for the asset (e.g. Property Manager).
- The person responsible for the asset (e.g. Property Manager) reviews the documentation and if the financial object is incorrect forwards documentation to the OSRAP personnel responsible for Capital Assets (Real Property) or agency finance personnel responsible for Capital Assets (Moveable Property, Infrastructure).
- OSRAP personnel responsible for Real Property Capital Assets or agency finance personnel (Moveable Property, Infrastructure) review the documentation to determine if the transfer has a financial impact:
  - If no financial impact exists, the asset master record is updated as necessary
  - If a financial impact exists, a transfer transaction is processed to correct the financial object on the asset master record. If an existing receiving asset is not available, a new asset master record will be created with the appropriate financial detail. Upon completion of the transfer posting, detail will be forwarded to the person responsible for the capital asset (e.g. Property Manager),
- The person responsible for the capital asset (e.g. Property Manager) shall review the asset master records (note: If field update is required, they will be able to do so).

Process Improvement Opportunities

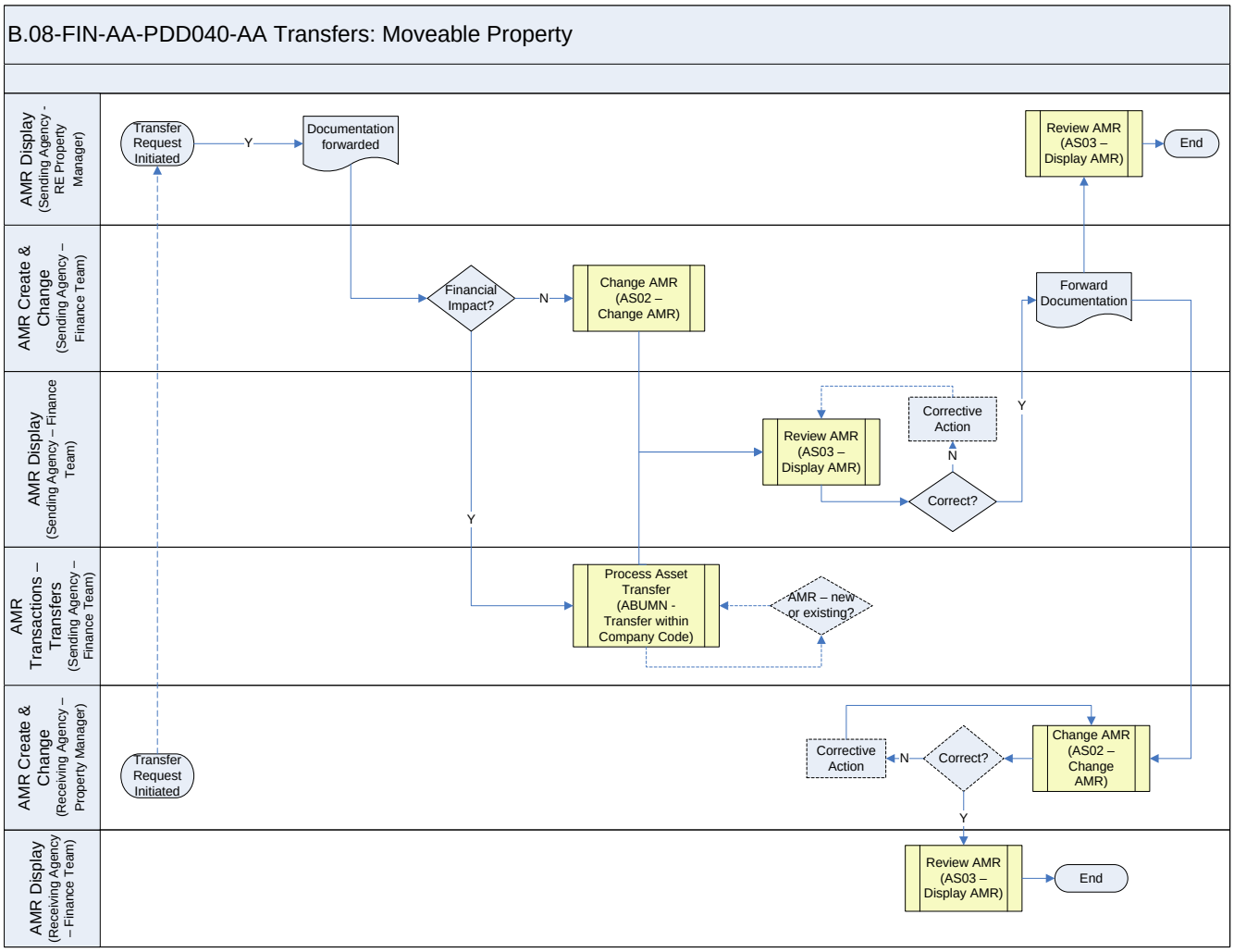
- State Assets become part of the accounting system. There is financial integration for recording and reporting. Accurate financial reporting on capital assets. Eliminate the need for duplicate recording of data (e.g. financial). Reduce manual gathering of asset data for financial reporting (e.g. CAFR)
- Capital Asset financial data becomes transaction based to ensure that general ledger and sub-ledger balance are updated appropriately. Provides a consistent approach to asset master record creation and update processes for financial transactions within the AA modules (such as transfers, retirements, depreciation postings, value adjustments, corrections and non-cash acquisitions) and integrated transactions such as asset acquisition via procurement <MM module>, direct purchase without PO <AP module> and 'construction' projects <PS module>.
- Ability to 'drill-down' to source data for transaction analysis (with appropriate approvals).
- Financial processing (i.e. depreciation rules) for transfers shall be handled consistently for all capital assets in compliance with GAAP and GASB rules.
- Although there may be limited exceptions, there should be a single inventory tag number for a moveable property capital asset throughout its financial and physical life cycle.

To-Be Process Flows

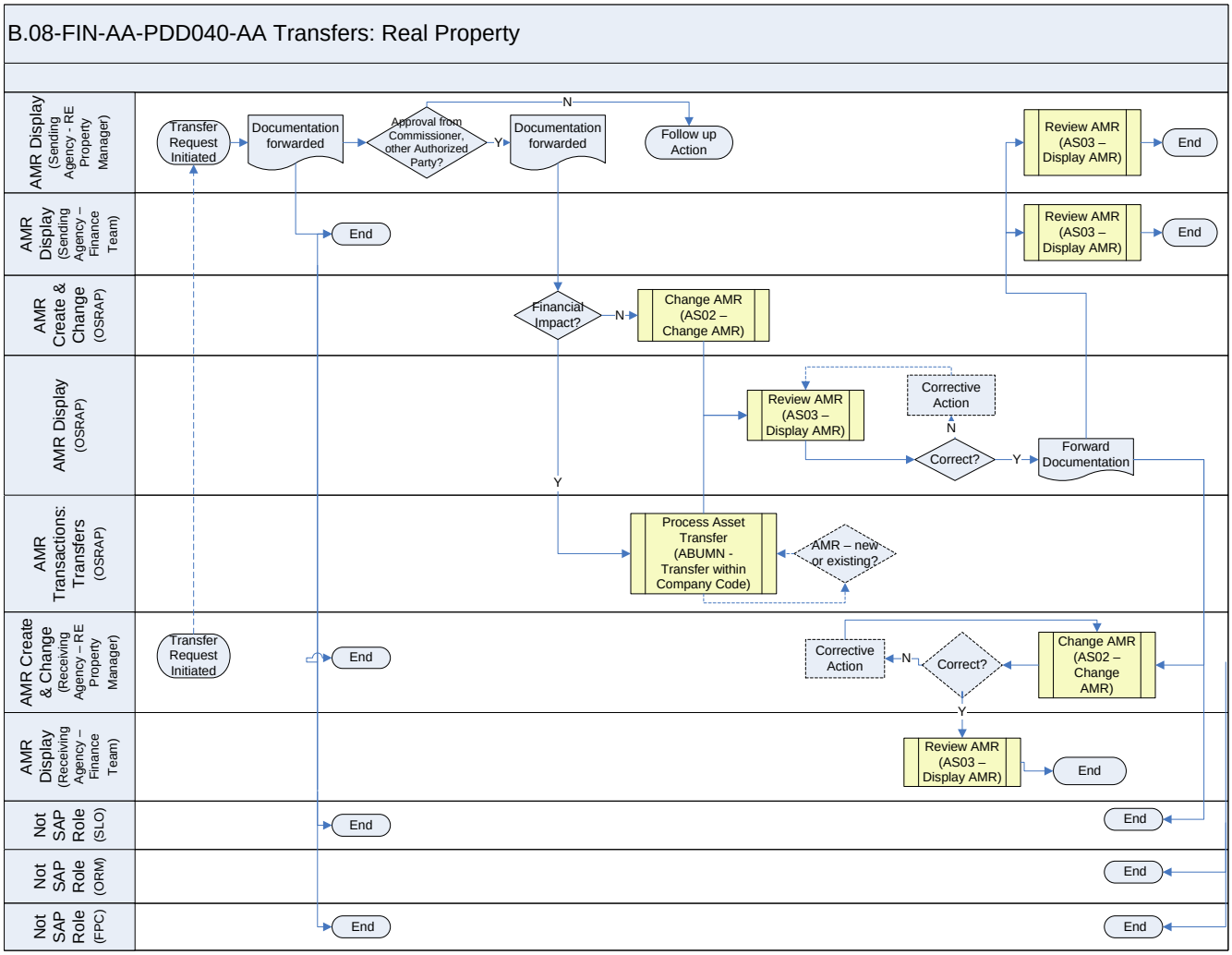
The following provide process flows for capital asset transfers (i.e. where there are financial implications such as change in cost center, functional area, fund, grant) which require that a transaction be posted to correctly update the financial records. Changes in personnel assignment or physical location such as room or building are considered to be changes in Asset Master Data and do not require a transfer transaction.

Transfer transactions are applicable to Moveable and Real Property (i.e. Infrastructure is not transferred among the State agencies). Corrections can be applicable to Moveable and Real Property, as well as Infrastructure.

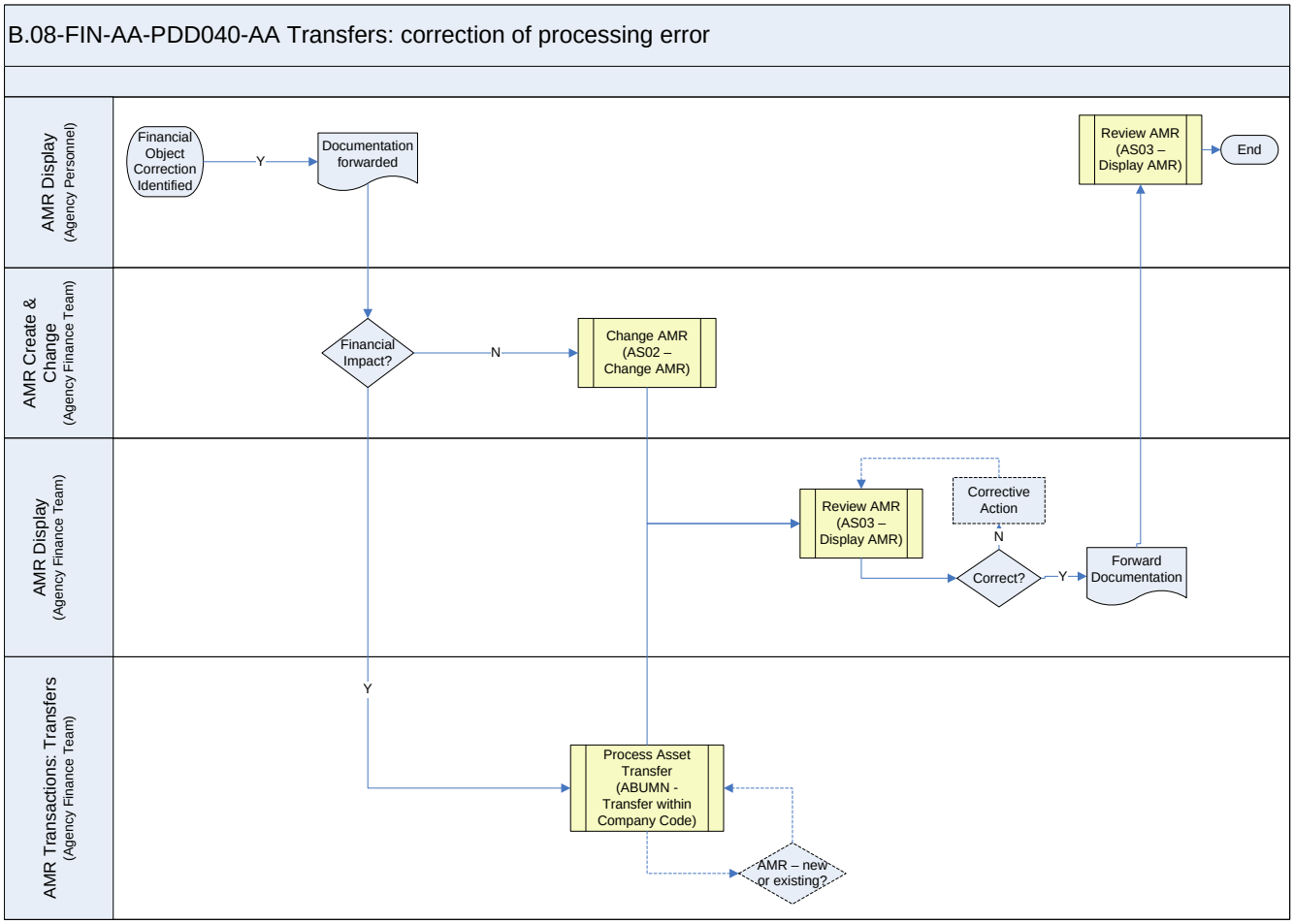
- FIN-AA-PDD040-AA Transfers_Moveable Property



- FIN-AA-PDD040-AA Transfers_Real Property



- FIN-AA-PDD040-AA Transfers_Correction Transaction



- Infrastructure: not applicable

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Transfers to non-state, non-LaGov, or LPAA State Surplus will be handled as retirements	Non-state – no impact. Non LaGov will require GL entries to remove loss. Non LaGov and State surplus will require a processing method different from transfers that happen between agencies/departments.	Training required for personnel that will be using the various asset transactions. This includes the significance of the transaction fields and how they impact master data and financial valuations, as well as integration points, such as GL, FM, CO, etc.
2	Transfers from non-state, non-LaGov, or LPAA Surplus will be handled as acquisitions	Non-state – no impact. Non LaGov and State surplus will require a processing method different from transfers that happen between agencies/departments.	Training required for personnel that will be using the various asset transactions. This includes the significance of the transaction fields and how they impact master data and financial valuations, as well as integration points, such as GL, FM, CO, etc.

#	Decision	Process Impact	Organizational Impact
3	OSRAP and agency finance personnel will be responsible for transfer transaction posting.	The method of processing transfers will change.	Training required for personnel that will be using the various asset transactions. This includes the significance of the transaction fields and how they impact master data and financial valuations, as well as integration points, such as GL, FM, CO, etc. Personnel changes for the processing and review of transactions.
4	Moveable Asset - Agencies will be responsible for managing asset transfers among themselves.	The method of processing transfers will change.	Title 34 and corresponding statutes will require changes to accommodate the LaGov Project SAP design. Agencies will have more responsibility for managing their assets.
5	Moveable Asset transfers will no longer require approval of LPAA. The current transfer fee charged by LPAA to agencies will be eliminated.	The method of processing transfers will change and will need to include the update of the corresponding Notification Record (i.e. receiving AMR number field updated).	Title 34 and corresponding statutes will require changes to accommodate the LaGov Project SAP design. Agencies will have more responsibility for managing their assets. LPAA responsibility change as they will no longer monitor and approve transfers. Transfer Fee revenue source for LPAA will no exist.
6	Financial processing (i.e. depreciation rules) for transfers shall be handled consistently for all capital assets in compliance with GAAP and GASB rules. Action Item logged with OSRAP.	Financial reporting impact (should be minor as non-standard depreciation postings applied mainly to moveable property).	No organizational impact.
7	Moveable Property: Title 34 and relevant statutes to be reviewed and updated.	Significant changes in the approval processes for retirements – specifically, agencies will become responsible for determining disposition of their assets. Note: sales will continue to be managed via LPAA. The scrapping process will require refinement during realization, i.e. scrapping may continue to be handled via LPAA	

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	State of Louisiana: Title 34 & RS 39:200.C, RS 39:321-328, RS 39:330-332 (Moveable Property)	Title 34 section VII: requires significant revisions. Revisions to governing revised statutes may also be required.	Commissioner of DOA
2	State of Louisiana: RS 39:11-14; RS 41 (Real Property)		Commissioner of DOA
3	Title 23, United States Code, Section 4029c (Infrastructure)		DOTD
4	State of Louisiana: RS 39:122 (Infrastructure)		Commissioner of DOA, Secretary of DOTD

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
5	GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries		OSRAP
6	GASB Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments		OSRAP
7	GASB 51 Accounting and Financial Reporting for Intangible Assets		OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	See below						

Note: *Conversions – mid year conversion will require that transactional data for partial year be converted. Conversion detailed in PDD: FIN-AA-PDD010-AA Organizational Structure and PDD: FIN-AA-PDD080-AMR Data Conversion_all systems*

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>

No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Not applicable		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Asset Master Data Maintenance – Create and Change	The role owner is responsible for creating and changing asset master records: o Create, change and display asset master records o Create asset sub-numbers	Moveable Asset Classes: Property Managers, Agency Finance personnel assigned to capital assets, OSRAP personnel assigned to capital assets Real Property Asset Classes: Real Estate Property Managers, Agency Finance personnel, FCP project administrator personnel assigned to capital assets, OSRAP personnel assigned to capital assets Infrastructure Asset Classes: DOTD facility manager, Agency Finance personnel, project administrator personnel assigned to capital assets projects, OSRAP personnel assigned to capital assets.	o Authorization restriction by Agency (i.e. cost center) o Additional restrictions may be required for Moveable assets used in Covert situations. o Moveable asset will need authorization object for Personnel Number and Equipment Master Number (i.e. linkage). During realization, may identify requirement to have roles split for Create and Maintain.
2.	Asset Master Data – Display AMR and Values	The role owner monitors and checks asset balance sheet values, as well as planned and posted depreciation on individual fixed assets. o Display Asset Master Record o Asset Explorer o *Display Document (Asset related)*	Broader audience including those that can create and maintain asset master records and process asset transactions and those that need to access asset data for analysis and reporting purposes.	o Authorization restriction by Agency (i.e. cost center). o Additional restrictions may be required for Moveable assets used in Covert situations. (To be refined during realization) o OSRAP will have access to all asset classes. This role also allows the user to jump to asset master record display and the display of asset documents. The user is not able to jump to the display of Financial Accounting documents unless the role owner has that authorization, which is contained in the *Asset Accounting Information System* role.
3.	Asset Transactions – Transfers	The role owner processes asset transfer postings in Asset Accounting - with financial impact.	Limited to individuals who should be able to process financial asset transactions AMR (i.e. moveable property: agency finance personnel responsible for capital assets, real	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during*

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		☐ Posts transfers within company	property: OSRAP finance team personnel responsible for capital assets).	*realization phase).* In asset posting transactions it is sometimes possible to directly create asset master records. To be able to use this function, you need the role for *Asset Master Data Maintenance – Create and Change.* Limit T-Types to those valid for State.
4.	Asset Transactions – Asset Document Edit / Reverse	The role owner makes corrections to posted asset documents (limited fields available) or corrects postings made previously via the asset module – acquisitions, transfers, and retirements. o Reverse asset transaction (i.e. via the AA module only), acquisition, retirements, and transfers. o *Edit asset documents (limited fields e.g. text not values)*	Limited to individuals who should be able to process financial asset transactions AMR (e.g. Agency or OSRAP finance team personnel responsible for capital assets or their designees). This may be refined during realization to a smaller subset of this group.	Limitations will be required for business area, cost center, transaction type? *(Other such as functional area, fund, fund center or grant to be determined during realization phase).* Limit reversals to transaction types for Acquisitions. Limit T-Types to those valid for State.
5.	Asset Accounting Information System	The role owner oversees and monitors fixed assets using Asset Accounting reports. The role contains the complete Information System of Asset Accounting. o Execute reports (list to be determined during realization.)	Broader audience including those that can create and maintain asset master records and process asset transactions and those that need to access asset data for analysis and reporting purposes. Generally, this would be the same group as those that have access to 'Asset Master Data – Display AMR and Values'	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* The role owner needs authorization for executing reports and displays. These authorizations are provided by the SAP_BC_ENDUSER single role.

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Transfers without financial impact (e.g. room, location, personnel number) are AMR updates and will not require a transfer transaction in SAP. Additionally, for moveable property assets, the		Training required for personnel that will be using the various asset transactions. This includes the significance of the transaction fields and how they impact master data and financial valuations, as well as integration points, such as GL, FM, CO, etc.

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	Notification Record will need to be updated.		
2.	Transfer Processing for Moveable Assets will change.	LPAA will not be involved in Moveable Asset transfer monitoring and approval. Transfer Fee revenue source for LPAA will no exist. Agencies will be responsible for managing transfers among themselves.	Title 34 and corresponding statutes will require changes to accommodate the LaGov Project SAP design. Agencies will have more responsibility for managing their assets. LPAA responsibility change as they will no longer monitor and approve transfers.
3.	Asset Master record creation and maintenance as part of transfer transaction.	Asset master records and financial records are not integrated thus end users do not see the 'whole picture' for capital assets. Currently, users may have limited responsibility for maintenance of data. Moveable assets require additional layers of authorization for some field changes.	Responsibility for creation and maintenance of asset master records will have additional or different personnel. End users will have access to more financial data about a capital asset/. End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data). They will also need to understand which data is maintained in other integration point master records or in transactional data.
4.	Asset Master record display and reporting.	Asset master records and financial records are not integrated thus end users do not see the 'whole picture' for capital assets. A larger audience will be able to display and report on assets.	Responsibility for creation and maintenance of asset master records will have additional or different personnel. End users will have access to more financial data about a capital asset. End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data. They will also need to understand which data is maintained in other integration point master records or in transactional data.
5.	SAP will be the system of record for capital assets and their valuation for the State of Louisiana organizational entities participating in the LaGov Project, replacing the records maintained Moveable Assets (Protégé), Real Property Assets (SLABS and worksheets/spreadsheets used by OSRAP for calculating depreciation) and Infrastructure Assets (worksheets/spreadsheets used by DOTD and OSRAP for calculating valuation and depreciation). Data will be maintained in asset master records which are classified for	Single source for all Capital Asset records. Multiple SAP modules will contain data currently stored in a single system (e.g. Protégé records will be stored in AA for Capital Assets, PM for non-capital assets and PM for fleet / maintenance detail; SLABS records will be stored in AA and RE modules)	Training to understand where existing data will be stored in SAP, how SAP will be used to maintain and report on data. Training on the concept of SAP asset classes and their purpose. Training on the concept of multiple modules used to store data most applicable to that module (e.g. Asset Accounting, Plant Maintenance, Real Estate, General Ledger, etc.)

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	financial and other reporting purposes via Asset Classes. Other integration modules will be used to maintain non-capital asset detail (e.g. Real Estate, Plant Maintenance/Fleet for non-capital assets and other recording such as maintenance tracking).		
6.	Each capital asset will be recorded in the SAP Asset Accounting during the entire asset financial life cycle (e.g. acquisition, depreciation, transfers, sale/disposal) and will be integrated with other SAP modules for master record and financial updates. Two parallel depreciation areas will facilitate simultaneous accounting on Modified and GASB-34/Full Accrual basis, which would have significant benefits for OSRAP reporting.	Transactional updates with SAP capital assets will be integrated and thus financial records will be in balance for the Capital Asset database and Financial records (e.g. G/L). Asset Accounting system will accommodate both Modified and Full Accrual reporting requirements. Financial updates to the general ledger will be based on account determination rules that are either automatically applied or proposed for user update.	Training requirements for the concept of Asset Accounting integration and financial / master data updates. Training requirements for the concept of dual deprecation areas and the financial / master data updates. Training requirements for financial postings and use of general ledger accounts for financial updates. OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation).
7.	Transfer Transactions	The transfer transaction provides automated and integrated general ledger and asset master record updates – significant change from the existing systems for real property (and infrastructure, should this need arise). For movable equipment, the transfer transaction will now be fully integrated with the general ledger. PM Notification Records will require that the AMR cross reference be updated to reflect the new AMR number (i.e. receiving asset).	Training required for personnel that will be using the various asset transactions. This includes the significance of the transaction fields and how they impact master data and financial valuations, as well as integration points, such as GL, FM, CO, etc.

Training Impact

The creation, maintenance and valuation of asset records will have significant changes from the existing practices and potentially have a significantly larger end user base for various business processes associated with asset master records. The following key areas regarding design of the asset structure and organizational elements will need to be addressed during training:

- Terminology change for use of SAP terms
- Concept of each asset master record recording valuation for two depreciation areas
  - Concept and financial implications of simultaneous and parallel accounting methods using multiple depreciation for each asset master record (i.e. DA 01: Modified Accrual Accounting and DA 20 GASB - Full Accrual Accounting)
  - New asset depreciation calculation processes
- Integration with financials – many transactions will have automated postings (e.g. depreciation).

    - Transaction postings update GL, Cost objects (e.g. cost element, cost center, RE object), Fund/Grant values
    - Automated posting GL (e.g. depreciation run)
  - New processes to update asset master valuations
- End users who work with capital asset records (including property managers and financial personnel) will need to:
    - Understand the postings required for capital asset retirements including the nuances for multiple depreciation area posting requirements and impacts
    - Understand the automated financial postings and asset master record updates during a retirement transaction
    - Understand the consequences of changes to the financial attributes of asset master records which have had values posted
  - Asset Master Record and Financial Updates will change:
    - Asset changes will now have financial impact.
    - Some transactions will require more steps than legacy transactions.
    - Transaction posting will require understanding of Transaction Types (transfers use transfer variant) and their financial and AMR impacts TTypes and Transfer Variants
    - Use of document types to identify type of transactions and provide posting controls
    - Notification Records in Plant Maintenance will be used to track location and physical inventory data. The AMR on the Notification Record will need to be updated when an asset is transferred to a new AMR number.
- Data monitoring via report required to ensure proper data entry. Recommendation that this be done frequently after initial implementation when data entry problems are most likely.
- Asset Master Record Field Data:
    - Visible and generally immediate financial impact on asset master record transaction postings, including the nuances for multiple depreciation areas
    - Capital asset records need to be created at the 'front-end' of acquisition process (not 'back-end' as is done currently)
    - Control Section changes require configuration and manual synchronization in AA, PS, and Agile
    - Linkage with AGILE Assets will be non-integrated. However, the Super-number on the AMR will use the Control Section mapping. Control Section changes require configuration and manual synchronization in AA, PS, and Agile
    - More discrete data being maintained for Infrastructure assets
  - Security Considerations:
    - Security would determine who can edit which assets
    - History transaction reports will show who edited which pieces of information
    - SAP match code options cannot be filtered by user security or business area.
    - Non-financial data remains editable on deactivated asset records – Can be managed by reporting (e.g. change history audit).
  - Personnel change for management of capital asset master records – including creation, field update, blocking and review of general and asset values:
    - Management of fixed asset master records – including creation, field update, blocking and review of general and asset values.
    - OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation).

Appendix

Not Applicable

Team:	Finance - Asset Accounting
PDD Name:	AA Retirements
PDD Number:	FIN-AA-PDD050-AA Retirements
Business Process Owner:	Afranie Adomako
Functional Lead:	Rhoama Speights
Functional Consultant:	Christine Wieczorek

Executive Summary

Retirements of capital assets can be made for multiple reasons, such as an asset being:

- Damaged beyond use
- No longer required and not saleable thus will be scrapped
- Dismantled
- Moveable Property: no longer required and declared surplus (i.e. sent to the Louisiana Property Assistance Agency [LPAA])
- Moveable Property: lost or stolen
- Real Property (including Rights of Way [ROW]): sold or “trade-in-kind”
- Infrastructure (including ROW): ‘donated’ or traded with local government
- Depending on the outcome of the handling of non-LaGov project entities, a retirement may be necessary to accommodate sending ‘transfers’ from LaGov project entities to a State entity that is not using SAP.

A significant change will be made in the process for handling moveable asset retirements – agencies will determine the need for surplus or scrapping of capital assets without the need for LPAA approval required. However, LPAA will continue to manage surplus sales and fund reimbursement and will continue to use Protégé to manage the surplus sales and auction preparation, as well as fund reimbursements. The changes to handling of retirements for moveable assets will require Title 34 – Section 7 updates.

With the implementation of asset accounting for SAP, it will be significantly easier to handle gain and loss postings resulting from the retirement of capital assets. The system will automatically calculate and post gain and loss values. Currently, this is not the State practice. A project action item is currently with OSRAP regarding a policy change for gain/loss postings upon capital asset disposition. This change is considered necessary to be in compliance with GASB and GAAP standards.

It should be noted that for moveable capital assets, retirements will always be recorded with a loss because surplus sales amounts will not be tracked back to individual capital assets in the SAP asset accounting database. These surplus sales amounts will be treated as revenue by LPAA. If there are individual sales that are of a material nature, they can be handled on a case by case basis since the necessary detail will be available in Protégé. Analysis of historical surplus sales values has indicated that the sales amounts are generally not of a material nature, and the time and effort to maintain gain/loss postings on each surplus capital asset sale in SAP asset accounting would not provide added value for financial reporting.

This document describes the design of the SAP Capital Asset Retirement transaction processing for sale or non-cash disposal (e.g. scrap, destroyed, etc.), including flowcharts for Moveable Property, Real Property and Infrastructure.

To-Be Process Description

#	Process Terminology	Description
1	Asset Class	Main criterion for classifying fixed assets according to legal, financial and management requirements.
2	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.
3	Main Asset Number	Unique number, in combination with company code and asset sub number, that identifies a fixed asset
4	Sub Asset Number	Asset record for an individual part of an asset, or subsequent acquisitions, can be represented by a sub-number to a main asset number. For public sector sub-numbers are used for each funding source of an asset.
5	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
6	Asset under Construction (AuC)	An asset that you produce or manufacture yourself which must be managed as a separate asset master record, generally without depreciation, during the construction phase.
7	Low Value Asset (LVA) / Controlled Assets	Items that do not meet the capital asset criteria and are recorded for tracking purposes. These will be tracked in Plant Maintenance via Notification Records.
8	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.
9	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. These are not relevant to Capital Assets.
10	Depreciation	Reduction of the asset book value because of decline in economic usefulness or because of legal requirements for taxes.
11	Depreciation Area	A structure that contains and maintains the valuation of a fixed asset for a particular purpose (for example, legal financial statements, balance sheets for tax purposes, or management accounting values). It can be thought of as an asset ledger or asset book. For public sector accounting, it typically reflects asset values two areas: modified accrual and full accrual purposes.
12	Screen Layout	Settings that specify 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'.
13	Account Assignment or Account Determination	Settings which defines which general ledger accounts to post to from a business transaction. These are the general ledger accounts that are used by the system for transactions that have automated general ledger postings (e.g. depreciation) or that are proposed by the system for transactions which allow an end user to override the proposed account (e.g. post capitalization).

#	Process Terminology	Description
14	Amortization	Writing off of loans or intangible assets in equated annual/monthly installments over a scheduled period.
15	Transfer	A transfer is a 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
16	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.
17	Transaction Type	Each asset accounting transaction posting requires a Transaction Types to be assigned in order for the posting to: – be classified by the type of business transaction (acquire, retire with revenue, retire without revenue, transfer, etc) – define AMR and posting parameters (e.g. update capitalization or deactivation date, column for value reporting, default document type, etc) – identify the grouping of the transaction value for some asset accounting reports The transfer posting is a 'one-step' posting which updates the retirement from the sending asset and addition to the receiving asset – accordingly two transaction types are required. Transfer variants define the method for valuation of the receiving asset and the transaction types (retirement and acquisition) that are used for the transfer posting.
18	Transfer Variant	The transfer posting is a 'one-step' posting which updates the retirement from the sending asset and addition to the receiving asset – accordingly two transaction types are required. Transfer variants define the method for valuation of the receiving asset and the transaction types (retirement and acquisition) that are used for the transfer posting.

Retirements of capital assets can be made for multiple reasons, such as asset being:

- Damaged beyond use
- No longer required and not saleable thus will be scrapped
- Dismantled
- Moveable Property: no longer required and declared surplus (i.e. sent to LPAA for sale)
- Moveable Property: lost or stolen
- Real Property (including ROW): sold or "trade-in-kind"
- Infrastructure (including ROW): 'donated' or traded with local government
- Depending on the outcome of the handling of non-LaGov project entities, a retirement may be necessary to accommodate sending 'transfers' from LaGov project entities to a State entity that is not using SAP.

Retirements can be:

- For the entire asset
- Only part of an asset such as when the 'not required portion' of ROW parcel of land is sold .The portion retired can be defined as a dollar amount or a percentage.

The retirement transaction can be:

- For a single asset or multiple assets if the header detail is the same (e.g. document, posting, asset value dates and text data)
- Via mass retirements which can be used to dispose of a significant number of assets at one time. However, the use of mass retirements will require coordination with the post go-live

support team due to the powerfulness of this transaction and user expertise required, which is outside of the normal day-to-day operations. Similar to the regular transaction, the number of mass processing cycles will be dependent on the number of unique header details.

Transaction Types / Transfer Variant

For asset transactions, a transaction type (TType) is used for rules regarding the transaction valuation which defines how the depreciation and valuation of the asset will be handled. The most frequently used TType will be defined as the default for the transaction. An evaluation will need to be made for each transaction to determine if this value must be edited.

- There will be a very limited number of transaction types defined for the State of Louisiana (to be finalized during realization) as it was determined that the 'disposition method' field (i.e. Evaluation Group) on the AMR would be more useful for analysis purposes and more easily corrected if a value was selected erroneously. If an incorrect transaction type is selected, the easiest way to make the correction requires a reversal and reposting entry. However, this process can become quite complex depending on when the error is recognized.
- The intent is to copy from SAP delivered TTypes that are renamed with a 'Z' coding convention. Additionally, roles and authorizations would restrict the TTypes valid for State use (i.e. the system will continue to display full range of TTypes; however, valid TTypes are only verified upon transaction save).

Retirement Transactions

Depending on the reason for retirement, multiple transactions are available in SAP to record the valuation change. Similar to the TType decisions, each retirement will need to be evaluated independently to ensure the correct transaction is chosen for the required financial postings and AMR updates:

- Retirement with Revenue: Asset Sale without Customer
  - Applicable to Real Property only
- Asset Retirement by Scrapping (i.e. retirement without revenue)
  - Applicable to Moveable Property, Real Property and Infrastructure.

It was determined that there is not a requirement in Accounts Receivable to track Real Property sales and currently there is no sales tracking requirement for Infrastructure. Moveable Property will be retired without revenue and sent to LPAA for surplus sales handling using Protégé.

It was determined that there is no requirement to record revenues or costs for an asset subsequent to the asset being retired. Accordingly, these transactions (i.e. Subsequent Costs and Subsequent Revenue) will not be included in the asset accounting design.

For moveable capital assets, it will be necessary to ensure that the corresponding Notification Record (Plant Maintenance module) is also maintained.

Transfers to Surplus (Moveable Property)

Previously, LPAA had been responsible for approval to dispose of moveable property assets – either via scrapping or surplus sale.

On a go-forward basis, with the SAP implementation, the agencies will be responsible for determining if a capital asset is no longer of use. If the asset cannot be transferred to another State entity, then the owning agency will need to determine if the asset should be sent to LPAA for surplus sale or disposal. During realization, the handling of asset scrapping will be refined. Some assets must be destroyed in a controlled manner (e.g. surplus firearms). Accordingly, it may be more effective to have items that are to be scrapped be managed by LPAA for disposal – this is logged as an action item.

Although LPAA will no longer be responsible for transfer and retirement approvals of movable property, they will continue to manage Surplus disposal activities. In some circumstances, such as equipment changeovers or accumulation of items for a surplus 'load', there can be a significant volume of items in a

surplus transfer. To facilitate the LPAA processing of items sent to the Surplus warehouse the following will be developed (Note: Format and function should match that of similar forms developed for non-capitalized assets housed in <Plant Maintenance> notification records):

- A form to identify the surplus capital assets being sent to LPAA. The data on this form will be used by LPAA as a 'Pickup' and 'Warehouse receiving' document as well as data necessary for fund reimbursement processing. Furthermore, a request has been made to be able to include the limited text data for additional information such as the location of the item and the reason for surplus.
- A report / extract of asset master record data for items being sent to LPAA surplus, in a format that could be used for upload by Protégé. This would reduce the manual data entry required for Protégé record input.

Funding Reimbursement

Funding reimbursement will continue to be managed by LPAA as part of the Surplus sales. Generally, funding reimbursement will not be applicable to capital assets that are fully depreciated, unless the funding source specifies this.

Although the funding reimbursement process will be managed outside of SAP, the fund reimbursement requirements will need to be identified on the Asset Master Record.

Title 34, Statues, Etc.

Existing Title 34 sections for moveable property and relevant statutes will need to be updated to enable the process changes for this design of the LaGov Project SAP implementation. This includes reviewing the requirements for retirement approvals for computer and telecommunications equipment.

Asset Master Record Update

When a retirement transaction is posted, it may also be necessary to update the general data fields on the Asset Master Record (see PDD FIN-AA-PDD020-AMR Create and Change). If the entire asset is being retired, the system will automatically define the deactivation date based on the 'Asset Value Date' of the transaction. Additionally, the retirement transaction will automatically be listed in the Asset Values screen for analysis and audit history.

SAP follows best business practice and country specific financial principles (e.g. USA: GAAP and/or GASB for public sector) which results in retirement transactions including loss (or gain) postings. This is not the current State practice and an action item/decision request is with OSRAP to change existing practices so that gains and losses are recognized upon retirement.

Processes

Moveable Property

- Supporting document for an asset retirement is received by the Property Manager.
- If the capital asset is Computer or Telecom relevant, approval for retirement must be obtained from:
  - Computer: Director of the Office of State Purchasing (OSP)
  - Telecom: Director of the Office of Telecommunications Management (OTM)
- If approval is received for Computer or Telecom equipment, when applicable, and the Property Manager approves the requested retirement, then the Property Manager:
  - forwards documentation to the agency finance person responsible for capital assets
  - ensures that the appropriate action is taken for disposal of the asset (e.g. sent to LPAA surplus)
- The agency finance person responsible for capital assets identifies the transaction process applicable for retirement:

- If the item has been completely destroyed, has remained unlocated for the 3rd year, is to be scrapped, sent to LPAA surplus disposal, or is transferred to non LaGov project entity, then the asset master record is updated via "Retire without Revenue" transaction.
    - For capital assets transferred to non LaGov project entities, there may be additional processing (e.g. journal entries) for accurate financial reporting. Requirement for additional processing will be refined during the realization phase.
- Asset master record fields (non-financial) are updated if required.
- Upon completion of the transaction posting and relevant asset master record field updates, documentation is forwarded to the Property Manager.
- Property Manager reviews the Asset Master Record for completeness and accuracy. (Note: For moveable capital assets, it will also be necessary to ensure that the corresponding Notification Record in the Plant Maintenance module is also maintained. See also PDD: LOG-PM-PDD001, Maintenance Process.)

Real Property

- Supporting documentation for an asset retirement, after all appropriate approvals obtained, is received by the agency Finance person responsible for capital assets.
- The agency finance person responsible for capital assets identifies the transaction process applicable for retirement:
    - If the item has been completely destroyed, is to be demolished, or is transferred to non LaGov project entity, then the asset master record is updated via "Retire without Revenue" transaction.
        - For capital assets transferred to non-LaGov project entities, there may be additional processing steps (e.g. journal entries) for accurate financial reporting. The requirements for additional processing steps will be refined during the realization phase.
    - If the item has been sold, then the asset master record is updated via the "Asset Sale without Customer" (i.e. Retire with Revenue) transaction.
        - Note: retirement with sales include follow-on steps with the AP module to post the cash receipt and reconciliation of the revenue clearing general ledger accounts (updated during the asset retirement and cash receipt postings)..
    - Asset master record fields are also updated if required.
    - Upon completion of the transaction posting and relevant asset master record field updates, documentation is forwarded to the Real Estate Property Manager, OSRAP, ORM and FPC.
- The Property Manager reviews the Asset Master Record for completeness and accuracy.

Infrastructure

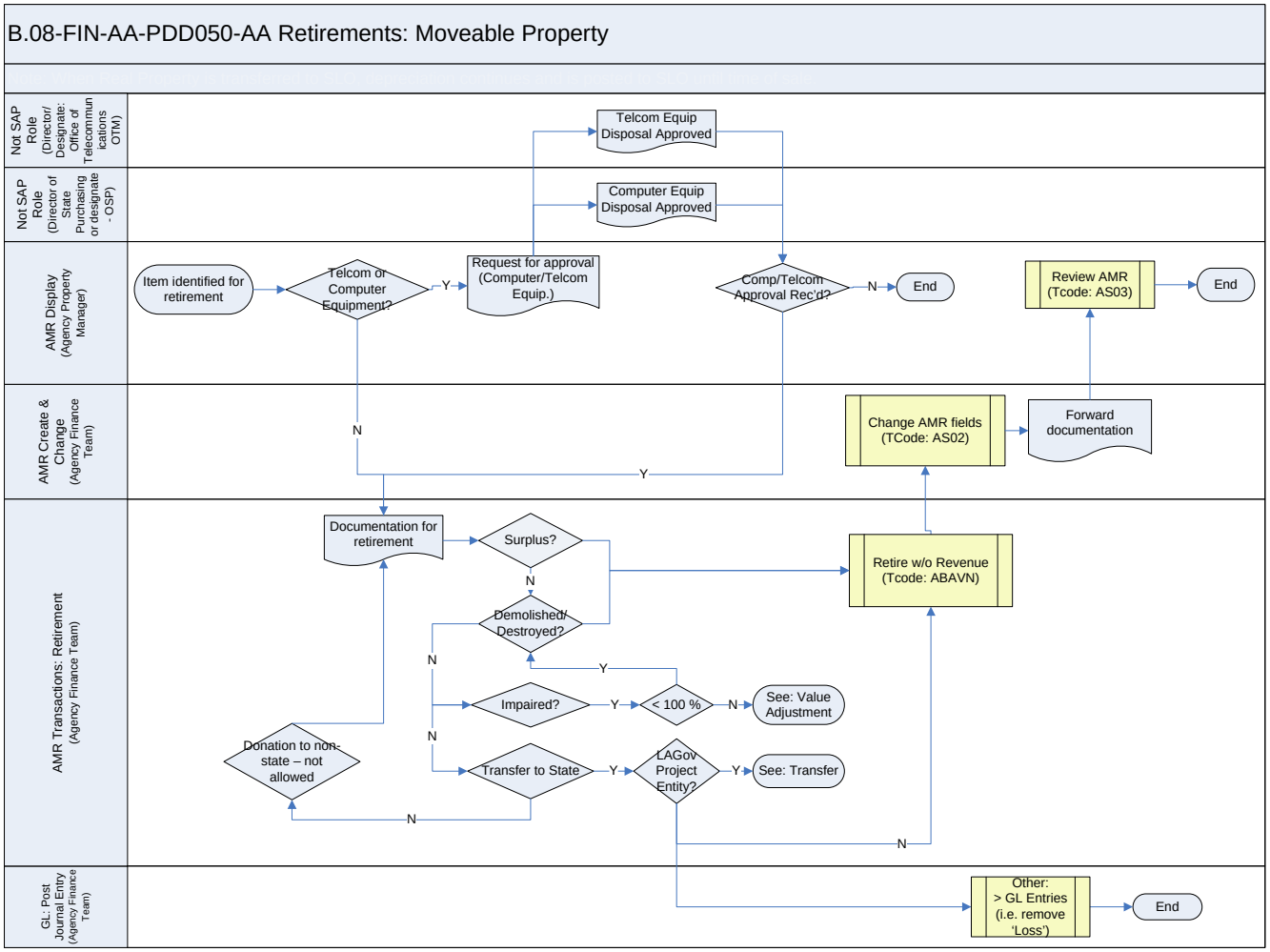
- Supporting documentation for an asset retirement, after all appropriate approvals obtained, is received by the DOTD person responsible for capital assets.
- The DOTD person responsible for capital assets identifies the transaction process applicable for the retirement method.
    - If the item has been completely destroyed, is to be demolished or is transferred to non LaGov project entity or donated/exchanged with non-State entity, then the asset master record is updated via a "Retire without Revenue" transaction.
        - For capital assets transferred to non LaGov project entities, there may be additional processing steps (e.g. journal entries) for accurate financial reporting. The requirements for additional processing steps will be refined during the realization phase.
    - Asset master record fields are also updated if required.
    - Upon completion of the transaction posting and relevant asset master record field updates, documentation is forwarded to the DOTD person responsible for infrastructure assets and OSRAP.

- The DOTD person responsible for infrastructure assets reviews the Asset Master Record for completeness and accuracy.

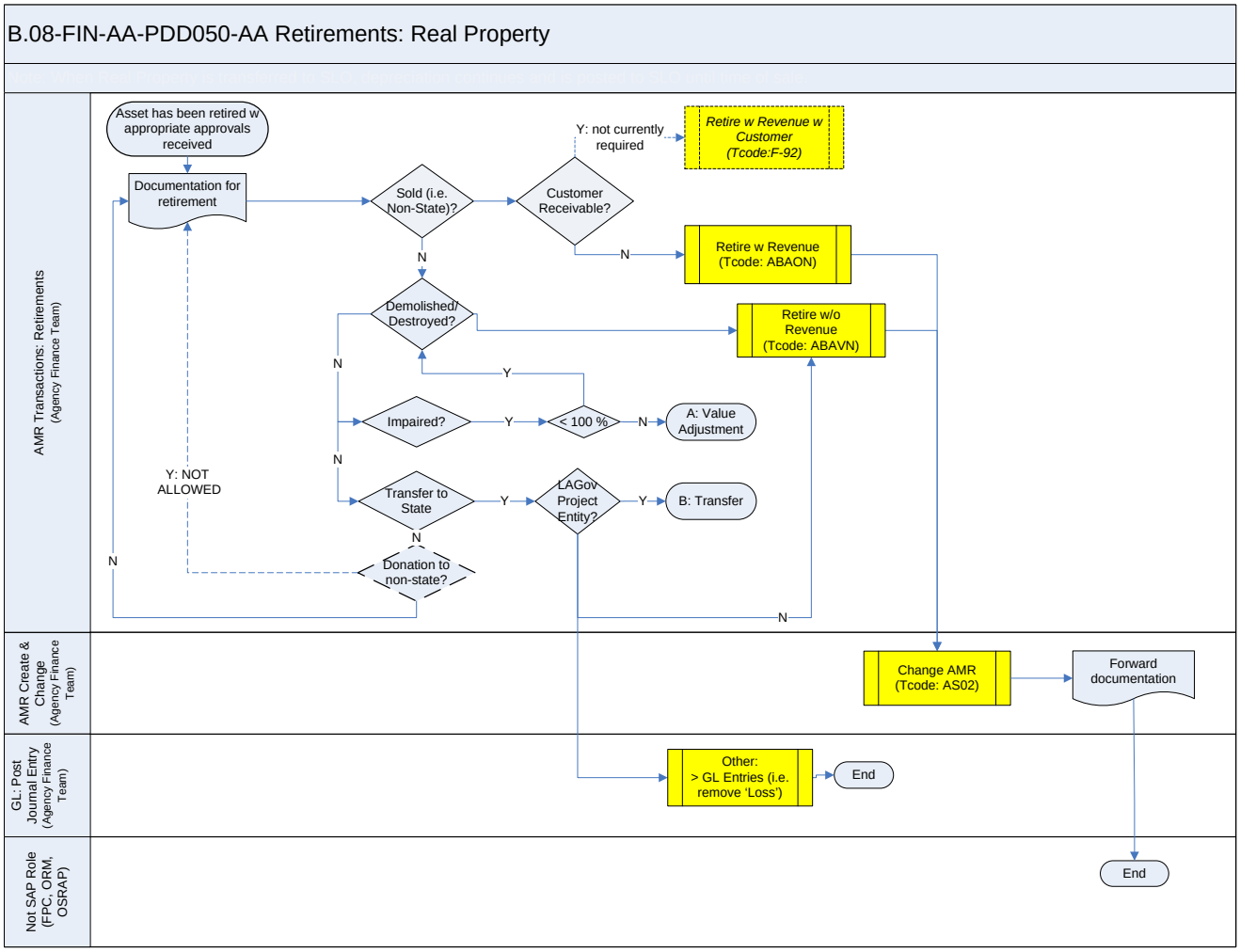
To-Be Process Flows

The following provide process flows for retirements. The process for each majority asset category is similar; however, there are different personnel involved.

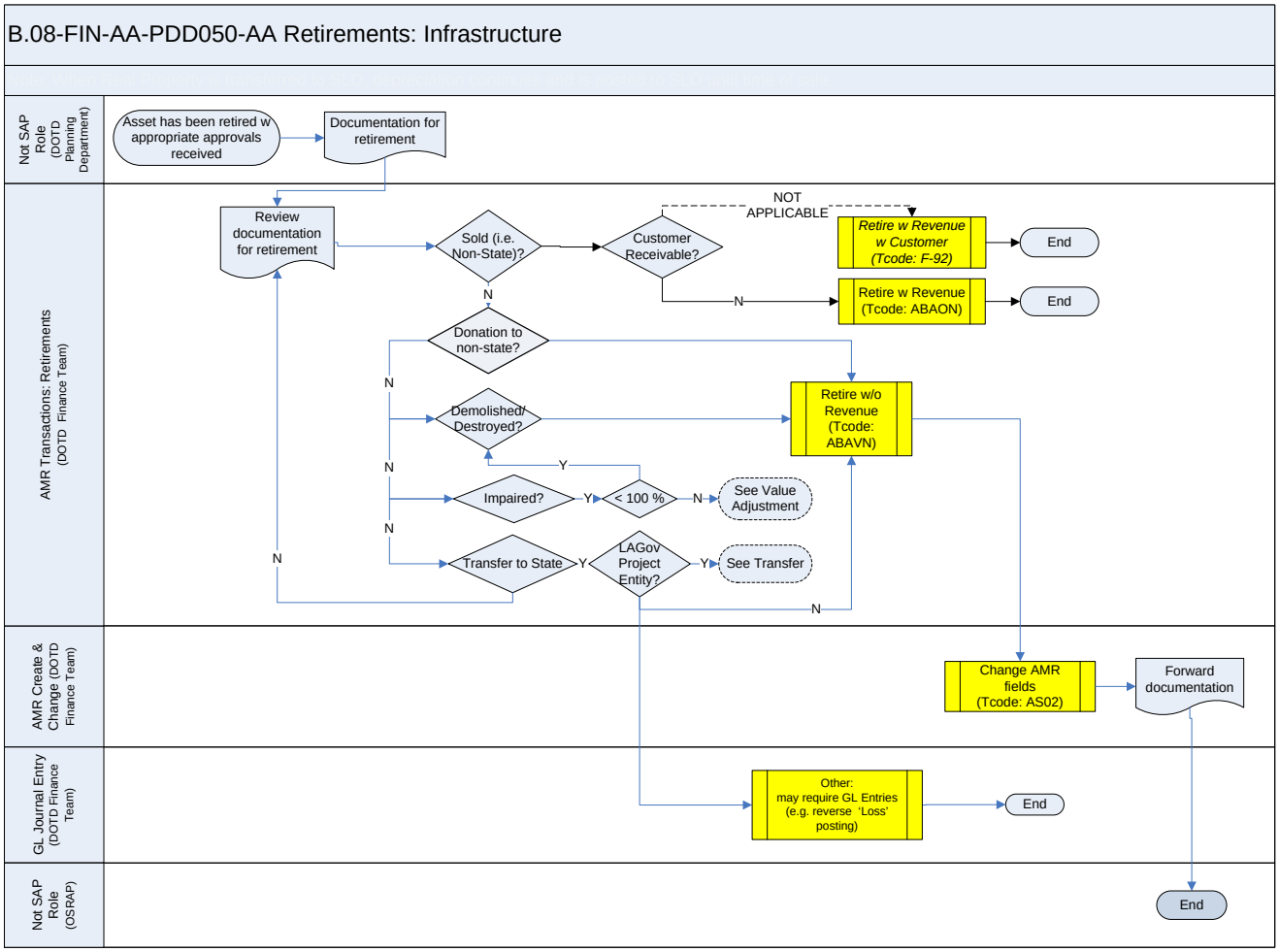
- FIN-AA-PDD005-AA Retirements_Moveable Property



- FIN-AA-PDD005-AA Retirements_Real Property



- FIN-AA-PDD005-AA Retirements_Infrastructure



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Transfer of moveable assets to LPAA Surplus will be handled as a retirement, not a transfer. Sales of surplus movable property will continue to be managed by LPAA via Protégé.	Processing methods will change; however, this is the current sales disposition model.	No organizational impact.
2	No requirement to record revenues or costs for an asset subsequent to the asset being retired.	There are no processing impacts as these transactions (i.e. Subsequent Costs and Subsequent Revenue) will not be included in the asset accounting design.	No organizational impact.
3	No requirement to create customer and account receivable for recording	There are no processing impacts as transaction processing for Retirement with Revenue: Asset Sale with Customer	No organizational impact.

#	Decision	Process Impact	Organizational Impact
	sales of assets within SAP.	will not be included in the asset accounting design.	
4	Moveable Asset - Agencies will be responsible for determining asset retirement methods (e.g. send to LPAA) and will no longer require the approval of LPAA.	The method of processing transfers will change.	Title 34 and corresponding statutes will require changes to accommodate the LaGov Project SAP design. Agencies will have more responsibility for managing their assets.
5	Proceeds of sales need to be refined with the new retirement model.	Potential processing change outside of SAP.	Funding sources for LPAA will change.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	State of Louisiana: Title 34 & RS 39:200.C, RS 39:321-328, RS 39:330-332 (Moveable Property)	Title 34 section VII: requires significant revisions. Revisions to governing revised statutes may also be required.	Commissioner of DOA
2	State of Louisiana: RS 39:11-14; RS 41 (Real Property)		Commissioner of DOA
3	Title 23, United States Code, Section 4029c (Infrastructure)		DOTD
4	State of Louisiana: RS 39:122 (Infrastructure)		Commissioner of DOA, Secretary of DOTD
5	GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries		OSRAP
6	GASB Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments		OSRAP
7	GASB 51 Accounting and Financial Reporting for Intangible Assets		OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	A form to select and record moveable property capital assets being sent to LPAA is required.	Data on this form will be used by LPAA as a 'Pickup' and 'Warehouse Receiving' document – request has been made to have ability to include limited text data for additional information (e.g. location of item, reason for surplus).	X	X	Replace similar functionality in Protégé used by LPAA to manage Surplus pickup and warehouse receipt.	Rebecca Kleinpeter	

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	A report / extract of asset master record data for items being sent to LPAA surplus, in a format that could be used for upload by Protégé.	Data loading worksheet for use by LPAA to create Protégé master records for items sent to Surplus.		X	This would reduce the manual data entry required for Protégé record input.	Rebecca Kleinpeter	

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1	None identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
1.	See below						

Note: *Conversions – mid year conversion will require that transactional data for partial year be converted. Conversion detailed in PDD: FIN-AA-PDD010-AA Organizational Structure and PDD: FIN-AA-PDD080-AMR Data Conversion_all systems*

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	A report / extract of asset master record data for items being sent to LPAA surplus, in a format that could be used for upload by Protégé.	'Flat file' of items transferred to LPAA	Protégé: extract file for use by Protégé system	This would reduce the manual data entry required for Protégé record input.	

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	**Description**	**Justification**	**Comments**
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	Not applicable		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	Asset Master Data Maintenance – Create and Change	The role owner is responsible for creating and changing asset master records: o Create, change and display asset master records o Create asset sub-numbers	Moveable Asset Classes: Property Managers, Agency Finance personnel assigned to capital assets, OSRAP personnel assigned to capital assets Real Property Asset Classes: Real Estate Property Managers, Agency Finance personnel, FCP project administrator personnel assigned to capital assets, OSRAP personnel assigned to capital assets Infrastructure Asset Classes: DOTD facility manager, Agency Finance personnel, project administrator personnel assigned to capital assets projects, OSRAP personnel assigned to capital assets.	o Authorization restriction by Agency (i.e. cost center) o Additional restrictions may be required for Moveable assets used in Covert situations. o Moveable asset will need authorization object for Personnel Number and Equipment Master Number (i.e. linkage). During realization, may identify requirement to have roles split for Create and Maintain.
2.	Asset Master Data – Display AMR and Values	The role owner monitors and checks asset balance sheet values, as well as planned and posted depreciation, on individual fixed assets. o Display Asset Master Record o Asset Explorer o *Display Document (Asset related)*	Broader audience including those that can create and maintain asset master records and process asset transactions and those that need to access asset data for analysis and reporting purposes.	o Authorization restriction by Agency (i.e. cost center). o Additional restrictions may be required for Moveable assets used in Covert situations. o OSRAP will have access to all asset classes. This role also allows the user to jump to asset master record display and the display of asset documents. The user is not able to jump to the display of Financial Accounting documents unless the role owner has that authorization, which is contained in the *Asset Accounting Information System* role.
3.	Asset Transactions – Retirements	The role owner makes retirement postings in Asset Accounting. o Asset Sale without Customer o Retirement by Scrapping	Limited to individuals who should be able to process financial asset transactions AMR (i.e. agency finance team personnel responsible for capital assets or their designees).	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* In asset posting transactions it is sometimes possible to directly create asset master records. To be able to use this function, you need the role for *Asset Master Data*

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
				Maintenance – Create and Change. Limit TTypes to those valid for State.
4.	Asset Transactions – Asset Document Edit / Reverse	The role owner makes corrections to posted asset documents (limited fields available) or corrects postings made previously via the asset module – acquisitions, transfers, and retirements. o Reverse asset transaction (i.e. via the AA module only), acquisition, retirements, transfers. o *Edit asset documents (limited fields e.g. text not values)*	Limited to individuals who should be able to process financial asset transactions AMR (e.g. Agency or OSRAP finance team personnel responsible for capital assets or their designees). This may be refined during realization to a smaller subset of this group.	Limitations will be required for business area, cost center, transaction type? *(other such as functional area, fund, fund center or grant to be determined during realization phase).* Limit reversals to transaction types for Acquisitions. Limit TTypes to those valid for State.
5.	Asset Accounting Information System	The role owner oversees and monitors fixed assets using Asset Accounting reports. The role contains the complete Information System of Asset Accounting. o Execute reports (list to be determined during realization.)	Broader audience including those that can create and maintain asset master records and process asset transactions and those that need to access asset data for analysis and reporting purposes. Generally, this would be the same group as those that have access to 'Asset Master Data – Display AMR and Values'	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* The role owner needs authorization for executing reports and inquiries. These authorizations are provided by the SAP_BC_ENDUSER single role.

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Fund reimbursement will continue to be managed by LPAA via Protégé.	Reimbursement Funding will not be processed for capital assets that are fully depreciated unless the funding source specifies such a requirement.	Funding revenue sources may change for some agencies.
2.	Moveable Asset - Agencies will be responsible for determining asset retirement methods (e.g. send to LPAA for surplus sales or scrap).	Previously, retirements either via scrapping, sales or other method of disposal required the approval of LPAA (and, additionally, for computers: the Director of State Purchasing; Telecom equip Director of Communication)	Moveable Asset retirements will no longer require approval of LPAA (other approvals being reviewed). Title 34 and corresponding statutes will require changes to accommodate the LaGov Project SAP design. Agencies will have more responsibility for managing their assets. LPAA responsibility change as they will no longer monitor and approve retirements.
3.	Proceeds of sales need to		

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	be refined with the new retirement model.		
4	Asset Master record creation and maintenance as part of transfer transaction.	Asset master records and financial records are not integrated thus end users do not see the 'whole picture' for capital assets. Currently, users may have limited responsibility for maintenance of data. Moveable assets require additional layers of authorization for some field changes.	Responsibility for the creation and maintenance of asset master records will have additional or different personnel. End users will have access to more financial data about a capital asset/. End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data). They will also need to understand which data is maintained in other integration point master records or in transactional data.
5	Asset Master record display and reporting.	Asset master records and financial records are not integrated thus end users do not see the 'whole picture' for capital assets. A larger audience will be able to display and report on assets.	Responsibility for creation and maintenance of asset master records will have additional or different personnel. End users will have access to more financial data about a capital asset. End users will need to have an understanding of what fields are maintained within the Asset Master Record, their characteristics and whether the field has a financial / other update impact or is informative data). They will also need to understand which data is maintained in other integration point master records or in transactional data.
6	SAP will be the system of record for capital assets and their valuation for the State of Louisiana organizational entities participating in the LaGov Project, replacing the records maintained Moveable Assets (Protégé), Real Property Assets (SLABS and worksheets/spreadsheets used by OSRAP for calculating depreciation) and Infrastructure Assets (worksheets/spreadsheets used by DOTD and OSRAP for calculating valuation and depreciation). Data will be maintained in asset master records which are classified for financial and other reporting purposes via Asset Classes. Other integration modules will be used to maintain non-capital asset detail (e.g. Real Estate, Plant Maintenance/Fleet for	Single source for all Capital Asset records. Multiple SAP modules will contain data currently stored in a single system (e.g. Protégé records will be stored in AA for Capital Assets, PM for non-capital assets and PM for fleet / maintenance detail; SLABS records will be stored in AA and RE modules)	Training to understand where existing data will be stored in SAP, how SAP will be used to maintain and report on data. Training on the concept of SAP asset classes and their purpose. Training on the concept of multiple modules used to store data most applicable to that module (e.g. Asset Accounting, Plant Maintenance, Real Estate, General Ledger, etc.)

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	non-capital assets and other recording such as maintenance tracking).		
7	Each capital asset will be recorded in the SAP Asset Accounting during the entire asset financial life cycle (e.g. acquisition, depreciation, transfers, sale/disposal) and will be integrated with other SAP modules for master record and financial updates. Two parallel depreciation areas will facilitate simultaneous accounting on Modified and GASB-34/Full Accrual basis, which would have significant benefits for OSRAP reporting.	Transactional updates with SAP capital assets will be integrated and thus financial records will be in balance for the Capital Asset database and Financial records (e.g. G/L). Asset Accounting system will accommodate both Modified and Full Accrual reporting requirements. Financial updates to the general ledger will be based on account determination rules that are either automatically applied or proposed for user update.	Training requirements for the concept of Asset Accounting integration and financial / master data updates. Training requirements for the concept of dual deprecation areas and the financial / master data updates. Training requirements for financial postings and use of general ledger accounts for financial updates. OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation).
8	Retirement Transactions	The retirement transactions provides automated and integrated general ledger and asset master record updates – significant change from the existing systems for real property and infrastructure. For movable equipment, the retirement transactions will now be fully integrated with the general ledger.	Training required for personnel that will be using the various asset transactions. This includes the significance of the transaction fields and how they impact master data and financial valuations, as well as integration points, such as GL, FM, CO, etc.

Training Impact

The creation, maintenance and valuation of asset records will have significant changes from the existing practices, and potentially have a significantly larger end-user base for various business processes associated with asset master records. The following key areas regarding design of the asset structure and organizational elements will need to be addressed during training:

- Terminology change for use of SAP terms
- Concept of each asset master record recording valuation for two depreciation areas
  - Concept and financial implications of simultaneous and parallel accounting methods using multiple depreciation rules for each asset master record (i.e. DA 01: Modified Accrual Accounting and DA 20 GASB - Full Accrual Accounting)
  - New asset depreciation calculation processes
- Integration with other financial modules – many transactions will have automated postings (e.g. depreciation).
  - Transaction postings update GL, Cost objects (e.g. cost element, cost center, RE object), Fund/Grant values
  - Automated posting to the GL (e.g. depreciation run)
- New processes to update asset master valuations
- End users who work with capital asset records (including property managers and financial personnel) will need to:
  - Understand the postings required for capital asset retirements including the nuances for multiple depreciation area posting requirements and impacts

  - Understand the automated financial postings and asset master record updates during a retirement transaction
  - Consequences of changes to the financial attributes of asset master records which have had values posted.
- Asset Master Record and Financial Updates will change:
  - Asset changes will now have financial impact.
  - Some transactions will require more steps than legacy transactions.
  - Transaction posting will require understanding of Transaction Types (transfers use transfer variant) and their financial and AMR impacts TTypes and Transfer Variants
  - Use of document types to identify type of transactions and provide posting controls
- Data monitoring via reporting will be required to ensure proper data entry. Recommendation that this be done frequently after initial implementation when data entry problems are most likely.
- Asset Master Record Field Data:
  - Visible and, generally immediate, financial impact on asset master record transaction postings, including the nuances for multiple depreciation areas
  - Capital asset records need to be created at the 'front-end' of the acquisition process (not 'back-end' as is done currently)
  - Control Section changes require configuration and manual synchronization in AA, PS, and Agile
  - Linkage with AGILE Assets will be non-integrated; however, the Super number on the AMR will use the Control Section mapping. Control Section changes require configuration and manual synchronization in AA, PS, and Agile
  - More discrete data being maintained for Infrastructure assets
- Security Considerations:
  - Security would determine who can edit which assets
  - History transaction reports will show who edited which pieces of information
  - SAP match code options cannot be filtered by user security or business area.
  - Non-financial data remains editable on deactivated asset records – Can be managed by reporting (e.g. change history audit).
- Personnel change for management of capital asset master records – including creation, field update, blocking and review of general and asset values:
  - Management of fixed asset master records – including creation, field update, blocking and review of general and asset values.
  - OSRAP to become more involved in certain decisions (e.g. Capitalized Projects vs. Maintenance, halting asset depreciation, unplanned depreciation).
- Procedural review and training to provide end users with knowledge about the effort required to make system changes when they change their mind about transferring items to surplus.
- Non-financial fields on retired records are editable after asset deactivation (monitoring via reports).
- Acquisitions and retirements of AMRs will require a corresponding PM or RE object action.

Appendix

Not applicable

Team:	Finance - Asset Accounting
PDD Name:	AA Physical Inventory
PDD Number:	FIN-AA-PDD060-AA Physical Inventory
Business Process Owner:	Afranie Adomako
Functional Lead:	Rhoama Speights
Functional Consultant:	Christine Wieczorek

Executive Summary

Physical Inventory is the methodical review and recording of the quantities and amounts relating to the asset portfolio. Its primary purpose is to verify the physical existence, condition and location of recorded assets. Inventory discrepancies, such as missing or found items or improperly recorded items, must be documented with appropriate adjustments made to the asset system of record. Typically, this is done for moveable assets, both capitalized and controlled. Physical inventory taking is not usually applicable to real property or infrastructure, although review of records and physical condition of assets may be periodically performed.

This document describes the high-level design of the SAP Capital Asset physical inventory processing, including flowcharts. The detailed physical inventory process will be initiated via the Plant Maintenance module for the Notification Records. For Notification Records that are relevant to capital assets, the inventory taking results will also require reconciliation with the asset master records in the SAP Asset Accounting module. This document does not document the inventory taking process steps for the Notification Record, nor does it include information about low value “controlled” assets which will be tracked only in the Plant Maintenance module.

The detailed Business Blueprint PDD related to the Physical Inventory of all movable property, both capitalized and controlled, can be found at LOG-PM-PDD003, PDD004 Maintenance Process.

To-Be Process Description

#	Process Terminology	Description
1	Asset Class	Main criterion for classifying fixed assets according to legal, financial and management requirements.
2	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.
3	Main Asset Number	Unique number, in combination with company code and asset sub number, that identifies a fixed asset
4	Sub Asset Number	Asset record for an individual part of an asset, or subsequent acquisitions, can be represented by a sub-number to a main asset number. For public sector sub-numbers are used for each funding source of an asset.
5	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
7	Low Value Asset (LVA) / Controlled Assets	Items that do not meet the capital asset criteria and are recorded for

#	Process Terminology	Description
		tracking purposes. These will be tracked in Plant Maintenance via Notification Records.
8	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.
9	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. These are not relevant to Capital Assets.
10	Depreciation	Reduction of the asset book value because of decline in economic usefulness or because of legal requirements for taxes.
11	Depreciation Area	A structure that contains and maintains the valuation of a fixed asset for a particular purpose (for example, legal financial statements, balance sheets for tax purposes, or management accounting values). It can be thought of as an asset ledger or asset book. For public sector accounting, it typically reflects asset values two areas: modified accrual and full accrual purposes.
12	Account Assignment or Account Determination	Settings which define which general ledger accounts to post to from a business transaction. These are the general ledger accounts that are used by the system for transactions that have automated general ledger postings (e.g. depreciation) or that are proposed by the system for transactions which allow an end user to override the proposed account (e.g. post capitalization).
13	Amortization	Writing off of loans or intangible assets in equated annual/monthly installments over a scheduled period.
14	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 an expense.
15	Transfer	A transfer is a 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
16	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.
17	Physical Inventory	Methodical review and recording of the quantities and amounts relating to the asset portfolio.

Overview

Physical Inventory is the methodical review and recording of the quantities and amounts relating to the asset portfolio. Its primary purpose is the verify the physical existence, condition and location of recorded assets. Inventory discrepancies, such as missing or found items, or improperly recorded items, must be documented with appropriate adjustments made to the asset system of record. Typically, this is done for moveable assets, both capitalized and controlled. Physical inventory taking is not usually applicable to real property or infrastructure, although review of records and physical condition of assets may be periodically performed.

Physical Inventory taking follows the State's prescribed methodology.

The State currently has the ability to use barcode scanning and validation in its existing legacy system for moveable property (i.e. Protégé). The SAP Asset Accounting module provides limited Physical Inventory

and Bar Coding functionality. Accordingly, this has been a factor in the decision that a Notification Record in PM will be created for each Capital Asset (i.e. for tracking purposes and to enable utilization of a common barcode scanning solution for all track-able items).

- This will mean that all trackable moveable property items will be defined as Notification Records, in the Plant Maintenance module, for operational management. The actual physical inventory taking of capital assets will therefore be moved to the PM module. However, any resulting financial updates for capital assets will continue to be managed in Asset Accounting.
- Some of the location and custodian type fields will need to be revisited during realization and will probably be removed from the Asset Master Record and maintained in the Notification Record (PM). Additionally, some data fields such as Inventory and Serial Number may need to be maintained in parallel. The fields that will be maintained in parallel on the Notification Record and AMR and the process to maintain these fields will be finalized during realization (an action item is logged for this).

Further, the management of capital assets will be moved to the agency 'owning' the capital asset. Accordingly, existing involvement of LPAA for physical inventory notification and oversight will be moved to the agency. For integrity purposes, this may require an increase in involvement levels by Legislative Auditors for Physical Inventory oversight and review.

Title, Statutes. Etc.

Physical Inventory requirements for moveable assets are documented in Title 34 section VII, Louisiana Administrative Code, for moveable property. This title and corresponding statutes will need to be updated to enable process changes for this design of the LaGov Project SAP implementation.

Processes

The Physical Inventory process starting with the initiation of a physical inventory count thru to the final reconciliation, certification and forwarding of results to all relevant authorities will be managed by agencies using the Notification Record as the system data source. For items that are also capital assets, co-ordination will be required to ensure that the asset accounting records (i.e. Asset Master Records) are updated appropriately with the physical inventory findings.

The actual physical inventory counting procedure will be initiated from the Notification Records and will be conducted either using manual worksheets or using bar code scanning technology. The Asset Accounting integration begins with the results of the physical inventory counting. Discrepancies must be addressed and resolved. Appropriate updates will be made to the Notification Records (PM) and, for capital assets, to the Asset Master Record (AA).

For reference only, this document provides a high level overview of the steps preceding the integration points with Asset Accounting. This overview is presented from a manual worksheet perspective only.

The detailed steps for manual as well as automated inventory taking with the use of bar-code scanning technology can be found in the Plant Maintenance PDD: LOG-PM-PDD003, PDD004 Maintenance Process.

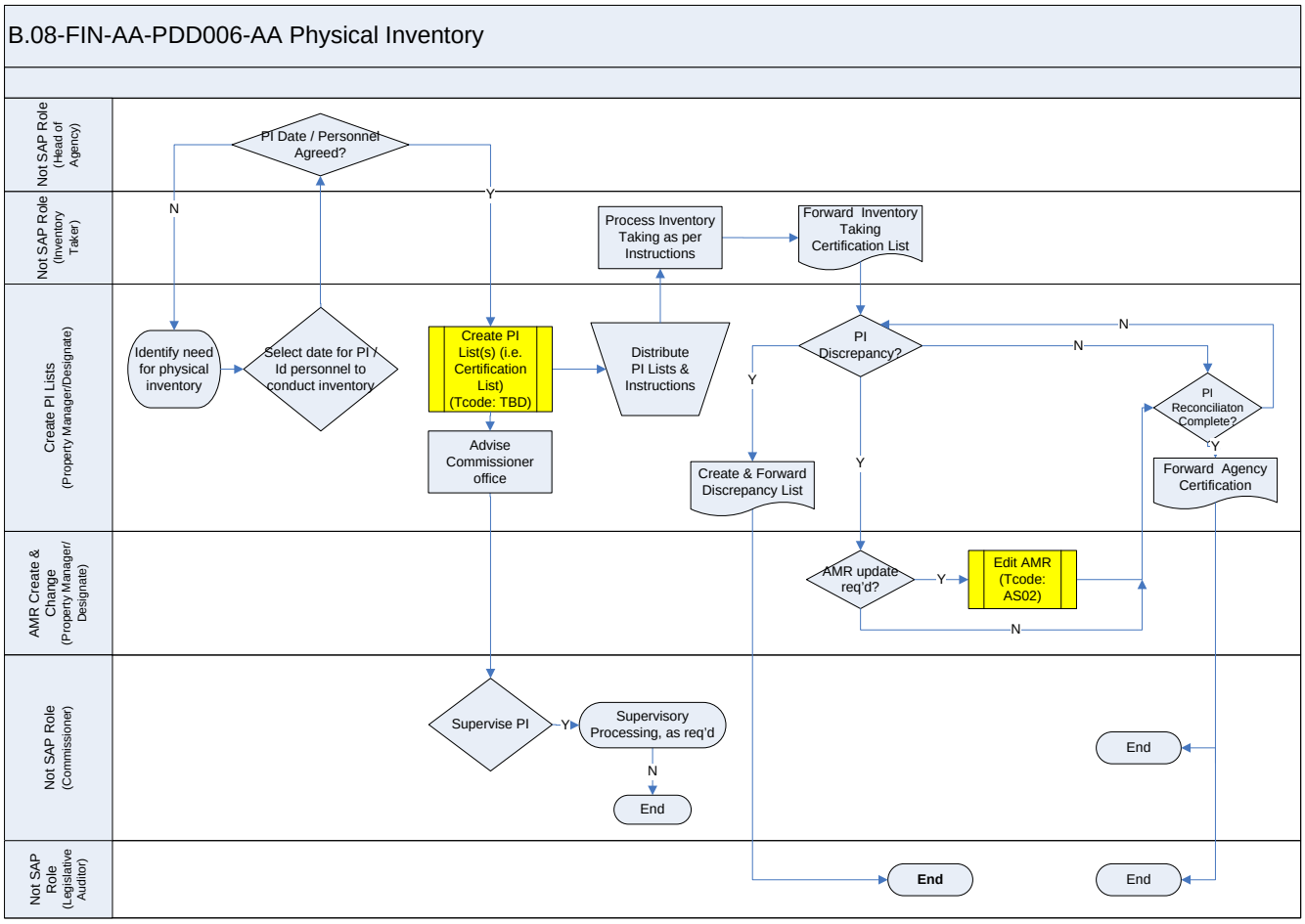
The following provides a high level overview of the steps for manual capital asset inventory taking and record update (i.e. without the use of barcode scanning technologies):

- Property Manager identifies that formal inventory taking is required (e.g. annually or as otherwise prescribed by the Commissioner of Administration) and confirms date and other details with Head of Agency.
- Property Manager:
  - Advises the Commissioner of Physical Inventory timing
  - Identifies the personnel who will do the physical inventory
  - Generates and distributes the Physical Inventory Lists (generated from the notification records in Plant Maintenance) and Physical Inventory taking instructions
- Physical Inventory taking personnel:

  - Perform physical inventory
  - Update Physical Inventory List(s) and return to Property Manager
- Property Manager:
  - Identifies Physical Inventory discrepancies and ensures their resolution including update of appropriate Notification Records and Equipment Master Records in Plant Maintenance and Asset Master Record in Asset Accounting (e.g. update Inventory Date and Notes). For capital assets, if a financial update is required, follows the process needed for value adjustments (e.g. asset acquisition, transfer or retirement – if 3rd year unlocated). There may also be requirements to update non-financial fields on the asset master record using the process to change AMR.
  - Ensures that Physical Inventory updates and reconciliations are complete in the Plant Maintenance module and, for capital assets, in the Asset Accounting module.
  - Forwards Physical Inventory documentation to the Commissioner and Legislative Auditors
- Commissioner provides for Physical Inventory observation/audit and reviews findings.
- Legislative Auditors observe, as deemed necessary, physical inventory process and review findings.

To-Be Process Flows

- FIN-AA-PDD060-AA Physical Inventory.vsd provides process flow for Physical Inventory taking and database updates for Capital Assets. Please note: in this visio the steps preceding the AMR updates are from the perspective of a manual physical inventory count. The resulting asset accounting steps are the same regardless of method of physical inventory taking (manual or using bar code scanning technology).



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Moveable Property: Title 34 and relevant statutes to be reviewed and updated.	Significant changes in the asset management, approval and oversight functionalities.	LPAA's involvement for management of assets and physical inventory will move to agencies.
2	Bar code scanning and validation for physical inventory will be maintained via Notification Records in Plant Maintenance. A Notification Record will be created for each capital	Significant changes in the processing of physical inventory. Physical Inventory taking and operational management will be done via the Notification Record in Plant Maintenance, and, for Capital Assets, financial updates will be managed via the Asset Master Record.	

	asset (i.e. Asset Master Record in AA Module).		

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	State of Louisiana: Title 34 & RS 39:200.C, RS 39:321-328, RS 39:330-332 (Moveable Property)	Title 34 section VII: requires significant revisions. Revisions to governing revised statutes may also be required.	Commissioner of DOA
2	State of Louisiana: RS 39:11-14; RS 41 (Real Property)		Commissioner of DOA
3	Title 23, United States Code, Section 4029c (Infrastructure)		DOTD
4	State of Louisiana: RS 39:122 (Infrastructure)		Commissioner of DOA, Secretary of DOTD
5	GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries		OSRAP
6	GASB Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments		OSRAP
7	GASB 51 Accounting and Financial Reporting for Intangible Assets		OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	Physical Inventory Worksheets	Worksheets for Physical Inventory taking and recording.	x	x	SAP standard may not provide the needed functionality for State physical inventory taking. This will need to be examined during realization.	Rhoama Speights	*Note: will likely not be required as Physical Inventory taking will be initiated from the Plant Maintenance (i.e. Notification Record). However, there will be requirement for similar in PM.* Existing report (AQZZ/SAPQUERY/AM01) may provide a base for changes.

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
							Need to examine if ALV grid and requested functionality for expansion of ALV fields will be sufficient.
2.	Asset Tag Labels with Barcodes	Physical label with barcode and inventory number for affixing to capital asset.	x	x	Asset Label tagging to be refined during realization (and is also dependent on decision for bar coding/mirroring of notification records).		*Note: will likely not be required as BarCoding and Inventory number will be initiated from the Plant Maintenance (i.e. Notification Record). However, there will be requirement for similar in PM.* SAP supplies a report that enables printing of selected information from the asset master record together with a bar code (i.e. via freely-definable SAP script form). This can be used for label printout. SAP provides the standard form (formerly called layout set) FIAA_0003. You can use this form, or use a copy of it as the basis for defining your own form. The standard form contains the following text elements: ☐ Asset description ☐ Cost center of the asset ☐ Inventory number ☐ Asset main number and sub-number ☐ Barcode Along with this master record information, you can use all fields in table ANLAV in your form. You can also have any fields in table ANLAV appear as barcode. If you want to have the inventory number as barcode, rather than the asset main and sub-number, replace this line in the standard form <BC>&ANLAV-ANLN1&-&ANLAV-ANLN2&</> with

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
							the line <BC>&ANLAV-INVNR&</>.

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Not applicable						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Not applicable		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Asset Master Data - AMR Create and Maintain	The role owner is responsible for creating and changing	Moveable Asset Classes: Property Managers, Agency Finance personnel assigned to capital assets, OSRAP	o Authorization restriction by Agency (i.e. cost center) o Additional restrictions may

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		asset master records: o Create, change and display asset master records o Create asset sub-numbers	personnel assigned to capital assets Real Property Asset Classes: Real Estate Property Managers, Agency Finance personnel, FCP project administrator personnel assigned to capital assets, OSRAP personnel assigned to capital assets Infrastructure Asset Classes: DOTD facility manager, Agency Finance personnel, project administrator personnel assigned to capital assets projects, OSRAP personnel assigned to capital assets.	be required for Moveable assets used in Covert situations. o Moveable asset will need authorization object for Personnel Number and Equipment Master Number (i.e. linkage). o During realization, may identify requirement to have roles split for Create and Maintain.
2.	Asset Master Data - Asset Display	The role owner monitors and checks asset balance sheet values, as well as planned and posted depreciation, on individual fixed assets. o Display Asset Master Record o Asset Explorer o Display Document (Asset related)	Broader audience including those that can create and maintain asset master records and process asset transactions and those that need to access asset data for analysis and reporting purposes.	o Authorization restriction by Agency (i.e. cost center). o Additional restrictions may be required for Moveable assets used in Covert situations. o OSRAP will have access to all asset classes. o This role also allows the user to jump to asset master record display and the display of asset documents. The user is not able to jump to the display of Financial Accounting documents unless the role owner has that authorization, which is contained in the *Asset Accounting Information System* role.
3.	Asset Transactions – AA Non Cash Acquisitions & Corrections (AMR not in database)	The role owner makes non integrated acquisition postings in Asset Accounting or updates for assets not in database. Note: via AA transactions, not via integrated MM and PS. o Acquisition with offsetting entry Post-capitalization	Limited to individuals who should be able to process financial asset transactions AMR (e.g. Agency or OSRAP finance team personnel responsible for capital assets or their designees).	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* In asset posting transactions it is sometimes possible to directly create asset master records. To be able to use this function, you need the role for *Asset Master Data Maintenance – Create and Change.* – Limit TTypes to those valid for State.
4.	Asset Transactions – Asset Document Edit / Reverse	The role owner makes corrections to posted asset documents (limited fields available) or corrects postings made previously via the asset module – acquisitions, transfers,	Limited to individuals who should be able to process financial asset transactions AMR (e.g. Agency or OSRAP finance team personnel responsible for capital assets or their designees). This may be refined during realization to a smaller subset of this group.	Limitations will be required for business area, cost center, transaction type, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* Limit reversals to transaction types for Acquisitions.

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		and retirements. o Reverse asset transaction (i.e. via the AA module only), acquisition, retirements, transfers. *Edit asset documents (limited fields e.g. text not values)*		– Limit TTypes to those valid for State.
5.	Asset Transactions – Transfers	The role owner processes asset transfer postings in Asset Accounting - with financial impact. Posts transfers within company	Limited to individuals who should be able to process financial asset transactions AMR (i.e. moveable property: agency finance personnel responsible for capital assets, real property: OSRAP finance team personnel responsible for capital assets).	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* In asset posting transactions it is sometimes possible to directly create asset master records. To be able to use this function, you need the role for *Asset Master Data Maintenance – Create and Change.* – Limit T-Types to those valid for State.
6.	Asset Transactions – Asset Document Edit / Reverse	The role owner makes corrections to posted asset documents (limited fields available) or corrects postings made previously via the asset module – acquisitions, transfers, and retirements. o Reverse asset transaction (i.e. via the AA module only), acquisition, retirements, and transfers. *Edit asset documents (limited fields e.g. text not values)*	Limited to individuals who should be able to process financial asset transactions AMR (e.g. Agency or OSRAP finance team personnel responsible for capital assets or their designees). This may be refined during realization to a smaller subset of this group.	Limitations will be required for business area, cost center, transaction type? *(Other such as functional area, fund, fund center or grant to be determined during realization phase).* Limit reversals to transaction types for Acquisitions. – Limit T-Types to those valid for State.
7.	Asset Transactions – Retirements	The role owner makes retirement postings in Asset Accounting. o Asset Sale without Customer Retirement by Scrapping	Limited to individuals who should be able to process financial asset transactions AMR (i.e. agency finance team personnel responsible for capital assets or their designees).	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* In asset posting transactions it is sometimes possible to directly create asset master records. To be able to use this function, you need the role for *Asset Master Data Maintenance – Create and Change.*

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
				☐ Limit TTypes to those valid for State.
8.	Asset Transactions – Asset Document Edit / Reverse	The role owner makes corrections to posted asset documents (limited fields available) or corrects postings made previously via the asset module – acquisitions, transfers, and retirements. o Reverse asset transaction (i.e. via the AA module only), acquisition, retirements, transfers. *Edit asset documents (limited fields e.g. text not values)*	Limited to individuals who should be able to process financial asset transactions AMR (e.g. Agency or OSRAP finance team personnel responsible for capital assets or their designees). This may be refined during realization to a smaller subset of this group.	Limitations will be required for business area, cost center, transaction type? *(other such as functional area, fund, fund center or grant to be determined during realization phase).* Limit reversals to transaction types for Acquisitions. ☐ Limit TTypes to those valid for State.
9.	Asset Transactions – Asset Valuation Adjustments	The role owner makes asset financial adjustment postings in Asset Accounting and corrects postings made previously. Depreciation Adjustments: Unplanned Depreciation	Limited to individuals who should be able to process financial asset transactions AMR (i.e. OSRAP finance team personnel responsible for capital assets or their designee).	Limitations will be required for business area, cost center, *(other such as functional area, fund, fund center or grant to be determined during realization phase).* In asset posting transactions it is sometimes possible to directly create asset master records. To be able to use this function, you need the role for *Asset Master Data Maintenance – Create and Change.* Limit TTypes to those valid for State.
10.	Asset Transactions – Asset Document Edit / Reverse	The role owner makes corrections to posted asset documents (limited fields available) or corrects postings made previously via the asset module – acquisitions, transfers, and retirements. o Reverse asset transaction (i.e. via the AA module only), acquisition, retirements, transfers. *Edit asset documents (limited fields e.g. text not values)*	Limited to individuals who should be able to process financial asset transactions AMR (e.g. Agency or OSRAP finance team personnel responsible for capital assets or their designee). This may be refined during realization to a smaller subset of this group.	Limitations will be required for business area, cost center, transaction type *(other such as functional area, fund, fund center or grant to be determined during realization phase).* Limit reversals to transaction types for Acquisitions. Limit TTypes to those valid for State.
11.	Asset Accounting Information System	The role owner oversees and monitors fixed assets using	Broader audience including those that can create and maintain asset master records and process asset transactions	Limitations will be required for business area, cost center, *(other such as functional area,*

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		Asset Accounting reports. The role contains the complete Information System of Asset Accounting. o Execute reports (list to be determined during realization.)	and those that need to access asset data for analysis and reporting purposes. Generally, this would be the same group as those that have access to 'Asset Master Data – Display AMR and Values'	*fund, fund center or grant to be determined during realization phase).* The role owner needs authorization for executing reports and displays. These authorizations are provided by the SAP_BC_ENDUSER single role.

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Physical Inventory Timing decision	LPAA's involvement for management of assets and physical inventory will move to agencies.	LPAA will no longer have responsibility for Physical Inventory oversight and asset master record reconciliation and reporting. Agencies will have more responsibility for Physical Inventory oversight and asset master record reconciliation and reporting. Legislative Auditors will have more responsibility for physical inventory findings review.
2.	Physical Inventory Bar code scanning and validation for Capital Assets – Inventory Tracking and Physical Inventory will be initiated from Plant Maintenance (i.e. Notification Record) – corresponding updates for financial impacts will be managed in the Asset Master Record (AA module).	Protege was used for Moveable Asset physical inventory tracking, barcode scanning and certification. The physical inventory and certification for capital assets will be managed via the Notification Record in Plant Maintenance, while the financial updates required from physical inventory will be managed via the Asset Master Record in the Asset Accounting module.	Method of processing physical inventory taking, recording and reporting will change.

Training Impact

The creation, maintenance and valuation of asset records will have significant changes from the existing practices, and potentially have a significantly larger end user base for various business processes associated with asset master records. The following key areas regarding the design of the asset structure and organizational elements will need to be addressed during training:

- Terminology change for use of SAP terms
- New capital asset numbering scheme
  - Asset Numbering differs from legacy record numbers
  - Use of sub-number asset records for multiple funding sources of a capital asset
- Asset tagging changes
  - Legacy tag numbers will be resident in the SAP Asset Master Record "Inventory Number" field for reference and reporting.
  - It is recommended that future moveable property tags be printed and the "Inventory Number" field be populated with the SAP master data number, from the Notification Record, to minimize future retagging and to provide ease of record access in SAP. This value will also

need to be maintained in parallel on the 'Inventory' number field in the Asset Master Record for easier cross referencing of Notification/Asset Master Record.
    - Existing tag numbers will not be required to change.
    - For both legacy asset/tag numbers and new capital assets, users will need to do a 'search' to find the applicable SAP AMR.
- SAP allows duplicate data in "Inventory Number" field
    - SAP must allow duplicates for multiple funding sources
    - SAP "Inventory Number" is a free form field and therefore does not automatically assign numbers

Appendix

Not Applicable

Team:	Finance - Asset Accounting
PDD Name:	AA Periodic Processes
PDD Number:	FIN-AA-PDD070-AA Periodic Processes
Business Process Owner:	Afranie Adomako
Functional Lead:	Rhoama Speights
Functional Consultant:	Christine Wieczorek

Executive Summary

In addition to the day-to-day management and maintenance of capital asset master records, there are some tasks in Asset Accounting that require processing on a collective, rather than individual, basis. These tasks are annually processed transactions such as fiscal year changes or recurring types of asset accounting processes like month-end depreciation, both of which are scheduled as part of the financial calendar. These transactions update the asset master record and/or affect the financial reporting of assets (e.g. Consolidated Annual Financial Report [CAFR]). Additionally, there are 'housekeeping' tasks to address unneeded asset shells and confirm that general ledger asset balance sheet accounts are in balance with the asset accounting sub-ledger.

Most of these processes are:

- 'Transparent' to the operational end users (except for the predecessor tasks they must complete in a timely fashion such as post acquisitions, transfers, retirements, etc.)
- Critical to financial end users as the transactions affect reporting ability

Generally, the following transactions for controlled processing are scheduled as part of the events in the financial calendar:

- Day End:
  - APC (cost) Values Posting (i.e. G/L update for DA 02: Full Accrual transaction postings)
- Month End:
  - Depreciation Run
- Year End:
  - Recalculate Depreciation
  - Fiscal Year Change
  - Year End Closing

This document describes the design of the SAP Capital Asset periodic transactions processing. Generally, these processes are run on a statewide basis as identified in the flowcharts. These processes will be included in the overall financial month-end and year-end closing calendars which will be further refined during realization.

To-Be Process Description

#	Process Terminology	Description
1	Asset Class	Main criterion for classifying fixed assets according to legal, financial and management requirements.
2	Asset Master Record (AMR)	Contains general information and valuation/depreciation rules for a

#	Process Terminology	Description
		specific item in the Asset Accounting (AA) module. In SAP, it also stores all the values and transaction data for the item.
3	Main Asset Number	Unique number, in combination with company code and asset sub number, that identifies a fixed asset
4	Sub Asset Number	Asset record for an individual part of an asset, or subsequent acquisitions, can be represented by a sub-number to a main asset number. For public sector sub-numbers are used for each funding source of an asset.
5	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
6	Asset under Construction (AuC)	An asset that you produce or manufacture yourself which must be managed as a separate asset master record, generally without depreciation, during the construction phase.
7	Depreciation	Reduction of the asset book value because of decline in economic usefulness or because of legal requirements for taxes.
8	Depreciation Area	A structure that contains and maintains the valuation of a fixed asset for a particular purpose (for example, legal financial statements, balance sheets for tax purposes, or management accounting values). It can be thought of as an asset ledger or asset book. For public sector accounting, it typically reflects asset values two areas: modified accrual and full accrual purposes.
9	Amortization	Writing off of loans or intangible assets in equated annual/monthly installments over a scheduled period.
10	Settlement	Full or partial allocation of costs from one object to another (e.g. from Work Breakdown Structure (WBS) to AuC, from AuC to final AMR).
11	APC	Acronym for Acquisition & Production Costs for assets. This refers to the acquisition values for the asset.

Overview

In addition to the day-to-day management and maintenance of capital asset master records, there are some tasks in Asset Accounting that require processing on a collective, rather than individual, basis. These tasks are annually processed transactions such as fiscal year changes or recurring types of asset accounting processes like month-end depreciation, both of which are scheduled as part of the financial calendar. These transactions update the asset master record and/or affect the financial reporting of assets (e.g. Consolidated Annual Financial Report [CAFR]). Additionally, there are 'housekeeping' tasks to address unneeded asset shells and confirm that general ledger asset balance sheet accounts are in balance with the asset accounting sub-ledger.

Most of these processes are:

- 'Transparent' to the operational end users (except for the predecessor tasks they must complete in a timely fashion such as post acquisitions, transfers, retirements, etc.)
- Critical to financial end users as the transactions affect reporting ability

Generally, the following transactions for controlled processing are scheduled as part of the events in the financial calendar:

- Day End:
  - APC (Cost) Values Posting (i.e. G/L update for DA 02: Full Accrual transaction postings)
- Month End:
  - Depreciation Run
- Year End:
  - Recalculate Depreciation

- Fiscal Year Change
- Year End Closing

These periodic transactions include test runs to review the posting results and address errors prior to actual posting. These test runs will be used to avoid corrective efforts for erroneous postings AND avoid delays in final processing due to error stops.

These periodic processing transactions can be run outside or instead of the scheduled times; however, this is not recommended unless there has been analysis of the potential financial data and system integrity impacts.

As with individual online transactions, periodic processing generates audit trails and logs of the posting results. These reports should be reviewed to ensure posting completeness and accuracy. Where errors have occurred, they MUST be resolved in a timely manner to avoid more serious errors and additional resolution effort at a later date.

Transactions for Periodic Processing

The final processing of these periodic processing transactions will be scheduled and executed by the Office of Information Services (OIS), with direction for scheduling provided by the Office of Statewide Reporting and Planning (OSRAP). Test runs may be processed by OSRAP; however, this procedure will be refined during realization and it may be determined that all periodic processing, including test runs, should be requested via OIS.

Daily

APC Values Posting

The APC Values Posting (cost posting) process updates general ledger values for asset transactions in 'Depreciation Area 02: Full Accrual'. For these posting processes:

- Can be posted only on a 'company code' basis and will include all posting updates up to the time of posting.
- Will be scheduled as an overnight 'job'. OSRAP can request OIS to process 'ad hoc' runs, if necessary.
- 'Test run' functionality will be used to review and correct errors prior to the update posting which can be asset specific or for the entire state
- The APC posting log identifies the asset master and G/L update details. This will be:
  - Reviewed – if errors occurred, they will be addressed and resolved
  - Stored for audit purposes (the storage method will be determined during realization phase).

Monthly

Depreciation Run

A depreciation run recognizes the 'planned' decrease in value due to wear and tear for a capital asset. This valuation adjustment will be posted monthly for reporting and analysis purposes. The system will automatically generate general ledger value updates for both 'DA01: Modified Accrual' and 'DA20: Full Accrual'. The system calculates depreciation values for each asset; however, the financial posting is done on a summary basis (e.g. g/l account, cost center, fund, REObject, etc).

Depreciation Runs:

- Can be posted only on a 'company code' wide basis for a specific month and must be processed sequentially by month.
  - Depreciation postings will be made once per period; however, there may be instances where it will be necessary to repeat a depreciation run for a period.
  - Repeated depreciation runs will only calculate and post depreciation for assets that did not have depreciation posted in the initial run. One exception is for assets that have financial changes and the catch up method is used.

- Will be scheduled as a 'job' that is part of the month-end calendar which will be processed by OIS. OSRAP can request OIS to process 'ad hoc' runs, if necessary.
- Prior to processing the depreciation run, all asset transactions for the month must have been completed (e.g. acquisitions, transfers, settlements, retirements, etc.). This is particularly critical for the final depreciation run of the year.
- 'Test run' functionality will be used to review and correct errors prior to the update posting. These runs can be either asset specific or made for the entire company code.
- Depreciation posting and error logs identify the asset master and G/L update details. These logs will be:
  - Reviewed – if errors occurred, they should be addressed and resolved
  - Stored for audit purposes (the storage method will be determined during realization phase).
- Details of the individual asset depreciation calculation and financial posting to general ledger are documented in the 'Depreciation Log' can be:
  - Generated as part of depreciation run
  - Regenerated at a later date (for the entire company code or for a asset specific)

Annually

Year-end closing includes the annual reporting required to meet the legal obligations of a state. This includes an annual balance sheet, an annual profit and loss statement, an appendix with additional information (annual report) and other financial reporting specific to the state (e.g. CAFR).

Asset year-end processing is a combination of transactions which must be performed in a specific sequence and in combination with other closing processes (e.g. FI) to:

- Enable asset postings to occur in the new fiscal year
- Close the fiscal year to new asset postings.

Multiple tasks are included in the Year-End processing. These must, and will be, included as part of an overall Year-End calendar as the timing of these tasks has predecessor and successor task requirements.

The tasks are similar to month-end process, with some additional year-end tasks:

- AA/GL reconciliation – generally, this should be part of a month-end closing process.
- Housekeeping of unnecessary asset shells (e.g. block, consider renaming with 'Z' preface in description, etc.)
- Asset transactions required:
  - Recalculate Depreciation
  - Fiscal Year Change
  - Year-End Closing.

Recalculate Depreciation

This process recalculates planned annual depreciation by company codes or for individual assets (e.g. changes made to depreciation keys, custom changes made which impact data relevant to depreciation calculations). Planned depreciation adjustments are updated to the asset master record and financial adjustment postings occur in the next depreciation run. This task must be processed, at a minimum, prior to the final depreciation run for the fiscal year. Optionally, it can be scheduled or manually processed prior to the monthly depreciation run. This option will be evaluated further during realization.

- For complete processing, this transaction will be run by company code – one or more company codes can be included; however, all must used the same 'from defined fiscal year' parameter. Depreciation recalculation must be run prior to the final depreciation run for the fiscal year.
- Will be scheduled as a 'job' that is part of the year-end calendar. OSRAP can request OIS to process 'ad hoc' runs, if necessary.

- 'Test run' functionality will be used to review and correct errors prior to the update posting (can be asset specific or entire state).
- Recalculate Depreciation posting logs identify the asset master and G/L update details. This will be:
  - Reviewed – if errors occurred, they will be addressed and resolved
  - Stored for audit purposes (storage method will be determined during realization phase).

Fiscal Year Change

This transaction is a 'technical' processing step which 'opens' the new asset fiscal year for postings. *NOTE: there are corresponding requirement for FI - open fiscal period.* The visual results of this transaction can be seen on the Asset Master Record - Asset Values Tab (i.e. defaults to the new fiscal year and opening balances are updated for each asset).

- Is run by 'company code' (one or more company codes) for the new fiscal year.
- Will be scheduled as a 'job' that is part of the year-end calendar. OSRAP can request OIS to process 'ad hoc' runs, if necessary.
- 'Test run' functionality will be used to review and correct errors prior to the update posting. Test runs can be asset specific or entire state.
- Fiscal Year Change logs identify the change status and asset master records with errors. This will be:
  - Reviewed – if errors occurred, they will be addressed and resolved
  - Stored for audit purposes (storage method will be determined during realization phase).

Year-End Closing

This transaction is a 'technical' processing step which 'closes' the asset fiscal year for postings or value changes. *NOTE: there are corresponding requirement for FI - close fiscal period.*

- Must be run by 'company code' (can include one or more company codes) for the fiscal year to be closed.
- Will be scheduled as a 'job' that is part of the year-end calendar. OSRAP can request OIS to process 'ad hoc' runs, if necessary.
- 'Test run' functionality enables review and correction of errors prior to the update posting
- Asset Year-End Closing logs identify the change status and asset master records with errors. This will be:
  - Reviewed – if errors occurred, these will be addressed and resolved
  - Stored as this is the audit trail (storage method to be determined during the realization phase).
- Under limited circumstances, the asset fiscal year-end closing can be reversed. However, this can have significant financial impacts and requires the closing process to be evaluated and re-run. Such a scenario requires OSRAP approval. The support team responsible for the asset accounting module should manage the reversal transaction.

<u>Housekeeping</u>

Incomplete Assets

Assets entered into the system, but missing important master data (primarily account assignment information and required entries), are considered 'incomplete' and are listed in a report. These assets must be reviewed and corrected before depreciation can be posted to the asset and before they can be retired. More importantly, incomplete assets must be corrected as they will disallow asset accounting fiscal year close.

- Report will be scheduled to be generated manually by OSRAP, as part of the year-end calendar (with ability for OSRAP to run 'ad hoc').
- This report will be reviewed and incomplete assets will be addressed and resolved.

- As a good business practice the report will be stored for audit purposes. (The reports are generally stored in electronic format; however, the storage method will be determined during the realization phase).

Other

Active capital asset records in the Asset Accounting Module should be periodically validated for corresponding active Notification and Equipment Master Record numbers in Plant Maintenance and Real Estate objects (land and building) in the Real Estate module.

G/L and Asset Accounting Sub-ledger Reconciliation

Good business and accounting practices require a monthly reconciliation of the asset accounting general ledger accounts and asset master record sub-ledger. There should not be out-of-balance situation as the general ledger balance sheet accounts will have settings to disallow direct postings to the account. If such a situation should occur, steps to resolve this must be taken immediately.

Various general ledger and asset accounting reports will provide data for reconciliation purposes. The specific reports will be addressed in more detail during the realization phase.

- Reports will be generated manually by OSRAP as part of the month-end calendar (with ability for OSRAP to run 'ad hoc').
- These reports will be reviewed. Should an out of balance situation occur, it will immediately be addressed and resolved.
- As a good business practice, the reports and reconciliation worksheets will be stored for audit purposes following State reconciliation and audit storage procedures.

Integration Points

The following transactions, which affect asset master records, are initiated from other modules and are part of the financial calendar.

- Settlement:
  - Internal Order (IO) to AuC
  - WBS to AuC
  - AuC to final AMR

Details on this process can be found in PDD: FIN-PS-PDD070-Capital Projects Periodic Processing.

Processes

For each of the following transactions, the processing steps are generally the same:

- APC Values Posting (i.e. G/L update for DA 02: Full Accrual transaction postings)
- Depreciation Run
- Recalculate Depreciation
- Fiscal Year Change
- Year-End Closing.

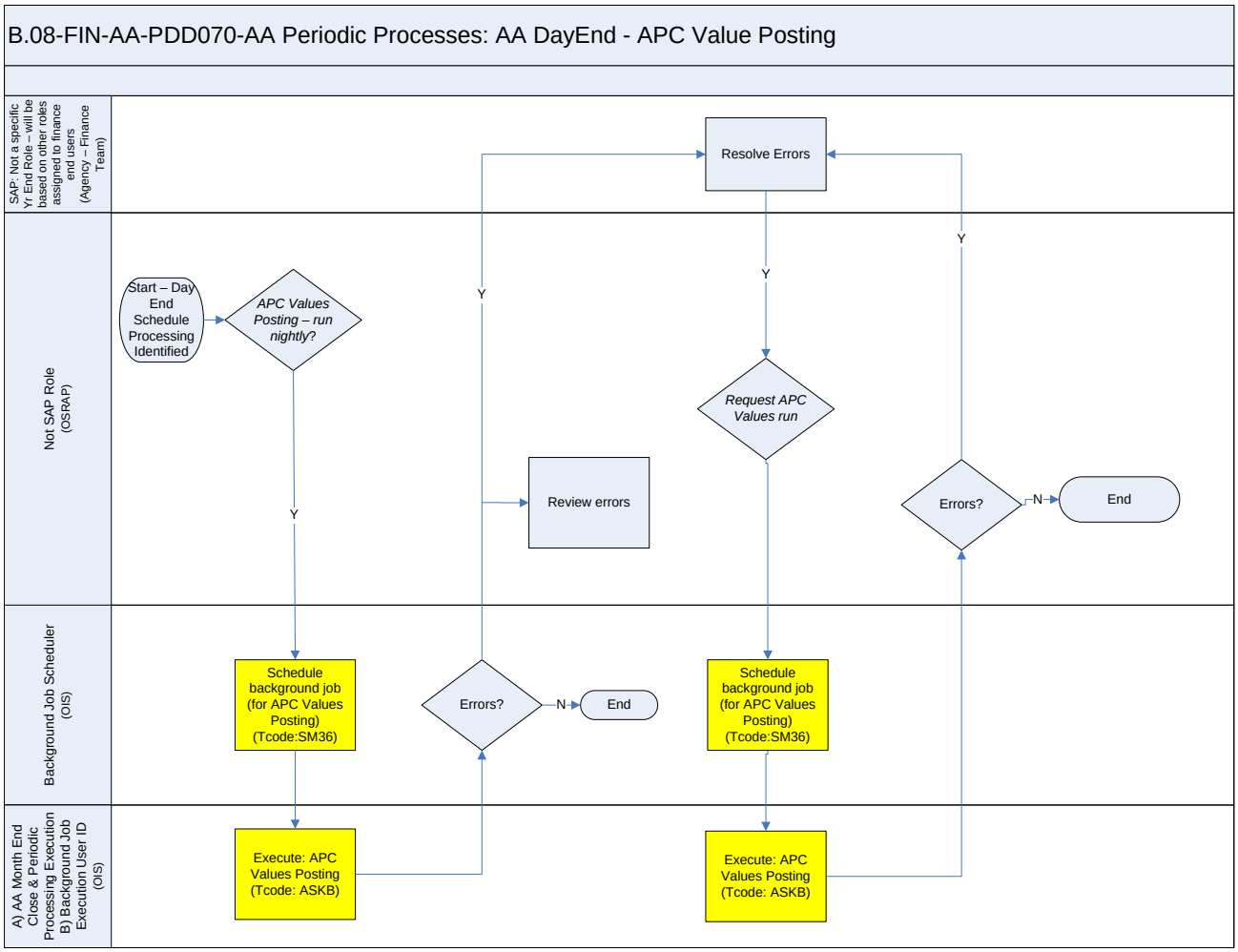
- The OSRAP financial person responsible for capital assets identifies the requirement for a transaction to be scheduled for background processing and determines the processing timing (as part of a financial processing calendar).
- The OSRAP financial person responsible for capital assets contacts the OIS support person responsible for background jobs to schedule the job.
- The OIS support person schedules the job.
- Prior to the background job being processed, the OSRAP financial person responsible for capital assets performs a test run and ensures that errors are corrected.
- The background job is processed.

- The OIS support person reviews the log of processed job for errors. If errors are discovered, advises the OSRAP financial person responsible for capital assets.
- The OSRAP financial person responsible for capital assets reviews errors and ensures that they are corrected
- If necessary, OSRAP initiates the transaction manually or requests the OIS technical team to reschedule the job.
- The error review and resolution cycle continues until successful processing is completed.

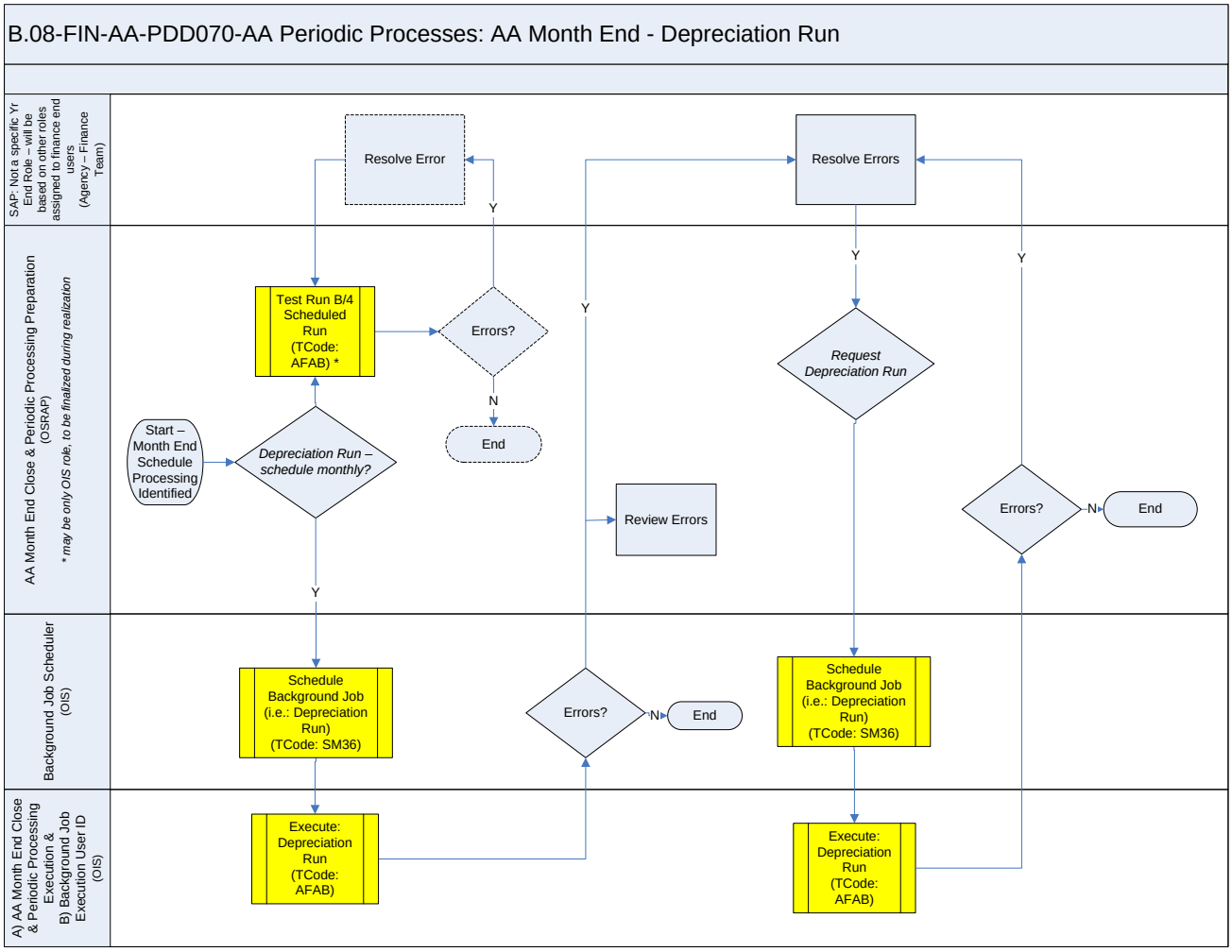
To-Be Process Flows

The following documents provide process flowcharts of the daily, month-end and year-end closing activities for asset accounting which will be incorporated within the overall financial month-end and year-end calendars.

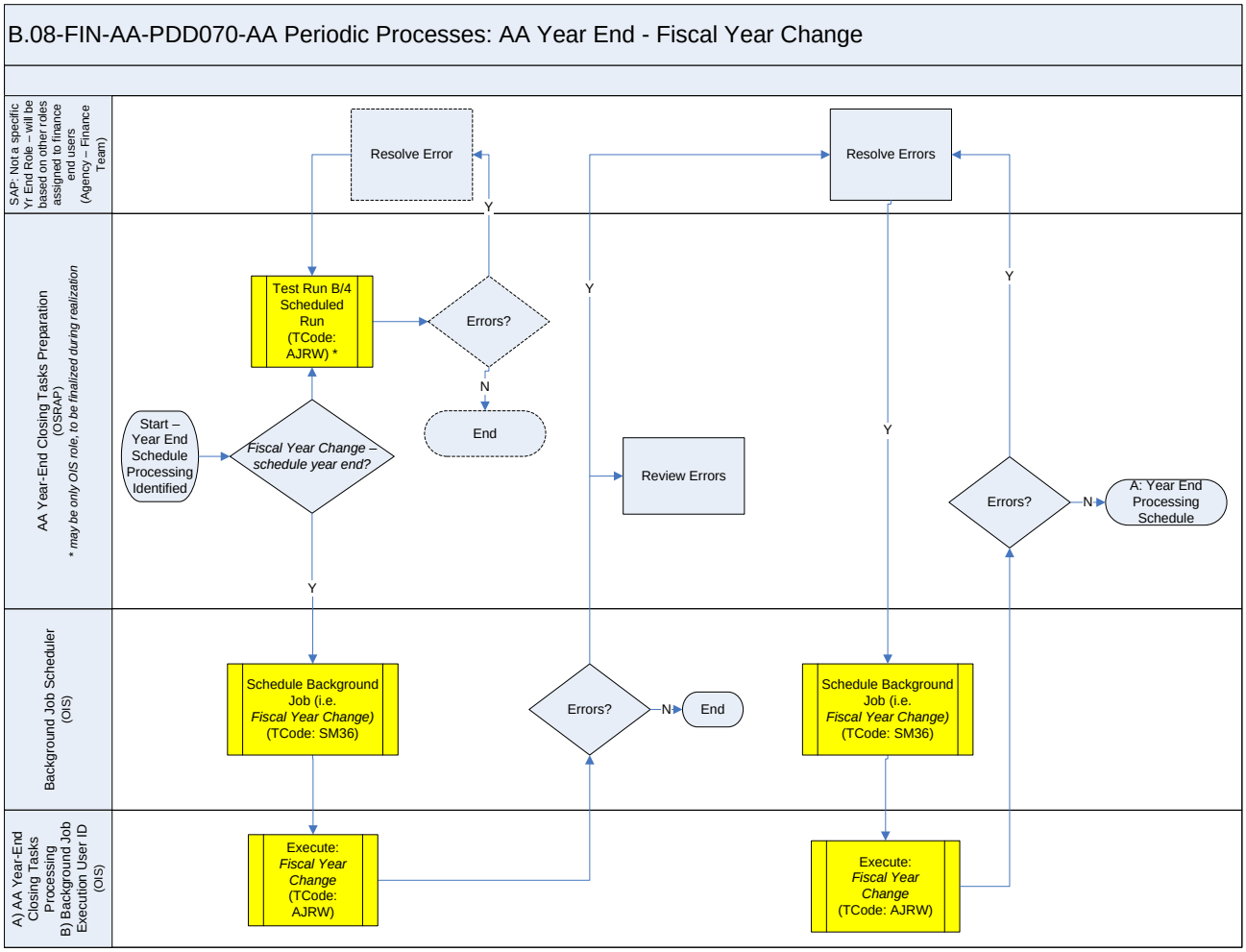
- FIN-AA-PDD070-AA Periodic Processes-AA DayEnd - APC Values



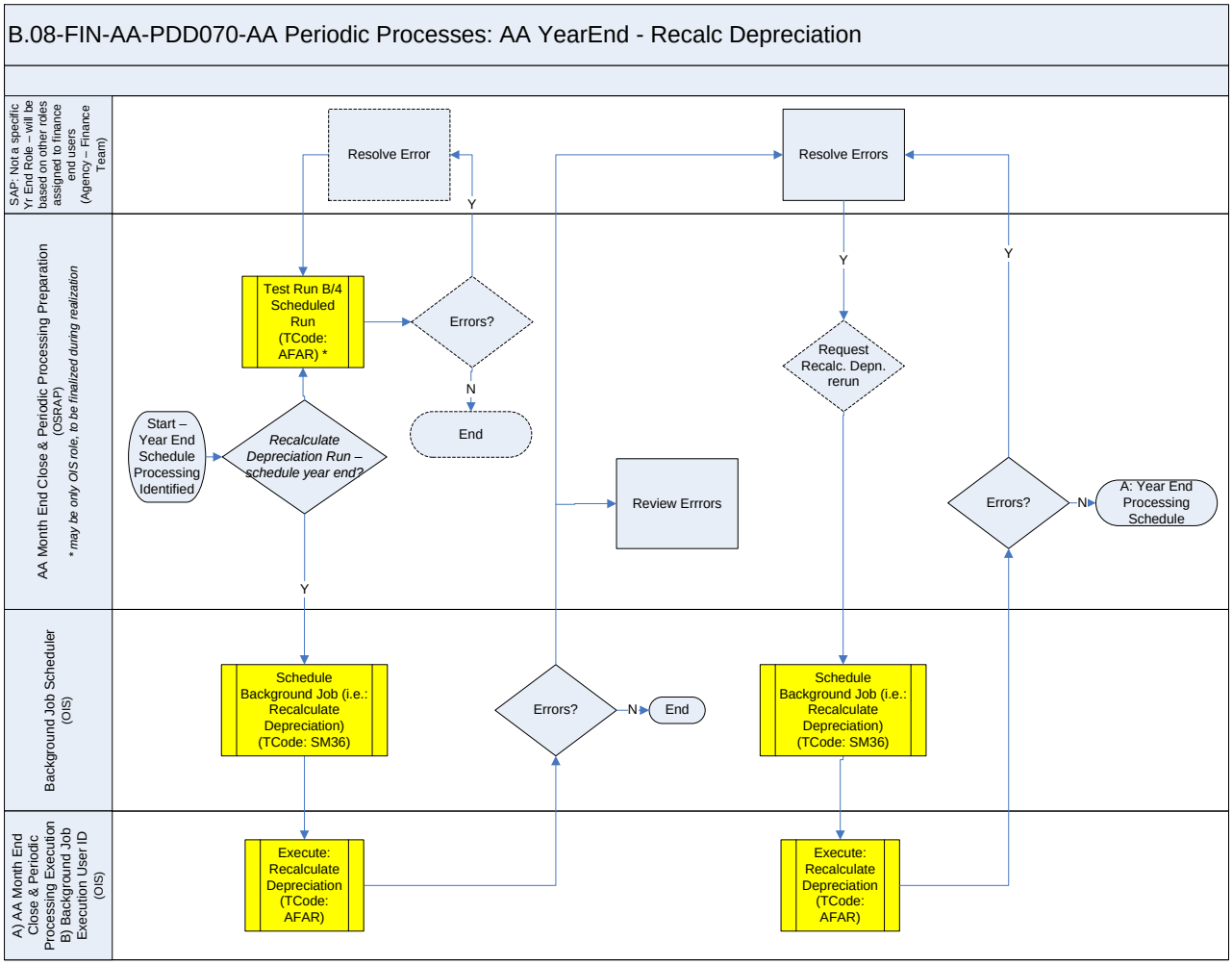
- FIN-AA-PDD070-AA Periodic Processes-AA DayEnd - Depn Run



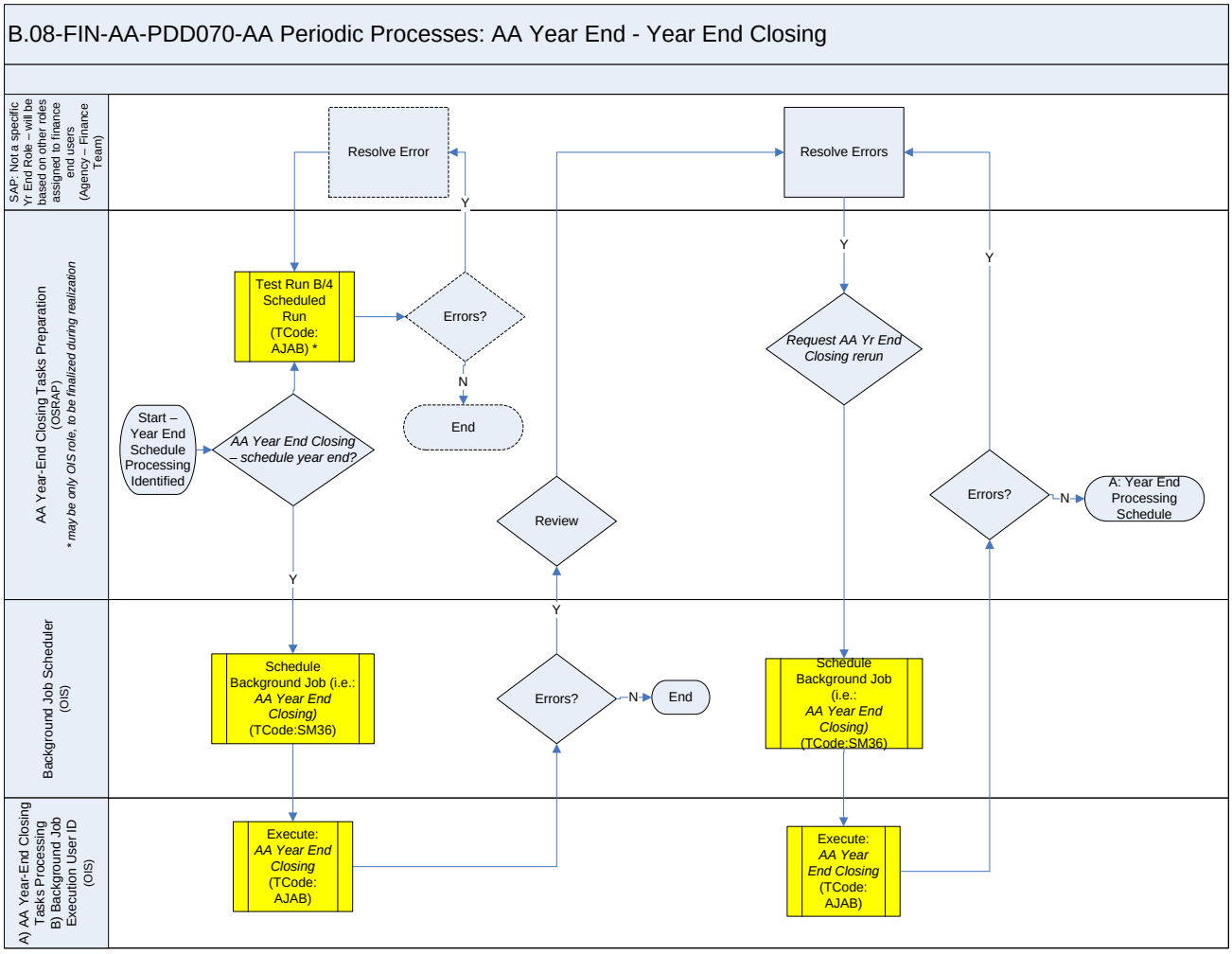
- FIN-AA-PDD070-AA Periodic Processes-AA YearEnd - Fiscal Year Change



- FIN-AA-PDD070-AA Periodic Processes-AA YearEnd - Recalc Depn



- FIN-AA-PDD070-AA Periodic Processes-AA YearEnd - Year End Closing



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Collective processing will be defined by OSRAP as per the financial calendars for month and year-end processing (however, technical scheduling and processing will be done by OIS).	These new transactions must be processed in a controlled manner for financial, asset master record, and technical updates. The transactions can be executed manually; however, they are most often scheduled for background processing. Test runs should be generated and reviewed prior to final processing. Log reviews are required to ensure that transactions have completely and accurately processed.	Training is required for personnel that will be using the various asset transactions. This includes the significance of the transaction fields and how they impact master data, financial valuations (for assets and other integration points) and technical updates.
2	APC Posting shall be scheduled daily	Background job must be scheduled and results reviewed daily.	Training is required for personnel that will be using the various asset transactions. This

#	Decision	Process Impact	Organizational Impact
		Errors must be resolved promptly and posting updates reprocessed.	includes the significance of the transaction fields and how they impact master data, financial valuations (for assets and other integration points) and technical updates.
3	Month-end and year-end processes will be managed as part of the financial calendar.	Processes must be included in the month-end and year-end financial calendar. Background jobs must be scheduled and results reviewed. Errors must be resolved promptly and posting updates reprocessed.	Training is required for personnel that will be using the various asset transactions. This includes the significance of the transaction fields and how they impact master data, financial valuations (for assets and other integration points) and technical updates.
4	Policies and procedures must be established for storage and retention of processing logs and error reports (this has been logged as an action item).		

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	State of Louisiana: Title 34 & RS 39:200.C, RS 39:321-328, RS 39:330-332 (Moveable Property)	Title 34 section VII: requires significant revisions. Revisions to governing revised statutes may also be required.	Commissioner of DOA
2	State of Louisiana: RS 39:11-14; RS 41 (Real Property)		Commissioner of DOA
3	Title 23, United States Code, Section 4029c (Infrastructure)		DOTD
4	State of Louisiana: RS 39:122 (Infrastructure)		Commissioner of DOA, Secretary of DOTD
5	GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries		OSRAP
6	GASB Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments		OSRAP
7	GASB 51 Accounting and Financial Reporting for Intangible Assets		OSRAP

Identified Development Objects (FRICE-W)

F – Forms		Master List of Current and Future State Forms: <Supported Process>					
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	See below						

Note: *Conversions – mid year conversion will require that transactional data for a partial year be converted. Conversion detailed in PDD: FIN-AA-PDD010-AA Organizational Structure and PDD: FIN-AA-PDD080-AMR Data Conversion_all systems.*

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Not Applicable		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Asset Master Data Maintenance – Create and	The role owner is responsible for creating and changing	Moveable Asset Classes: Property Managers, Agency Finance personnel assigned to capital assets, OSRAP	o Authorization restriction by Agency (i.e. cost center) o Additional restrictions may

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
	Change	asset master records: o Create, change and display asset master records o Create asset sub-numbers	personnel assigned to capital assets Real Property Asset Classes: Real Estate Property Managers, Agency Finance personnel, FCP project administrator personnel assigned to capital assets, OSRAP personnel assigned to capital assets Infrastructure Asset Classes: DOTD facility manager, Agency Finance personnel, project administrator personnel assigned to capital assets projects, OSRAP personnel assigned to capital assets.	be required for Moveable assets used in Covert situations. o Moveable asset will need authorization object for Personnel Number and Equipment Master Number (i.e. linkage). During realization, may identify requirement to have roles split for Create and Maintain.
2.	Asset Master Data – Display AMR and Values	The role owner monitors and checks asset balance sheet values, as well as planned and posted depreciation, on individual fixed assets. o Display Asset Master Record o Asset Explorer o *Display Document (Asset related)*	Broader audience including those that can create and maintain asset master records and process asset transactions and those that need to access asset data for analysis and reporting purposes.	o Authorization restriction by Agency (i.e. cost center). o Additional restrictions may be required for Moveable assets used in Covert situations. o OSRAP will have access to all asset classes. This role also allows the user to jump to the asset master record display and the display of asset documents. The user is not able to jump to the display of Financial Accounting documents unless the role owner has that authorization, which is contained in the *Asset Accounting Information System* role.
3	AA Month-End Close & Periodic Processing Preparation	The role owner carries out test runs and/ or recurring processing. o Recalculate Depreciation o Execute depreciation posting run (generate new session, generate log) o APC Value Posting o Process incomplete assets	Limited to OSRAP finance team personnel responsible for capital assets or their designees.	Must have statewide access for the relevant transactions. Test mode only
4	AA Month-End Close & Periodic Processing Execution	The role owner carries out test runs and/ or recurring processing. o Recalculate Depreciation o Execute depreciation posting run (generate new session, generate log) o APC Value Posting o Process incomplete assets	Limited to OSRAP finance team personnel responsible for capital assets or their designees.	Must have statewide access for the relevant transactions.

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
5	AA Year-End Closing Tasks Preparation	The role owner carries out annually recurring processing. o Carry out fiscal year change o Carry out fiscal year-end closing	Limited to OSRAP finance team personnel responsible for capital assets or their designees.	Must have statewide access for the relevant transactions. Test mode only
6	AA Year-End Closing Tasks Processing	The role owner carries out annually recurring processing. o Carry out fiscal year change o Carry out fiscal year-end closing o Reset year-end closing (by depreciation area, for entire company code)	Limited to OSRAP finance team personnel responsible for capital assets or their designees.	Must have statewide access for the relevant transactions.
7	Background Job Scheduler	To be determined: o Background Job Scheduling	To be determined during realization	
8	Background Job Execution User ID	To be determined: o Background Job Execution	To be determined during realization	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1	Collective processing will be managed by OSRAP; however, technical scheduling and processing will be managed by OIS.	Many of these transactions are new for the State (similar types of transactions would have been the depreciation processing, although this would have been done only annually, and year-end processing in legacy systems). The transactions can be executed manually; however, they are most often scheduled for background processing. Test runs should be generated and reviewed prior to final processing. Log reviews are required to ensure that transactions have completely and accurately processed.	Training is required for personnel that will be making the various asset transactions. This includes the significance of the transaction fields and how they impact master data, financial valuations (for assets and other integration points) and technical updates.

Training Impact

The creation, maintenance and valuation of asset records will have significant changes from the existing practices, and potentially have a significantly larger end-user base for various business processes associated with asset master records. The following key areas regarding the design of the asset structure and organizational elements will need to be addressed during training:

- Terminology change for use of SAP terms
- Concept of each asset master record recording valuation for two depreciation areas

  - Concept and financial implications of simultaneous and parallel accounting methods using multiple depreciation for each asset master record (i.e. DA 01: Modified Accrual Accounting and DA 20 GASB - Full Accrual Accounting)
  - New asset depreciation calculation processes
- End users who work with capital asset records (including property managers and financial personnel) will need to:
  - understand the postings required for capital asset acquisitions, including the nuances for multiple depreciation area posting requirements and impacts
  - understand the automated financial postings and asset master record updates during an acquisition transaction
  - understand the consequences of changes to the financial attributes of asset master records which have had values posted
- Integration with other financial modules – many transactions will have automated postings (e.g. depreciation).
  - Transaction postings update GL, Cost objects (e.g. cost element, cost center, real estate object), Fund/Grant values
  - Integration with multiple modules in one system (e.g. PS, MM, RE, etc.) – may need to use information from more than one module for data analysis
- New processes to create/update asset master records and valuations
- Asset Master Record and Financial Updates will change:
  - Transaction posting will require an understanding of Transaction Types (transfers use transfer variant) and their financial and AMR impacts Transaction Types and Transfer Variants
  - Use of document types to identify the type of transactions and provide posting controls
- Data monitoring via reporting is required to ensure proper data entry. Recommendation that this be done frequently after initial implementation when data entry problems are most likely.
- Asset Master Record Field Data:
  - Visible and generally immediate financial impact on asset master record transaction postings including the nuances for multiple depreciation areas
- Security Considerations:
  - Collective processing of transactions will be limited to OSRAP financial personnel and support personnel who will schedule and monitor background jobs and the 'background user id' for scheduled transaction processing.

Appendix

Not applicable

Team:	Finance - Asset Accounting
PDD Name:	AMR Data Conversion_all systems
PDD Number:	FIN-AA-PDD080-AMR Data Conversion_all systems
Business Process Owner:	Afranie Adomako
Functional Lead:	Rhoama Speights
Functional Consultant:	Christine Wieczorek

Executive Summary

Implementing SAP requires that data from one or many existing systems be transferred (i.e. converted) to the new system. This transfer process allows required data elements, such as general information from master records and values related to financial balances and transactions, to be copied into the new SAP system.

Legacy data for capital asset conversion to SAP Asset Accounting will be obtained from multiple sources including stand alone systems (e.g. Protégé and SLABS) and depreciation / valuation worksheets. Some systems will require 'merging' of data from multiple sources; for example real property general data is resident in SLABS, while corresponding depreciation is on Excel spreadsheets.

Going forward, the detail that may have been captured in one legacy system record will be maintained in multiple SAP and AGILE locations, as most relevant to the nature of the master data being tracked. The cross-referencing of the master data records will present additional effort during the data conversion process.

- For moveable capital assets: data relevant to financial reporting will be maintained in the SAP Asset Master Record (AMR), while the Plant Maintenance module will be used to maintain location and physical inventory data via the Notification Record and maintenance data for vehicles and equipment via the Equipment Master Record. The Notification Record must have the AMR cross referenced and a limited amount of parallel data will be maintained for ease of searching and reporting (e.g. inventory number). The Equipment and Asset Master Records can be cross referenced; this will be examined in more detail during realization (action item logged).
- For real property assets: data relevant to financial reporting will be maintained in the SAP Asset Master Record (AMR), while the Real Estate module will be used to maintain real estate data via the RE objects of Land and Buildings (and Sites). The RE Object and Asset Master Records can be cross referenced.
- For infrastructure assets: data relevant to financial reporting will be maintained in the SAP Asset Master Record (AMR), while the AGILE ASSETS system will be used to maintain infrastructure data. There will not be an interface between the AGILE and SAP Asset Accounting; however, for reporting purposes, the Asset Master Record will contain the Control Section and Recall Number in the AMR Supernumber field.

Asset costs and accumulated values will also be loaded into the general ledger accounts. The values loaded into SAP's asset accounting system must reconcile with corresponding SAP general ledger accounts.

Data will be transferred 'at a point in time' so that values loaded into SAP can be accurately compared and reconciled to those from the source systems. This transfer includes data only up to a defined date

(i.e. 'transfer date' or 'cutoff date'). After data transfer and verification is completed, all future master record updates, day-to-day and periodic transactions will be processed in the new SAP system.

Generally, the legacy systems are then retired from daily use; however, they (or their data) may be retained for historical detail reference. In some cases, a portion of a legacy system continues to be used for specialized functions after SAP implementation. This is the case for Protégé, although asset tracking will be resident in SAP, Protégé will continue to be used for surplus sales and auction preparation.

A significant effort will be required from the agencies, DOTD, FPC and OSRAP to 'clean-up' legacy data for loading into SAP so there is high confidence of accuracy and integrity. This MUST be done in the source systems from which the data load extracts for SAP will be taken as there will not be time to clean this data up on the actual data load sheets that are created. This effort will include:

- clean up of legacy system data fields. This includes items such as data fields that have been incorrectly used (e.g. a person's name in a field defined for a building name) or are used inconsistently (e.g. text only fields where same value has multiple spellings in different records) or are meaningless (e.g. location field that has value 'from') or are empty, etc.
- reconciliation of values from source system (and .xls spreadsheets for depreciation) *WITH* general ledger values for the relevant accounts *WITH* CAFR reported values.
- identification of funds used for asset acquisition.

The reconciliation of values from the multiple systems and general ledger and CAFR will likely identify discrepancies among the balances. This will need to be addressed and may result in significant asset value and depreciation adjustments (e.g. write-up, write-down of values in the general ledger). This adjustment may be further increased for DOTD infrastructure assets as a result of the reassignment and revaluation of assets (i.e. as part of the change from the Wooster method of depreciation to tracking of values by individual assets).

Mid year conversions pose additional complexities. The data must include both prior year-end balances AND current year transactions (i.e. from beginning of new fiscal year start until the defined transfer date) be loaded into SAP. It will require significant effort to manage the partial year data in the legacy systems, create the load programs, extract the data, load data and reconcile it in SAP.

It should be noted that the complete cycle for data migration is complex and should not be underestimated! Investing the time required to ensure that data in the new system is of high integrity and quality ensures that the benefits of an integrated system can be fully realized. Ultimately, the efficiency of State operations will depend on how well this data transfer is accomplished.

This document discusses asset master record data conversion and reconciliation items, including responsibilities.

To-Be Process Description

Asset Class	Main criterion for classifying fixed assets according to legal, financial 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 Sub-number to a main asset number.
Depreciation	The reduction of the asset book value because of decline in economic usefulness or because of legal requirements for taxes.

Asset Class	Main criterion for classifying fixed assets according to legal, financial and management requirements.
Depreciation Area	A structure which contains and maintains the valuation of a fixed asset for a particular purpose (for example, legal financial statements, balance sheets for tax purposes, or management accounting values). It can be thought of as an asset ledger or asset book. For public sector accounting, it typically reflects asset values two areas: modified accrual and full accrual purposes.
Screen Layout	Settings that specify 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 or Account Determination	Settings which defines which general ledger accounts to post to from a business transaction. These are the general ledger accounts that are used by the system for transactions that have automated general ledger postings (e.g. depreciation) or that are proposed by the system for transactions which allow an end user to override the proposed account (e.g. post capitalization).
Transaction Type	Each asset accounting transaction posting requires a Transaction Types to be assigned in order for the posting to: – be classified by the type of business transaction (acquire, retire with revenue, retire without revenue, transfer, etc) – define AMR and posting parameters (e.g. update capitalization or deactivation date, column for value reporting, default document type, etc) – identify the grouping of the transaction value for some asset accounting reports The transfer posting is a 'one-step' posting which updates the retirement from the sending asset and addition to the receiving asset – accordingly two transaction types are required. Transfer variants define the method for valuation of the receiving asset and the transaction types (retirement and acquisition) that are used for the transfer posting.
Data Conversion:	The transfer of data from one/many existing system(s) into a new computer system. For assets, this transfer process uses existing or 'new' data elements to be 'copied' into the new system, for example general information (e.g. master records) and values (e.g. financial balances and/or transactions).
Data Takeover (DTO)	Another term for Data Conversion.
Data Mapping	Process of matching data elements between the legacy and new system. This includes identifying where 'exact' matches in terms of field length and characteristic do not exist and determining how to manage the data to fit the new system (e.g. data transformation).
Data Transformation	Legacy system(s) may have different characteristics for a data element that must be standardized and transformed into the new system format (e.g. update of data for loading or using cross reference data-mapping rules).

Legacy Data

Legacy data for conversion to SAP will be made from multiple sources including data extracts from stand-alone systems and depreciation / valuation worksheets. Some systems will require 'merging' of data from multiple sources (e.g. Real Property general data is resident in SLABS, while corresponding depreciation data is on Excel spreadsheets). The source systems are not currently integrated with the General Ledger. Hence, discrepancies between the General Ledger, the Comprehensive Annual Financial Report (CAFR), and source system acquisition and accumulated depreciation values will need to be addressed by OSRAP.

The loading of asset master data into SAP is a two part process (and depending on the cross referencing of data fields across master records for multiple modules, it may be a three part process):

- Assets are loaded into the Asset Accounting database with values (e.g. cost and accumulated depreciation). THE GENERAL LEDGER IS NOT UPDATED!
- Balance sheet values (cost and accumulated depreciation) are loaded into General Ledger via journal entries. Balance sheet G/L accounts are not allowed to have direct journal entries applied against them. Hence, there are some settings that must be maintained prior to and after these journal entries are done.
  - Journal entry values will be determined from the asset accounting financial reports. These values will need to be reconciled with the G/L data load entries for the corresponding asset G/L accounts.
  - Because the data is loaded by GL account, Fund and Fund Center there will be a significant number of entry lines, possibly thousands. This may require multiple journal entries due to the fact that journal entries have a maximum line limit.
- Cross referencing asset master records and integration point master records (e.g. PO-AMR, WBS Settlement Rule-AMR, Notification Record-AMR, RE Object: land or building-AMR).

A significant reconciliation effort is included in the data conversion process. Accuracy and completeness must be validated (e.g. # records / valuations for assets / GL balances).

- OSRAP is responsible for financial data such as depreciation rules, values for acquisition and depreciation. DOA, DOTD and the project team are responsible for the reconciliation and resolution of:
  - Legacy source data conversion load sheets to legacy G/L accounts (i.e. asset sub-ledger to General Ledger balancing)
  - Source data to data conversion load sheets
  - Data conversion load sheets to SAP loaded values. Note: this will not ensure that data elements from the source data are correct. If the description is incorrect in the source data load files, it will also be incorrect in SAP.
- Generally, agencies will be responsible for the accuracy and completeness of general data as identified below:
  - Agency property managers are responsible for Protégé data
  - Louisiana Property Assistance Agency (LPAA) will oversee Agency property managers in Protégé data cleanup
  - Office of Risk Management (ORM) is responsible for SLABS building records
  - State Land Office (SLO) is responsible for Land records
  - OSRAP is responsible for depreciation data
  - Department of Transportation and Development (DOTD) project office is responsible for Highway & Bridge data
  - DOTD: right of way land and buildings are the responsibility of the DOTD Facility Manager and Dom Cali.
- Significant time and effort will be required from all the LaGov agencies, and especially DOTD, FP&C and OSRAP, to 'clean-up' legacy data for loading into SAP so there is high confidence of accuracy and integrity. There are numerous steps to prepare and reconcile the data in the legacy system and then load and reconcile it in SAP. This includes multiple conversion test activities. The major preparatory and reconciliation steps include:
  - Understand data (i.e. rationalize data)
  - Cleanse data
  - Reconcile legacy data
  - Transform data
  - Extract data from legacy systems

- Conversion test of legacy extract and load programs
- Enter the data into new SAP system
- Reconcile SAP data with legacy data

Legacy Sources – Asset Master Records

For LaGov project entities, the following sources have been identified for conversion into SAP:

Moveable Assets – Protégé:

- Includes:
  - General data
  - Depreciation rule data
  - Valuation data
- Specific integration or linkage points:
  - Real Estate object in the Real Estate module
  - Human Resources module - Personnel number
  - Notification Records in the Plant Maintenance module will contain the capital Asset Master Record (requirements for the Equipment Master record linkage will be examined more closely during realization).
- Protégé classification field to be streamlined and values to be cross-walked to SAP commodity codes
- Protégé location field needs to be streamlined to only those values that cannot be realigned with Real Estate key/Room/Personnel Number or use of Super-number/Description Line 2.

Real Property Assets – SLABS & depreciation Excel worksheets

- Includes:
  - General data (SLABS)
  - Depreciation rule data (depreciation, and some valuation, from OSRAP Excel worksheets or source data used by agencies for AFR packets)
  - Valuation data (SLABS & depreciation Excel worksheets)
- There will need to be a joining of Real Property Assets from SLABS and valuation data from OSRAP's worksheets which contain the real property valuation and depreciation data. This will likely need to be a manual joining of the data on the data load sheet.
- Specific integration or linkage points:
  - Real Estate object

Infrastructure & Right of Way – DOTD Excel worksheets

- Includes:
  - General data
  - Depreciation rule data
  - Valuation data
- DOTD will create worksheets with asset general and valuation data (for Highways, Bridges, and ROW) based on the revaluation and reorganization of asset records as part of the change from the Wooster depreciation method and in compliance with reporting requirements necessary for impairment loss.
- Control Section and Recall number (bridge) to be assigned to each asset. Master data for Control Section and Recall number will be maintained in AGILE and relevant code/descriptions will be duplicated in Asset Accounting Super-number table.

Asset Master Record Integration (and Linkage)

All assets will require integration or linkages with:

- Business Area (FI)

- Cost Center (CO)
- Fund / Fund Center (FM) OR Grant (GM)
- Functional Area (FM)

Other module will have linkages to Asset Master Records:

- MM: Open PO's and outstanding Invoices for capital assets & open invoices
- PS: WBS to AuC settlement distribution rules
- PM: Notification Record (requirements will be examined more closely during realization).

Sequencing & linking of different master records will be critical. This is a multiple step process:

- All master records must be created first (i.e. Asset Master Record, PO, RE Object)
- Cross reference a unique number on both records (e.g. legacy number) to be able to 'match/link' AMR to other objects during conversion process
- Reconciliation.

General Data

- Negative net book value assets will not be converted, these must be 'cleaned up' prior to conversion.
- Assets that have been disposed of will not be converted. The archiving and retention of legacy data for audit and reference purposes is being addressed by LaGov Project Management.

Mid Year Conversion (DOTD Only)

Mid year conversions for asset master records require loading of transactional data to ensure accurate valuation and system depreciation. Loading of retirement data (including sending transfers) are not included in the transaction legacy loads, and therefore will need special handling such as manual input via transactions. Periodic depreciation values will not be loaded (currently this is done on an annual basis). Rather, the planned depreciation for the year will be processed in the depreciation run following data conversion.

One consideration for the mid year conversion is to load the data at year end, similar to that for the agencies that have the year end conversion. Transactional data would then be addressed separately. The strategy for mid-year conversion of asset master records for DOTD will be addressed during realization and logged as an action item.

Data Conversion Worksheets

The Asset Accounting project team will provide agencies with an Excel spreadsheet template which will have the fields identified for SAP asset master data and values. This will be used to map (i.e. cross reference) to legacy source fields and to provide agencies with the list of legacy fields to be reviewed and 'cleaned up'.

Data extracts from legacy systems for data review and conversion testing will occur multiple times during realization until the final data extracts are prepared, reconciled and loaded into SAP.

During realization, the following will be finalized:

- Data conversion loading sheet format.
- Data mapping, data transformation and data loading.
- Conversion test scripts.

Data Clean Up

Agencies are responsible for cleaning up their own general data (logged as an action item for data cleanup ownership status and reporting).

OSRAP is responsible for financial data values. This may be a collaborative effort with DOTD for Infrastructure and Rights of Way.

OSRAP will obtain supporting data for AFR totals collected outside of legacy systems and OSRAP depreciation worksheets.

Data Fields

The following data fields have been identified as required for the asset master records and will be refined during realization. Some fields will be applicable to only some asset classes (e.g. License Plate Number for vehicle asset classes). Capital Lease data fields will be determined during realization.

Field characteristics for asset master records are maintained by field group. A field group can be composed of one or more fields that all share the same characteristics (e.g. mandatory, optional, suppressed, display). Accordingly, the requirement for a field may also result in additional field availability (based on the corresponding field group).

FIELD NAME	TAB	TABLE-DATA ELEMENT
Company code	Header	ANLA-BUKRS
Asset Class	Header	ANLA-ANLKL
Legacy Asset Number if any For Reconciliation	info only	ANLA-ANLN1
Legacy Asset Sub-number if any For Reconciliation	info only	ANLA-ANLN2
Description - 1	General	ANLA-TXT50
Description - 2	General	ANLA-TXA50
Asset main # text	General	ANLH-ANLHTXT
Account Determination	General	ANLA-KTOGR
Serial #	General	ANLA-SERNR
Inventory #	General	ANLA-INVNR
Manage historically	General	RA02S-XHIST
Last inventory on	General	ANLA-IVDAT
Include asset in inventory list	General	ANLA-INKEN
Inventory Note	General	ANLA-INVZU
Capitalized on	General	ANLA-AKTIV
First Capitalized on	General	ANLA-ZUGDT
De-activation date	General	ANLA-DEAKT
Acq. Year	General	ANLA-ZUJHR
Acq. Month	General	ANLA-ZUPER
Bus. Area	Time	ANLZ-GSBER
Cost centre	Time	ANLZ-KOSTL
Responsible cost center	Time	ANLZ-KOSTLV
Room	Time	ANLZ-RAUMN
License plate number	Time	ANLZ-KFZKZ
Personnel Number	Time	ANLZ-PERNR
Fund	Time	ANLZ-GEBER
Functional Area	Time	ANLZ-FKBER
Grant	Time	ANLZ-GRANT_NBR
Fund Center	Time	ANLZ-FISTL

FIELD NAME	TAB	TABLE-DATA ELEMENT
Real Estate Key	Time	ANLZ-IMKEY
Evaluation Group 1	Allocations	ANLA-ORD41
Evaluation Group 2	Allocations	ANLA-ORD42
Evaluation Group 3	Allocations	ANLA-ORD43
Evaluation Group 4	Allocations	ANLA-ORD44
Evaluation Group 5	Allocations	ANLA-GDLGRP
Investment Reason	Allocations	IZWEK
Vendor	Origin	ANLA-LIFNR
Vendor description	Origin	ANLA-LIEFE
Manufacturer	Origin	ANLA-HERST
Asset purchased new/ used	Origin	XAFABCH
Type name	Origin	TYPBZ
Original asset (main)	Origin	AIBN1
Original asset (sub)	Origin	AIBN2
Type	Insurance	ANLV-VSART
Insurance companies	Insurance	ANLV-VSGES
Agreement number	Insurance	ANLV-VSSTX
Supplementary text	Insurance	ANLV-VSZTX
Start date	Insurance	ANLV-VRSBG
Insurance rate	Insurance	ANLV-VSTAR
Index series	Insurance	ANLV-VSIND
Base value	Insurance	ANLV-VRSBA
Manual update	Insurance	ANLV-VSMAN
Manual insurance value/per	Insurance	ANLV-VRSMA
Per	Insurance	ANLV-VRSJH
Current insurance value/per	Insurance	RA02S-VSWRT
Per	Insurance	RA02S-GJAHR
Leasing company	Leasing	ANLA-LEAFI
Agreement number	Leasing	ANLA-LVTNR
Agreement date	Leasing	ANLA-LVDAT
Lease start date	Leasing	ANLA-LEABG
Notice date	Leasing	ANLA-LKDAT
Lease length (years)	Leasing	ANLA-LEJAR
Lease length (mths)	Leasing	ANLA-LEPER
Type	Leasing	ANLA-LEART
Base value as new	Leasing	ANLA-LBASW
Purchase price	Leasing	ANLA-LKAUF

FIELD NAME	TAB	TABLE-DATA ELEMENT
Supplementary text	Leasing	ANLA-LETXT
Number of lease payments	Leasing	ANLA-LEANZ
Payment cycle	Leasing	ANLA-LRYTH
Lease payment	Leasing	ANLA-LEGEB
Advance payments	Leasing	ANLA-LVORS
Annual Interest rate	Leasing	ANLA-LZINS
Depn Area (01 - Modified Accrual)	Depn 01	ANLB-AFABE
Depn Key	Depn 01	ANLB-AFASL
Useful Life in Years	Depn 01	ANLB-NDJAR
Useful Life in Months	Depn 01	ANLB-NDPER
Expired Useful Life in Years	Depn 01	ANLC-NDABJ
Expired Useful Life in Periods	Depn 01	ANLC-NDABP
Ordinary Depreciation Start Date	Depn 01	ANLB-AFABG
Operating Readiness	Depn 01	ANLB-INBDA
Depn Area (20-Full Accrual)	Depn 01	ANLB-AFABE
Depn Key	Depn 01	ANLB-AFASL
Useful Life in Years	Depn 01	ANLB-NDJAR
Useful Life in Months	Depn 01	ANLB-NDPER
Ordinary Depreciation Start Date	Depn 01	ANLB-AFABG
Operating Readiness	Depn 01	ANLB-INBDA
Acq. Val. of Asset	DTO Values 01	RALT_DYNP_STRUC-ANBTR01
ACC DEP	DTO Values 01	RALT_DYNP_STRUC-ANBTR01
NBV	DTO Values 01	RALT_DYNP_STRUC-ANBTR01
Acq. Val. of Asset	DTO Values 02	RALT_DYNP_STRUC-ANBTR02
ACC DEP	DTO Values 02	RALT_DYNP_STRUC-ANBTR02
NBV	DTO Values 02	RALT_DYNP_STRUC-ANBTR01

For mid-year conversions – transactional data will also be required for the transaction type, asset value date and transaction amount as noted in the table below.

For each depreciation area (to be confirmed during realization):

FIELD NAME	TAB	TABLE-DATA ELEMENT
Asset transaction type	TRANSACTIONS	? - BWASL
Asset value date	TRANSACTIONS	? - BZDAT
Transaction amount	TRANSACTIONS	? - ANBTR01

To-Be Process Flows

Not applicable

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Any legacy assets that have negative net book values must be 'cleaned up' prior to conversion.	Process impacts outside of SAP – correction of negative data on legacy sources. If this is not possible, the data will need to be tracked and corrected on data conversion load sheets.	Clean up effort is required by OSRAP (and agency finance team members)
2	Disposed of assets will not be converted. Create a legacy system extract for future reference.	Legacy system data for capital assets that have been disposed of will be stored outside of SAP.	End users will need to refer to a source outside of SAP for historical data. The extent of BI involvement in tracking historical legacy data for these systems will be determined during realization.
3	The Asset Accounting project team will provide an Excel spreadsheet with the fields that are proposed for master data and values. Mid year conversion will also require transactional fields for acquisitions. Transfers and retirements will need to be handled via a separate process	No process impact.	Significant data conversion effort required by OSRAP and agencies.
4	Historic transaction data (need to define requirements for mid year conversion)	No process impact.	Significant data conversion effort required by OSRAP and DOTD.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	State of Louisiana: Title 34 & RS 39:200.C, RS 39:321-328, RS 39:330-332 (Moveable Property)	Title 34 section VII: requires significant revisions. Revisions to governing revised statutes may also be required.	Commissioner of DOA
2	State of Louisiana: RS 39:11-14; RS 41 (Real Property)		Commissioner of DOA
3	Title 23, United States Code, Section 4029c (Infrastructure)		DOTD
4	State of Louisiana: RS 39:122 (Infrastructure)		Commissioner of DOA, Secretary of DOTD
5	GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries		OSRAP
6	GASB Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments		OSRAP
7	GASB 51 Accounting and Financial Reporting for Intangible Assets		OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	See below						

Note: *Conversions – mid year conversion will require that transactional data for partial year be converted. Conversion detailed in PDD: FIN-AA-PDD010-AA Organizational Structure.*

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Not applicable		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	Role	Description	Strategy	Special Considerations
1.	Asset Transactions – Data Conversion	This short term role will have limited access to data and information to assist in verifying and updating the newly converted asset and asset related data. o Asset data takeover – create, change asset master records (main and sub)		TO BE DETERMINED AS PART OF DATA CONVERSION PROCESS Generally, this role should not have access to asset master data maintenance or transaction roles

- Generally, access for data conversion transactions is provided with special authorization as part of the data conversion phase
  - Authorization for legacy data transactions is generally removed upon completion of the reconciliation. However, in some environments it is upon completion of data loads and correction that access must be requested.
- There are controls to disallow use of asset data conversion transactions when the system goes to 'Production' status.
- Even so, authorization for legacy data transactions MUST NOT be provided to end users. These transactions are very powerful and, if used incorrectly, will cause data integrity issues.

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Legacy data cleanup	This is a special requirement to clean up legacy data prior to SAP data loads. This is outside of the legacy day-to-day transactions.	Huge effort is required to clean up data in Protégé and SLABS (including the reconciliation to Excel depreciation/valuation worksheets). Huge effort to decompose Infrastructure asset master data and valuation into format for SAP. Huge reconciliation effort and discrepancy resolution from legacy systems to general ledger account balances to CAFR worksheets.
2.	Streamlining of Protégé table data in classification and location fields.	This is a special requirement to streamline the table data. This effort is outside of legacy and SAP systems. The streamlined data will need to be loaded into SAP and 'cross-walked' for legacy transformation.	Significant effort to analyze and streamline data.

Training Impact

Data conversion is a 'one-time' effort when implementing a new system.

The end-users in the actual conversion process are generally functional and technical project team members. Specific and on-going knowledge transfer from consulting to State team members addresses the training requirements.

For end-users that are responsible for data clean up and reconciliation:

- no special training requirements for SAP specific tasks

- project team members (consultant and State) will provide guidance and instructions on completion of necessary worksheets and reconciliation reports in SAP

Appendix A

Not applicable

8. Treasury / Cash Management

Team:	Finance - Cash Management
PDD Name:	Cash Reporting and Forecasting
PDD Number:	FIN-CM-PDD020-Cash Reporting and Forecasting
Business Process Owner:	Gary Hall
Functional Lead:	Katie O'Connor
Functional Consultant:	Julie Mun

Executive Summary

This document describes the To Be design for standard reports available in SAP's Cash Management module: the Cash Position Report and the Liquidity Forecast report. These reports will be used to support short and mid-term cash management and investing activities. Both reports provide drill-down capabilities down to the original documents.

The cash position report will be used on a daily basis as part of the daily cash monitoring, bank reconciliation and investment process. The report will provide a short term view (typically 1-10 days) of the State of Louisiana's cash position. It will be used for, among other things, to determine:

- Opening cash balances (after running Electronic Bank Statement) per bank account
- Cash available for investments after all manual adjustments are entered using individual memo records
- Reconciling items for bank reconciliation purposes

The Liquidity Forecast is a cash management report that provides a picture of mid-term working capital cash, typically up to 24 weeks or more. It is updated in real time with data from Accounts Receivable (AR) and Accounts Payable (AP) open items (invoices), and logistics data (Materials Management) such as Purchase Requisitions and Purchase Orders. The liquidity forecast can be incorporated as part of the cash management forecast processes.

Planning memo entries can be created for both position and liquidity reports to reflect potential inflows / outflows that are not in the system. These are not system postings, but rather a memo entry to incorporate the cash impact of certain events on the reports.

To-Be Process Description

Cash Management Monitoring and Overview:

The cash position report displays a short-term view to monitor the liquidity in the State's bank accounts. On the other hand, the liquidity forecast enables the user to evaluate medium term information on vendors and customers commitments and the resulting effect on liquidity. Both reports are updated in real time each time a relevant posting is made.

The cash position report displays the movements in the main cash general ledger accounts (representing physical bank accounts) and cash sub-accounts (in-transit activities resulting from Accounts Payable, Accounts Receivable and Investment related postings). The source data for the cash position report are:

- Bank postings (from manual journal entries in FI-General Ledger (GL), Electronic Bank Statement)
- Bank clearing postings (from manual journal entries in FI-GL, Accounts Payable Payment Program, Electronic Bank Statement)
- Investments (from the QED custom posting transaction)
- Individual manual postings and memo records (Cash Management - CM)
- The Liquidity Forecast report displays the movements in the sub-ledger accounts (customer and vendors) and therefore the data comes from the following sources:
- Purchase Requisitions/Purchase Orders (Supply Relationship Management)
- Invoices (FI-AR, FI-AP)
- Manual memo records (planning records) (CM)

The liquidity forecast report is updated, for example, when Purchase Requisitions (PRs) become Purchase Orders (POs), and invoices are received against POs. The cash committed will be reflected based on delivery date plus vendor terms for PRs and POs. Once a PO is invoiced, the cash outflow will be reflected in the report based on invoice date and payment terms. Each step of the process in the report is segregated according to unique “planning levels”. Similarly, AR invoices are reflected as potential inflows of cash. Once customer payments are received or vendor invoices are paid, the Liquidity Forecast Report and the Cash Position Report are updated for the increased/decreased value in the invoice planning levels. For a more detail cash forecasting process, the SAP liquidity forecast data can be incorporated into an offline comprehensive cash forecasting model that includes historical trends, seasonality, and other relevant factors in addition to the sub-ledger activities.

NOTE: The AR data will be limited to those Agencies that are part of the AR pilot (Wildlife and Fisheries, Department of Transportation and Development, Department of Public Safety and Corrections and Ethics Administration Program) and the Grants Management process to generate expense reimbursement invoices.

Planning Levels:

Planning levels describe the source of the cash amount displayed. Every source will have a different prediction quality and therefore planned items that are entered by the user should be shown separately from entries in bank accounts. This is because the probability of the realization of cash flow is 100% once it is in a bank account whereas it is lower if a planned cash flow is entered. Similarly, in the liquidity forecast, payables should be displayed separately from cash flow predictions based on purchase orders since the latter cannot be predicted with the same certainty.

Planning levels are assigned to cash General Ledger account master records. Each time a posting is made to an account, an update occurs in the cash position report in real time. In addition, unrecorded future cash flows from investments, debt, and purchase commitments (PRs and POs) also update the CM reports via system configuration.

Value Date:

Value date is the date that the inflow or outflow of cash is expected to take place. This is the date (column) that the flow will be displayed in the cash position and liquidity forecast reports. Transactions are displayed in cash position and liquidity forecast reports using planning levels according to value date.

The list of planning levels that will be most suitable for the State’s needs will be developed during Realization.

Cash Position Report:

In order to reduce the amount of manual work involved in the daily cash management process, the integrated cash management module will be used. The cash position report will replace the offline Daily Cash Sheet used today by the Investment group. In place of the offline spreadsheet, the report will be generated in SAP using the following data:

- Previous day Electronic Bank Statement (EBS) – provides bank account activities and previous day balance for the bank accounts for which previous day EBS is received (Central Depository, Vendor Disbursement Check, Vendor Disbursement EFT, Unclaimed Property)
- Investment transactions impacting cash inflows and outflows (interest/redemption and purchases) will be represented in the cash position report automatically using separate planning levels if included in the QED Investment daily activity posting
- Cash inflow and outflows from integrated processes such as:
- AP postings - Once the payment run is processed, the amounts cleared from the vendor accounts will disappear from the liquidity forecast (vendor planning group) and the cash position report will be updated as the check/EFT cash clearing accounts are credited
- Payroll postings - The cash position report will be updated automatically once the payroll run has been posted to the payroll payment clearing sub-account. Payroll postings will be segregated into check payment and direct deposit payments. With the LA Gov implementation, the cash accounts used in the current SAP HR/Payroll configuration will need to be changed to the new GL cash accounts in order to integrate with the financial modules
- Same day bank activities and beginning balances – report/file created in Chase online application for those bank accounts included in cash position report. The file will be processed in SAP for the purposes of creating memo records in the Cash Position report.
- Any additional receipts/disbursements not reflected in cash position that affect the available cash for investment can be recorded using manual planning memos (e.g. debt service schedule - interest and principal payment)

In order to post planning memos, a planning type must be specified. A planning type is a two-digit key, which controls the manual entry of planned memo records. For each planning type it is necessary to specify the planning level to which the planning type is allocated, the archiving category (whether the memo record will expire automatically or has to be manually archived), the number range to which the planning type is allocated and the field status (fields required, optional or suppressed during posting). To simplify the mapping of planning memos to planning types, they will be set up to mirror each other.

The list of planning types that will be most suitable for the State will be developed during Realization.

Layout of the Cash Position Report:

The structure (grouping) of the SAP report determines the rows (planning levels) of the cash position report. The columns represent the value date or date of the expected inflow or outflow. When the cash position report is run, a grouping is specified during the selection parameter screen. The cash position report supports an unlimited number of structures.

Examples of common grouping are:

- Overall bank balances: display the ledger (account ending in zero) balance of all bank accounts. The total displayed on this report should match the overall cash balance held with all bank accounts
- All clearing accounts with the exception of check disbursement: This report should display all balances as zero unless a transaction was not cleared correctly by the bank or not posted by the State. It is mostly used for bank reconciliation purposes

The list of structure (grouping) for the Cash Position report will be developed during Realization.

Liquidity Forecast Report:

The liquidity forecast will be activated as it provides useful information on commitments and future inflows relating to procurement and revenue cycles respectively. Furthermore, the liquidity forecast is set up and the report is updated automatically by the system, thereby requiring minimum user maintenance.

The liquidity forecast is built around planning groups.

Planning groups can be used to reflect characteristics, behavior and risks of the customer or vendor groups. For instance, planning groups can categorize incoming and outgoing payments on the basis of the size of the amount, the type of business relationship, or the probability of the cash inflow or outflow. At the State of Louisiana, the liquidity forecast report will serve as an additional tool for investment related decisions. Planning groups are assigned to customer and vendor master records and the State has decided to use a single planning group for all vendors and another for customers.

Similar to the bank accounts within the Cash Position Report, Cash Management planning groups are supplied with data from actual FI postings to accounts receivable or accounts payable sub-ledger accounts. Since cash management is integrated with Supply Chain, future outflows can be displayed as early as the purchase requisition stage.

Layout of the Liquidity Forecast Report:

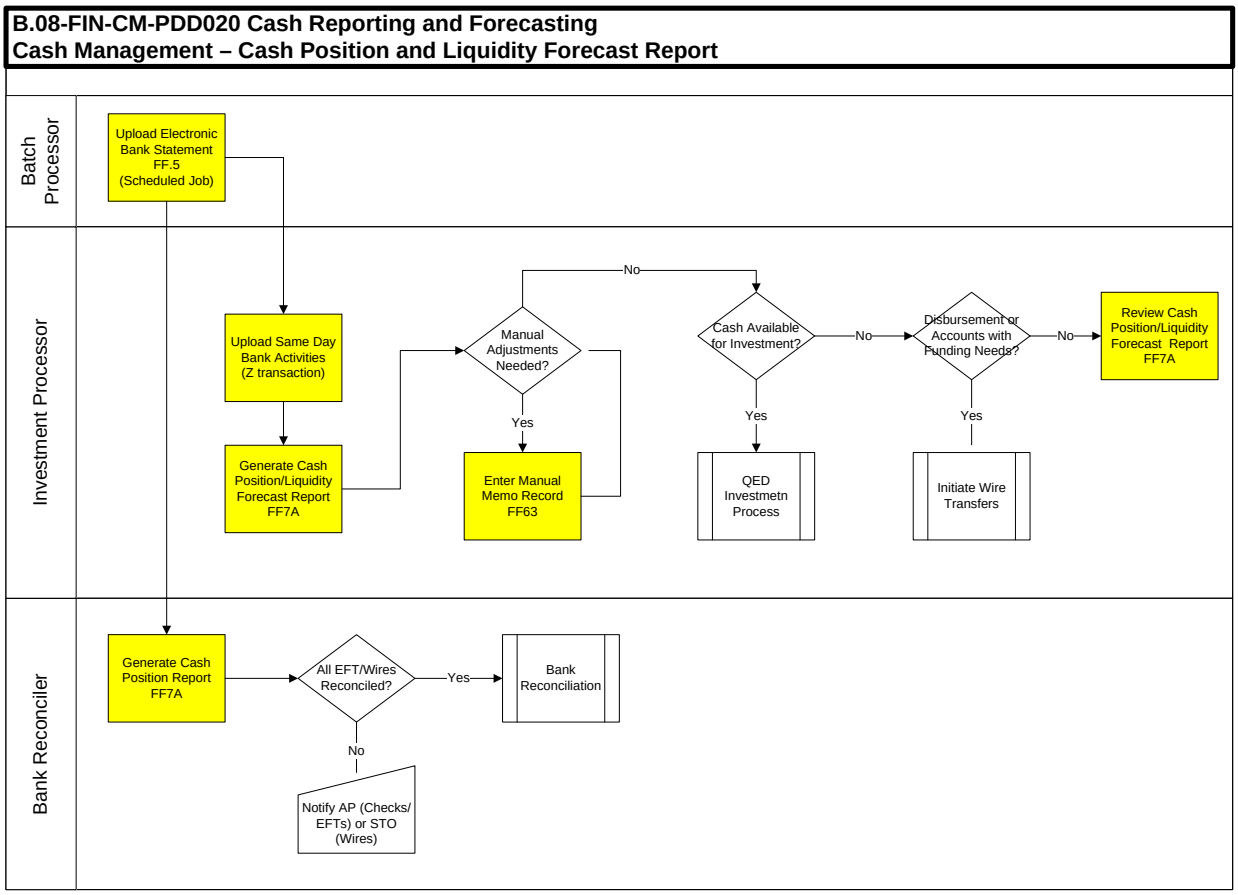
The structure of the SAP report determines the rows (planning levels and planning groups) of the liquidity forecast report. The columns represent the value date or date of the expected inflow or outflow. When the report is run, a structure is specified during the selection parameter screen. The liquidity forecast report supports an unlimited number of structures.

The cash position and the liquidity forecast may be displayed together in one report if needed.

#	Process Terminology	Description
1	Cash General Ledger Sub-Accounts	GL Accounts representing cash balances and in-transit cash related activities such as outstanding disbursement checks, outstanding cash receipt deposit, etc
2	Electronic Bank Statement (EBS)	Electronic Bank Statement sent by bank containing transactions affecting the bank account
3	Planning Level	2-digit key used in Cash Position report that explains the origin of the data – typically financial transactions that impact cash such as bank activities
4	Planning Type	2-digit key that mapped to a planning level is used to enter manual adjustments into the Cash Position or Liquidity Forecast report
5	Planning Group	2-digit key that is entered in the vendor and customer master data. The planning groups are mapped to planning levels to update the Liquidity Forecast report

To-Be Process Flows

Generate Cash Position and Liquidity Forecast Report**:**



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Same day bank activity and beginning balance input file will be processed in SAP to populate the Cash Position report	The same day/beginning balance bank file is generated daily using Chase online application. The file contains data for all bank accounts included in the investment analysis and it is used to populate the offline daily cash excel spreadsheet	Users in the Investment Unit will be trained to execute the custom transaction to process the same day/beginning balance file into SAP to populate the Cash Position report. These users will be trained to generate the cash position and liquidity forecast reports, as well as process manual planning memos to adjust and manipulate the reports to meet their specific needs
2	Previous day Electronic Bank Statement Files will be posted and reconciled daily in the system for the following bank accounts: Central Depository, Vendor	The cash position report will assist in the bank reconciliation process and quickly identify missing entries such as revenue classification as well as outgoing EFTs/Wires that were not processed correctly	Users assigned the Bank Reconciler role will be trained to generate the cash position report and determine whether there are in-transit postings that are pending reconciliation due to missing entries (from the State) or bank error

#	Decision	Process Impact	Organizational Impact
	Check Disbursement, Vendor EFT Disbursement, Unclaimed Property.		

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	None Identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: < Cash Reporting and Forecasting >						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified		X	X			

R – Reports	Master List of Current and Future State Reports: < Cash Reporting and Forecasting >						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: < Cash Reporting and Forecasting >						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified		X	X			

C - Conversions	Master List of Future State Data Conversions: < Cash Reporting and Forecasting >						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None Identified						

E – Enhancements		Master List of Future State Enhancements: < Cash Reporting and Forecasting >			
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	Same Day Bank Activity/Beginning Balances Processing	Process the input file containing same day and beginning balance data into SAP to populate the Cash Position report	Populate the Cash Position report with bank data for accounts that are not included in the EBS process	Without the custom transaction to process the file, the activities for each bank would have to be entered as a manual planning memo. The Investment Unit currently analyses data from 23 bank accounts daily for investment purposes	Z-transaction will be created for front-end processing

W – Workflow	Master List of Future State Workflow Events: < Cash Reporting and Forecasting >		
No.	**Description**	**Justification**	**Comments**
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: < Cash Reporting and Forecasting >		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	None Identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: < Cash Reporting and Forecasting >			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	Investment Processor	Manually processes the Same Day/Beginning Balances input file to populate the Cash Position report in SAP. Runs the Cash Position and Liquidity	Generate in SAP the Cash Position and Liquidity forecast reports that will include data from previous day bank statements, same day bank activity and manual planning memos	

Authorizations	Master List of Future State Roles/Authorizations: < Cash Reporting and Forecasting >			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		Forecast reports to assist in the decision making process related to investment management		
2.	Bank Reconciler	Runs the Cash Position report to review whether reconciling items related to EFT and wire payments exist	The Cash Position report will serve as an additional tool for the Bank Reconciler. Using this report, the user will be able to determine whether there are missing entries for bank reconciliation purposes (e.g. revenue classification, wire payments not recorded, etc). The Bank Reconciler will then contact the appropriate party to correct the issue	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Daily Cash Position	The As-Is process is performed using an offline excel spreadsheet. In the To-Be process, the cash position report will be generated in SAP and will include data from integrated processes such as Accounts Payable, Accounts Receivable. The data can be generated with or without Liquidity Forecast information, which provides additional disbursement/receipt information	Users in the Investment Unit at STO will be trained on how to generate the Cash Position report and how to enter manual planning memos to make adjustments
2.	Bank Reconciliation	Because the As-Is bank reconciliation is done using a 3rd party application, the data is not integrated with the accounting system. In the To-Be process, the bank statement will be posted into SAP and therefore automatically integrated with the financial system. Using the Cash Position report, the Bank Reconciler will be able to view in-transit postings that are pending reconciliation due to missing entries (from the State) or bank error	Users assigned to the Bank Reconciler role will be trained on how to generate the Cash Position report and view outstanding reconciling items
3.	Liquidity Forecast	The current system does not generate any type of Liquidity Forecast report. With the SAP implementation, the sub-ledger activities will be tracked in the system, providing visibility of anticipated vendor disbursements and incoming	The Liquidity Forecast will be used mainly by the Investment Unit at STO. These users will be trained on how to generate the Liquidity Forecast report and how to enter manual planning memos to make adjustments

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
		customer payments	

Training Impact

- Users in the Investment Unit will be trained to process the same day/beginning balance file into SAP to populate the Cash Position report. These users will be trained to generate the cash position and liquidity forecast reports, as well as process manual planning memos to adjust and manipulate the reports to meet their specific needs.
- Users assigned the Bank Reconciler role will be trained to generate the cash position report and determine whether there are in-transit postings that are pending reconciliation due to missing entries (from the State) or bank error.

Appendix A

Not Applicable

Team:	Finance - Cash Management
PDD Name:	Bank Accounting
PDD Number:	FIN-CM-PDD010-Bank Accounting
Business Process Owner:	Gary Hall
Functional Lead:	Katie O'Connor
Functional Consultant:	Julie Mun

Executive Summary

This PDD will cover the process design and key decisions made during the following CM Blueprint Workshops:

FI-CM-002 Bank Accounting
FI-CM-006 Cash Receipting (Revenue and Interfaces)

Master Data:

***Cash General Ledger Accounts*:** Consistent with best practices, each Cash General Ledger (GL) bank account will have a 1:1 relationship with a physical bank account. The last digit of each Cash GL account number will be "0" (zero). This will be the "ledger" account and the balance of this account will be updated by postings generated from the Electronic Bank Statement upload only. It will therefore reflect the previous day balance at the physical account at all times. In order to support timelier and easier bank reconciliations, each bank account for which the Electronic Bank Statement functionality is implemented will have Cash GL sub-accounts (also referred to as clearing accounts) as required to represent in transit items at the bank and/or the Agencies. The sub-accounts will be established with the same Cash GL account number as its main ledger account, with the exception of the last digit. A standard convention will be followed, using numbers 1 through 9 in the last position, to indicate the nature of the in-transit transaction (e.g. Outgoing Wire, Outgoing Disbursement Check, Incoming Receipt, etc).

Bank Master Record: The Bank Master is set up with a unique combination of country code (e.g. US) and routing number (ABA number for domestic accounts). The bank name and address are stored in the master record. A valid bank master is a pre-requisite when creating the House Bank or maintaining the bank information in a sub-ledger master record (vendor master/customer master/personnel record). The bank information in the sub-ledger master records are generally needed when processing electronic payments (vendor EFT, payroll direct deposit, etc).

Bank accounts, investment accounts, and cash related clearing accounts will be assigned to Treasurers Funds. Pooled Cash does not belong to any one fund. Bank balance by fund will be determined using the cash control clearing account of each respective fund. This account is updated automatically through SAP's use of split processor balancing by fund.

House Bank and Account ID: In addition to the Cash GL accounts, bank accounts used to generate disbursements (checks or EFT) in SAP as well as EBS processing will be set up as House Banks and Account IDs. A House Bank is set up at the Bank ABA level (e.g. Chase). Account IDs are set up under the House Bank to represent a single bank account (e.g. Central Depository Account, Vendor Disbursement Account, etc).

Account IDs have a 1:1 relationship with a physical bank account and are linked to the Cash GL account representing the account for financial postings.

Processes:

Electronic Bank Statement (EBS): Electronic bank statements will be uploaded directly into SAP, ensuring full integration with the accounting system. The use of EBS will improve the efficiency of the daily cash management / investment process and increase the timeliness and efficiency of the bank reconciliation process by greatly reducing the volume of manual journal entries to update the General Ledger from the banking perspective of the organization. EBS will post all previous day bank activities according to the rules established for each bank account and BAI code.

The State currently receives and processes previous day Electronic Bank Statement for the following bank accounts:

Chase – Central Depository (account ending in 5426)
Chase – Unclaimed Property (account ending in 8531)
Chase – Check Vendor Disbursement (account ending in 0698)
Chase – EFT Vendor Disbursement (account ending in 7012)

Electronic Bank Statements will continue to be processed for these accounts. Additional accounts, including accounts managed by agencies, might be included depending on the volume of transactions and the cost effectiveness/benefits of an online reconciliation.

Same day EBS files are not processed and are not in scope for this implementation.

Bank Reconciliation: The bank reconciliation should be performed as part of the daily EBS process. The To-Be integrated EBS process will enable early visibility of errors (bank or Agencies) and active monitoring of timely and accurate posting of cash related transactions (deposits, payments, receipts, etc).

Cash Receipting and Revenue Classification: In the current process, STO enters a DS document in the system to indicate deposits made. The posting of the DS document is the indication for Agencies to post the CR document for revenue classification. The DS documents are entered manually in the ISIS system after the Agencies have delivered their deposits (deposit slip/cash/checks) to STO or when electronic deposits (incoming wires/ACHs) have been confirmed by the Central Depository account's bank statement. In the To-Be design, EBS will be processed in the same accounting system and therefore integrate with the General Ledger automatically. The equivalent of a DS document will be posted when the system processes the incoming deposit BAI codes in the bank statement eliminating the need of manual journal postings currently entered by STO's banking unit.

To-Be Process Description

The TO-Be processes for the Bank Accounting and Electronic Bank Statement processing are based on key integration points available through the SAP solution as well as the design/blueprint decisions made by the State's Treasurers Office (STO) at the State of Louisiana (State).

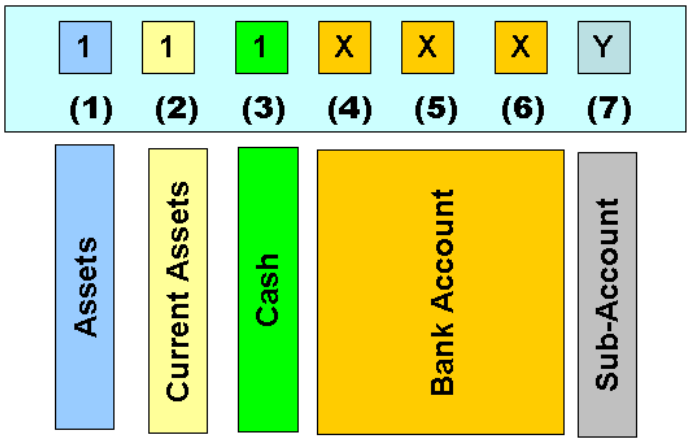
Master Data:

Cash General Ledger Accounts

Consistent with best practices, each Cash General Ledger (GL) bank account will have a 1:1 relationship with a physical bank account.

Cash GL Account Numbering Convention:

GL accounts will be 7 digits long. Cash GL accounts will be set up in the Chart of Accounts under Assets → Current Assets and therefore will have the following structure:



LA State Chart of Accounts – Numbering Convention:

- Assets: 1000000 - 1999999
- Current Asset: 1100000 - 1199999
- Cash: 1110000 - 1119999

Positions 1, 2 and 3 will be "1" for all Cash GL accounts based on the State of Louisiana's new SAP Chart of Accounts.

Positions 4, 5 and 6 will be utilized to designate the bank account. If necessary, this can be further refined by assigning position 4 to indicate bank. For instance, all Chase Bank accounts will have position 4 mapped to the value "1". All Capital One accounts will have position 4 mapped to value "2" and so on. Positions 5 and 6 would be used to indicate the bank accounts for the corresponding bank. Applying this convention, the following accounts would be set up in SAP:

111 100 0 – Chase Central Depository Account
111 101 0 – Chase Vendor Disbursement Account – Check
111 102 0 – Chase Vendor Disbursement Account – EFT
111 200 0 – Capital One Sullivan Vocational
111 201 0 – Capital One DOTD Bridge
111 300 0 – Regions Metropolitan

Position 7 will be utilized to distinguish the cash sub-accounts. The "ledger" account will always end in "0". The balance on this account will reflect the previous day balance of the physical bank account for those accounts that participate in the Electronic Bank Statement processing.

Below is a sample of how the remaining sub-accounts could be mapped. The final mapping will be implemented during the Realization phase of the project:

Position 7 = "1" ➔ Wire Out
Position 7 = "2" ➔ ACH Out
Position 7 = "3" ➔ Checks Out
Position 7 = "4" ➔ Treasury In/Out
Position 7 = "5" ➔ ZBA In/Out
Position 7 = "6" ➔ Agency Deposit
Position 7 = "7" ➔ Deposits Wire/ACH In
Position 7 = "8" ➔ Deposits Checks/Cash In
Position 7 = "9" ➔ Miscellaneous

Cash sub-accounts are used to record in-transit items and facilitates the bank reconciliation process. To illustrate this, consider the vendor check payment process:

When a vendor check payment is processed in SAP, the following accounting entry is generated by the payment run:

- Dr. Vendor
- Cr. 111 101 3 (This account indicates that the check payment was made out of the Chase Vendor Check Disbursement account and that the vendor was paid by a check)

The payment program posts to the in-transit account ending in "3" because of the timing factor – the check was generated, will be mailed to the vendor, the vendor must present the check at the bank, the bank must clear the check. Until the check is cashed, the bank balance is not affected.

From a reconciliation perspective, a credit balance on the 111 101 3 account indicates that the check is an outstanding item.

Once the check is cleared by the bank, the processed check will be included in the Electronic Bank Statement. The EBS upload will then post the following accounting entry:

- Dr. 111 101 3
- Cr. 111 101 0 (the balance on the bank account is reduced by the amount of the check)

At this point, assuming that there are no other postings in the clearing account, the balance on the in-transit account is zero, the entries are cleared automatically by the system (in the case of check payments) and the check is no longer a reconciling item.

The following cash GL naming conventions will be used to facilitate the identification of the different accounts and transactions:

- Short Name = Length up to 20 characters
  Bank Initial + Account Description + last 4 digits of Bank Account #
- Long Name = Length up to 50 characters
  Bank Initial + Account Description + Type of Clearing Account + last 4 digits of Bank Account #

Therefore, the short and long description of the Cash GL accounts would be created as follows:

Example 1: Account = 111 100 1

CHA,Central Dep,5426

CHA, Central Depository, Wire Out, 5426

Example 2: Account = 111 101 3

CHA,Check Disb,0698
CHA, Check Vendor Disbursement, Check Out, 0698

In addition to the clearing accounts listed above, if necessary, a separate account will be created to capture ZBA movements for those accounts reconciled by STO. Unlike the clearing account ending in "5", this GL account will be independent of a bank account and should net to zero when all funding activities between the STO reconciled accounts are properly recorded in the system. This type of setting is best suited when all the ZBA entries, both the incoming activity from one accounts' perspective and the corresponding outgoing from another's, are posted automatically by EBS (e.g. Central Depository and Vendor EFT Disbursement). The ZBA relationship between the Central Depository account and the Agencies' accounts for instance do not fall under this category because EBS will not be processed for most of the Agencies' accounts.

General Ledger Conversion – Cash GL Account Beginning Balance Seed: Considerations:

The beginning balance of each cash GL accounts will not be established as part of the overall GL conversion effort. This is due to the fact that the cash balances were recorded using the cash basis of accounting in the legacy system.

The difference in the cash and accrual basis of accounting treatment can be highlighted in the recording of vendor check payments. In the cash basis, the assumption is that all disbursements are cleared immediately (i.e. there are no outstanding checks). This is the reason why the balance on the cash account will not match the bank balance. The accrual basis posts the disbursement into a sub-account (e.g. Checks Out) until the check is cashed at the bank, at which point the ledger cash account balance is updated in the accounting system. Through this process, the user will have a more robust view of the cash balance – previous day actual bank balance (in the ledger account ending in "0") and outstanding disbursements/receipts balances in their respective cash GL accounts.

As part of the GL beginning balance conversion, all cash balances will be posted to a designated cash conversion GL account instead of the actual cash GL accounts. The beginning balance of the cash accounts will be posted based on the previous day balance per the Bank Statement for each of the bank accounts. The posting will use the conversion accounts as the offset. Discrepancies between the postings in the conversion account will be reviewed and re-classed appropriately to the in-transit accounts. After all beginning balances and in-transit items have been posted, the conversion account should balance to zero as illustrated below:

Example:

Account Balance for Bank Account "Vendor Check Disb":

- Legacy system = $15,000.00
- Previous Day Balance per the Bank = $20,000.00

GL Conversion – Balance of GL account "Cash Conversion" in SAP:

Dr. Cash Conversion Account	$15,000.00 (1)

Discrepancy between Converted balance and previous day balance at the bank is due to outstanding checks ➔ Journal Entry posting to seed beginning balance for SAP Cash Account for Vendor Check Disb:

Dr. Cash Ledger Account (Vendor Check Disb)	$20,000.00
Cr. Cash Checks Out (Vendor Check Dib)	$ 5,000.00
Cr. Cash Conversion Account	$15,000.00 (2)

The debit posting on the GL account Cash Conversion from the GL conversion (1) and the credit posting from the journal entry to establish the beginning balance (2) net to zero.

Bank Master

To support Treasury processes (Maintenance of House Banks, Account IDs, EBS processing), as well as integrated processes such as entering bank information in vendor master and payroll data records for ACH payments, Bank Masters must be exist in the system.

Each Bank Master is a unique combination of Country Code and the bank key (ABA number for US accounts) – each valid combination holds the name and address of a bank.

The current SAP HR system processes the regular bank master maintenance task using the bank directory file downloaded twice a month from the Federal Reserve website and a custom program written to uploaded the file into SAP. This custom transaction maintains existing bank masters (create, change) and flags invalid ones for deletion. Since the LA Gov implementation will be built in the same SAP instance as the existing live SAP HR system, the same custom program will be used. In addition to updating the bank directory, the current program also generates a list of personnel records whose banks

have been flagged for deletion. The program will be reviewed during Realization to determine whether this feature needs to be expanded to check other master data records such as customer, vendor and House Banks.

As an exception to the bi-monthly mass maintenance process, manual individual bank master maintenance might be required if a new vendor/customer/employee must be set up with a bank master not yet created in the system in between the updates.

The ownership of the on-going mass maintenance (bi-monthly upload) of bank masters will continue to be housed under OIS. Requests for manual maintenance will be routed to STO.

House Banks and Account IDs

Bank accounts must be set up as House Banks and Account IDS in SAP if EBS files are to be processed for the account and/or the account will be utilized in integrated processes such as the Accounts Payable payment program.

Bank accounts for which EBS is not processed nor payments mediums (checks or EFTs) are generated from SAP will be set up as cash GL accounts only if journal entries are required to post cash related activities such as ZBA transfers, revenue classification or single payment manual warrants.

Each bank accounts owned by the State will be analyzed during Realization in order to determine whether it should be created as a cash GL account or cash GL account/House Bank/Account ID.

The House Bank is assigned a five digit alphanumeric key and each house bank has a one-to-one relationship with a bank master. Therefore if Chase and Capital One were utilized by the State, one House Bank would be created for Chase and another for Capital One.

Under each house bank, multiple bank accounts (Central Depository, Vendor Disbursement, Unclaimed Property, etc) can be linked to it. These accounts are called Account IDs.

Each Account ID will be assigned a five digit alphanumeric key and store the bank account number, the Cash GL account associated with the account in the General Ledger and the currency.

The following naming conventions were established for House Banks and Account IDs for the State:

House Bank ID = 5 digit alphanumeric (Bank Initial + Location)
Example: Chase, Louisiana ➔ CHALA
Capital One Louisiana ➔ CPOLA

Account ID = 5 digit alphanumeric (nature of account + 2 numbers)

CDA01 – Central Depository Account
PAY01 – Payroll Account
DIS01 – Disbursement Account
OPR01 – Operating Account
REC01 – Receipt Account

Account ID Description =
Bank Initial + Type of Account + last 4 digits of Account #
Example: CHA, Central Depository, #5426

House Banks and Account IDs, even though considered Master Data, are maintained in SAP as a configuration item. For new banks, once all the relevant information is assembled by STO, it will be forwarded to OIS as a change request. OIS will verity that the pertinent information was received (Cash GL account number, Bank Master exists, physical bank account number is known, descriptions have been identified, etc) and follow the existing procedures for change requests which provides for necessary approvals, testing, transport process, audit trails, online help updates, etc.

Processes:

Electronic Bank Statement Processing (EBS):

The following Chase accounts will be EBS enabled:

Chase – Central Depository (account ending in 5426)
Chase – Unclaimed Property (account ending in 8531)
Chase – Check Vendor Disbursement (account ending in 0698)
Chase – EFT Vendor Disbursement (account ending in 7012)

The EBS processing at the State will be for previous day transactions only.

The standard format for Electronic Bank Statement in the United States is BAI2 format. The BAI2 file will be uploaded daily into SAP based on the time agreed with the bank. If possible, the process should be automated in a such manner that a scheduled job runs daily at a pre-determined time (generally between 7 to 8 AM) to retrieve the EBS file from the designated SAP directory and upload in SAP. OIS has ownership over scheduled jobs and will be responsible for monitoring the process and handling errors.

The pre-requisites for automating this process will depend on the coordination between the Bank and the State to transmit and retrieve the file in accordance to the service agreements in place, data security policies of the two parties and the technical details (method of transmission, available servers, archiving strategy, etc) that must be put in place to enable the process. In the event that the file transmission and upload cannot be scheduled, the file can be manually uploaded in the system.

The EBS file contains all bank transactions that occurred the previous day and the nature of the transaction is designated with a BAI code. The use of BAI codes is not consistent from bank to bank and therefore production files will be reviewed and analyzed to gather a list of the BAI codes utilized by Chase and the types of activities in the State's bank accounts.

During realization, the most commonly used BAI codes will be mapped to an appropriate posting rule. The posting rule will determine how the transaction should be posted in the General Ledger (debit vs. credit, which cash GL account). The same BAI code can be mapped to a different posting rule depending on the bank account if necessary. Since there are hundreds of BAI codes, transactions that come in with BAI codes not explicitly assigned a posting rule will be posted to the miscellaneous sub-account (account ending in "9"). During the bank reconciliation, these postings can be re-classed to a different sub-account if needed.

The upload of the EBS files will also mark checks issued from the Disbursement account as "encashed". For those bank accounts used for Disbursement purposes but not included in the EBS processing, a separate cleared checks file will be obtained from the bank and loaded into SAP by Accounts Payable (AP). Similarly to the results of the EBS file processing, the SAP check information will be updated with the encashment date and the sub-account will be automatically cleared to remove the entry from the outstanding item list.

Journal entries generated by the EBS program will have a unique document type, ZB, to distinguish the posting from manual Journal Entries (SA).

In addition to the electronic bank statements listed above, the State also receives files containing payroll disbursement data. Custom programs are used in the legacy system to upload and reconcile the payroll checks and EFTs. These custom programs will be reviewed during Realization to determine whether any modifications are needed due to the expansion of the finance functionality in the current SAP environment.

Bank Reconciliation:

EBS simplifies the bank reconciliation process by eliminating manual journal entries and providing greater visibility of the transactions processed by the State and by the bank. The use of the cash sub-accounts allows quicker detection of discrepancies, reconciling items and where/what is the source of the

discrepancy. At any one time, the balance in the ledger GL bank account should equal the closing balance per the EBS file.

The bank reconciliation should be performed as part of the daily EBS process by the users with the Bank Reconciler role. The bank reconciler role will be assigned to the users in the banking unit at STO. Designated users at the Agency level will also be assigned this role if it is determined that electronic bank statements will be processed for their bank account(s). Loaded bank statements will be available in SAP for review. Statements can also be printed and reconciled to the GL bank accounts balances. Any differences should be investigated on a timely basis. In addition, the EBS statement balance and bank balances will be compared to the hard copy of the bank statement if necessary.

In the SAP system, the first action after the EBS file is uploaded is to review the EBS Post Processing transaction. This is to ensure that all records in the file were processed successfully. In certain cases, a record could be only partially processed and require additional manual processing. One common example is the processing of BAI codes that trigger multiple transactions in SAP such as the clearing of disbursement checks. When the cleared check record (BAI = 475) is processed, the following activities are recorded in SAP based on the check number and amount:

a) Journal entry:
   Dr. Cash GL Account –Checks Out
   Cr. Cash GL Account – Ledger
b) Automatically matching of the Credit entry to the Cash GL Account – Checks Out account made by the payment program in AP and the Debit entry made by EBS to remove the item from the outstanding (open) item list
c) Check information update (encashment date field populated)

However, if the bank sends the incorrect amount for a given check number, EBS will perform step (a) and update the Ledger Cash Account, but not be able to proceed to next steps since the amount/check number from the statement does not match exactly to the data in SAP. In this case, the matter should be researched with the bank. Step (b) could be performed once adjustment entries are processed (manual or bank depending on the scenario). Step (c) will be performed manually in SAP if appropriate.

For reconciliation purposes, the check clearing and Incoming ACH/check accounts sub-account balances are generally ignored. They represent in-transit checks not yet presented/cleared at the bank. However, the remaining sub-accounts should net to zero. If not, this indicates missing journal entries – either from SAP (manual warrant payment posting, incoming customer payment, etc) or the bank (missing deposits, failed EFT payment due to incorrect bank information, etc).

Any balances in the ZBA clearing account should be investigated as this means the bank has not processed the outgoing funding or receipt of ZBA funds correctly. More specifically for the various Agencies whose bank accounts sweep into the Central Depository account, a credit balance on their ZBA account will most likely indicate that the revenue classification journal entry is pending.

Bank Fee Processing:

Chase Bank sends the invoices for its monthly fees by Agency to STO. STO is responsible for distributing the invoices to the Agencies, which are responsible for the payment. As in the current process, the banking fee invoices will be processed as vendor invoices/payments by the Agencies.

For additional information on vendor invoice and payment processing, please refer to FIN-AP-PDD020-Vendor Invoice through Payment.

Cash Receipting and Revenue Classification:

In the current system, STO has the responsibility to post DS documents based on one of these two criteria:

a) Cash/checks with deposit slip has been received from Agency for deposit into the Central Depository bank account
b) ACH/Wire incoming transactions has been verified through the bank statement

In the SAP system, the electronic bank statement upload updates the General Ledger directly, creating a posting equivalent to the current DS document:

Dr. Cash GL Account – Ledger (account ending in '0")
Cr. Cash GL Account – Agency Deposit/Deposits Wire/ACH or Deposits Checks/Cash In (account ending in "6', "7" or "8")

Agencies post the "CR" document to classify the revenue. The credit balance in the account ending in "6", "7" or "8" will indicate to the Agency that the revenue classification journal entry needs to be posted. The document posted by EBS will contain reference information such as the deposit slip number for cash/check deposits that the Agency can utilize in order to identify their deposits. For incoming Fed wires and ACHs that are generally self-initiated by the Agency, the Deposit Preparer will update the posted document with the transaction reference number provided by the Agency to identify the incoming transfer.

The Revenue classification journal entry will record the following:

- Dr. Cash GL Account – Agency Deposit/Deposits Wire/ACH or Deposits Checks/Cash In (account ending in "6', "7" or "8")
- Cr. Revenue

The Receipt Processor will enter the revenue classification journal entry documents using the "park" functionality, which does not update transaction figures. Parked document can be edited or deleted if needed. Once reviewed and approved, revenue classification parked documents will be posted by the Receipt Manager. The Receipt Processor and Receipt Manager roles will be assigned to users in all Agencies that process revenue.

The revenue classification entry creates the offset posting needed to finalize the reconciliation for the deposit posting generated by the EBS.

The debit and credit entries to the Cash GL Account (account ending in "6', "7" or "8") will be cleared to remove them from the "open" status (outstanding, need to be reconciled).

Note that in the accrual basis of accounting, the timing of the revenue recognition generally occurs before the bank deposit. However, the outcome is the same as far as the reconciliation process is concerned: offsetting entries from the revenue and bank deposit sides must be matched against each other and cleared.

Additional information on the revenue classification and AR processes can be found in FIN-AR-PDD002-Customer Invoicing to Payment.

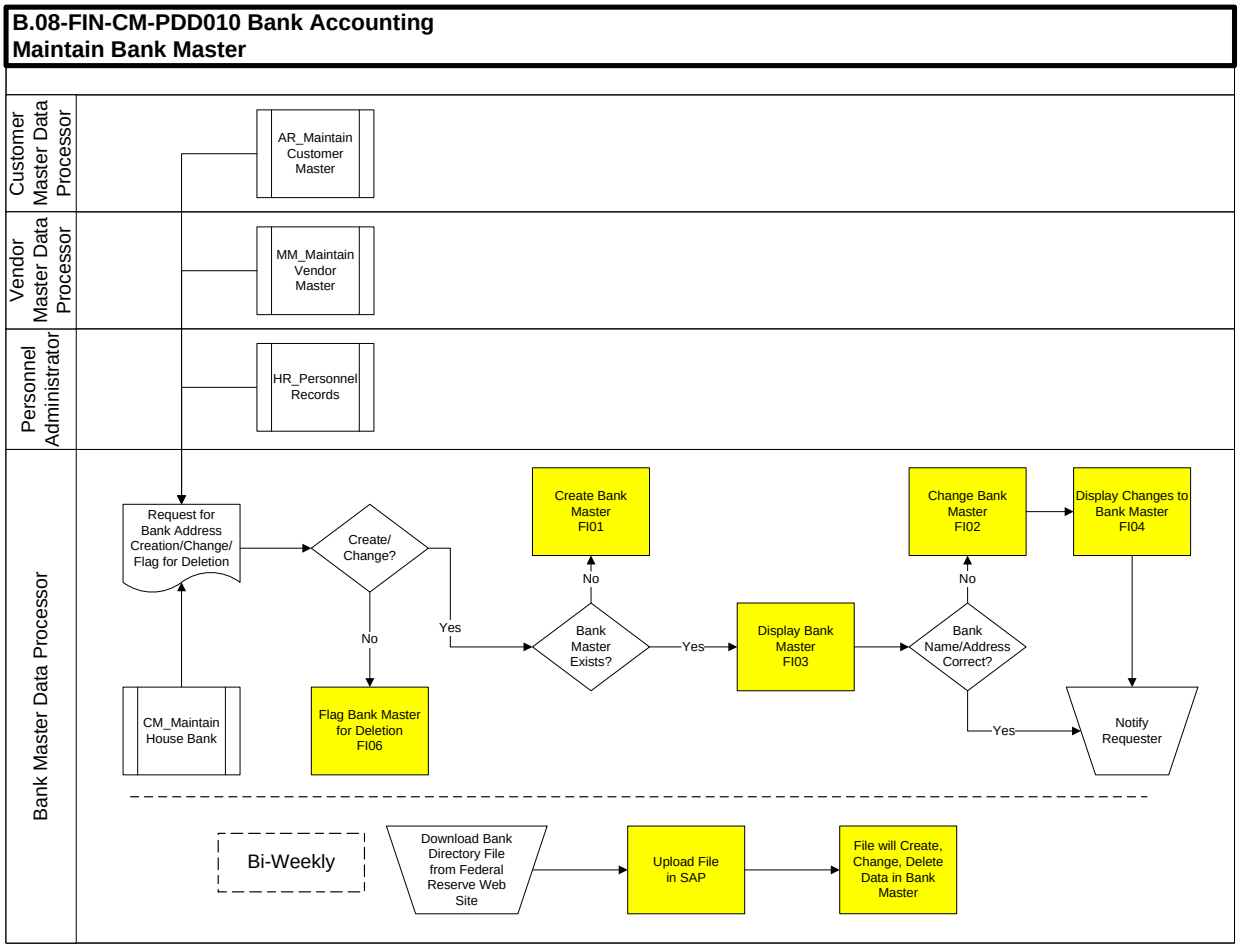
Department of Public Safety and Louisiana Department of Revenue currently have interfaces from their sub-systems into AFS related to Cash Receipts and Revenue Classification that need to be further examined during Realization.

#	Process Terminology	Description
1.	General Ledger (GL) Account	Master Data representing balance sheet, fund equity, revenues and expenses in Financial Accounting at the lowest level of detail necessary for internal and external reporting
2.	Cash General Ledger Sub-Accounts	GL Accounts representing cash balances and in-transit cash related activities such as outstanding disbursement checks, outstanding cash receipt deposit, etc

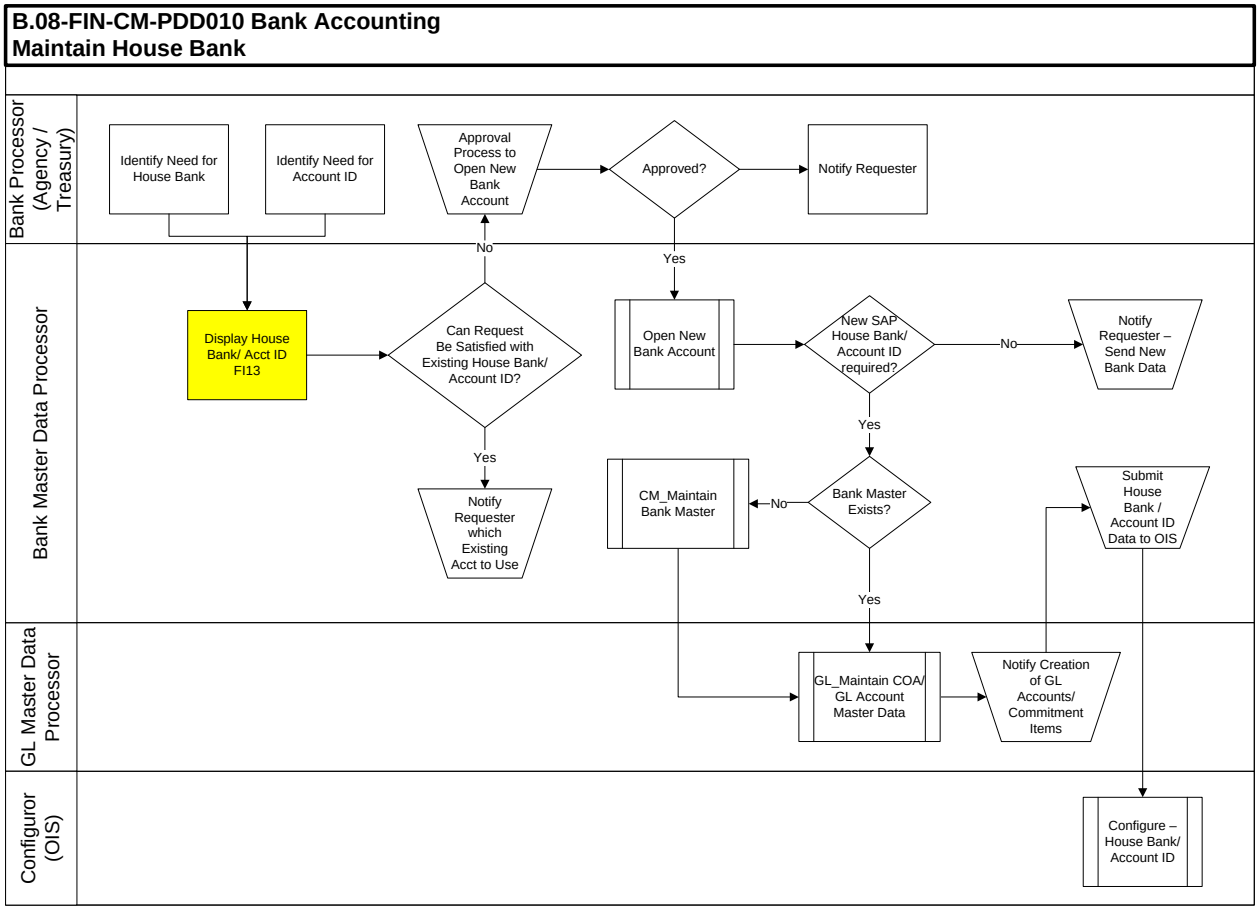
#	Process Terminology	Description
3.	Bank Master Record	Master Record with a unique combination of country code and bank key (ABA number in the US) containing the bank name and address
4.	House Bank	Master Record representing a bank entity
5.	Account ID	Master Record representing an individual bank account within a bank entity
6.	Electronic Bank Statement (EBS)	Electronic Bank Statement sent by bank containing transactions affecting the bank account
7.	Encashment Date	Date in which a disbursement check has been presented and cleared by the bank
8.	Account Assignment	Combination of Finance master data needed to post an accounting entry: general ledger account, business area, cost object if expense or revenue GL account is used (one of the following: cost center, internal order, wbs element or grant), fund and functional area
9.	Document Type	Document Types denote the type of document entered and determine the document number assigned by the system. The document type allows easy segregation of the different types of entries in the system
10.	Parked Document	The “park” function saves the data in the database without updating transaction figures. Parked documents can be edited or deleted, or posted.

To-Be Process Flows

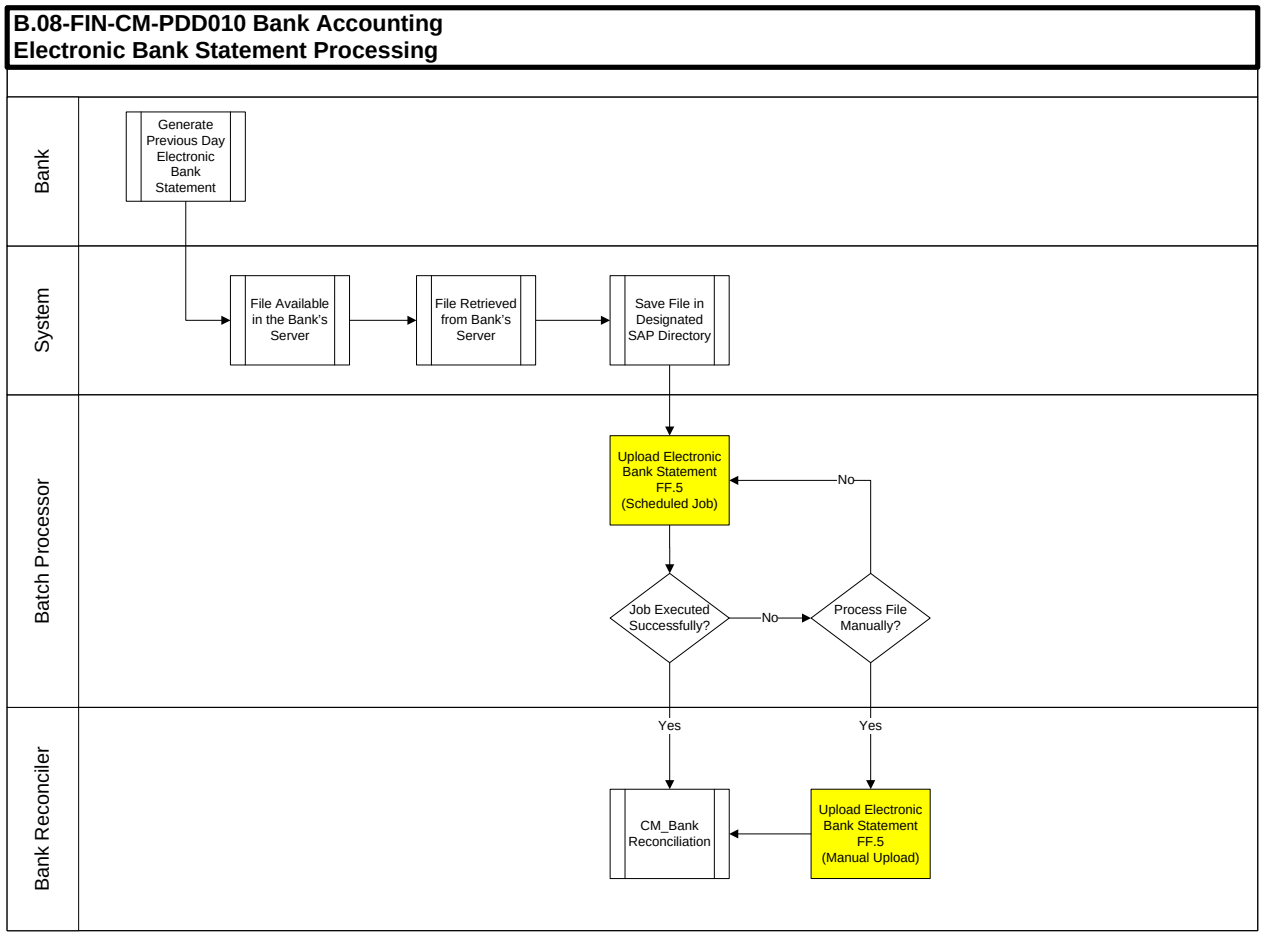
Maintain Bank Master**:**



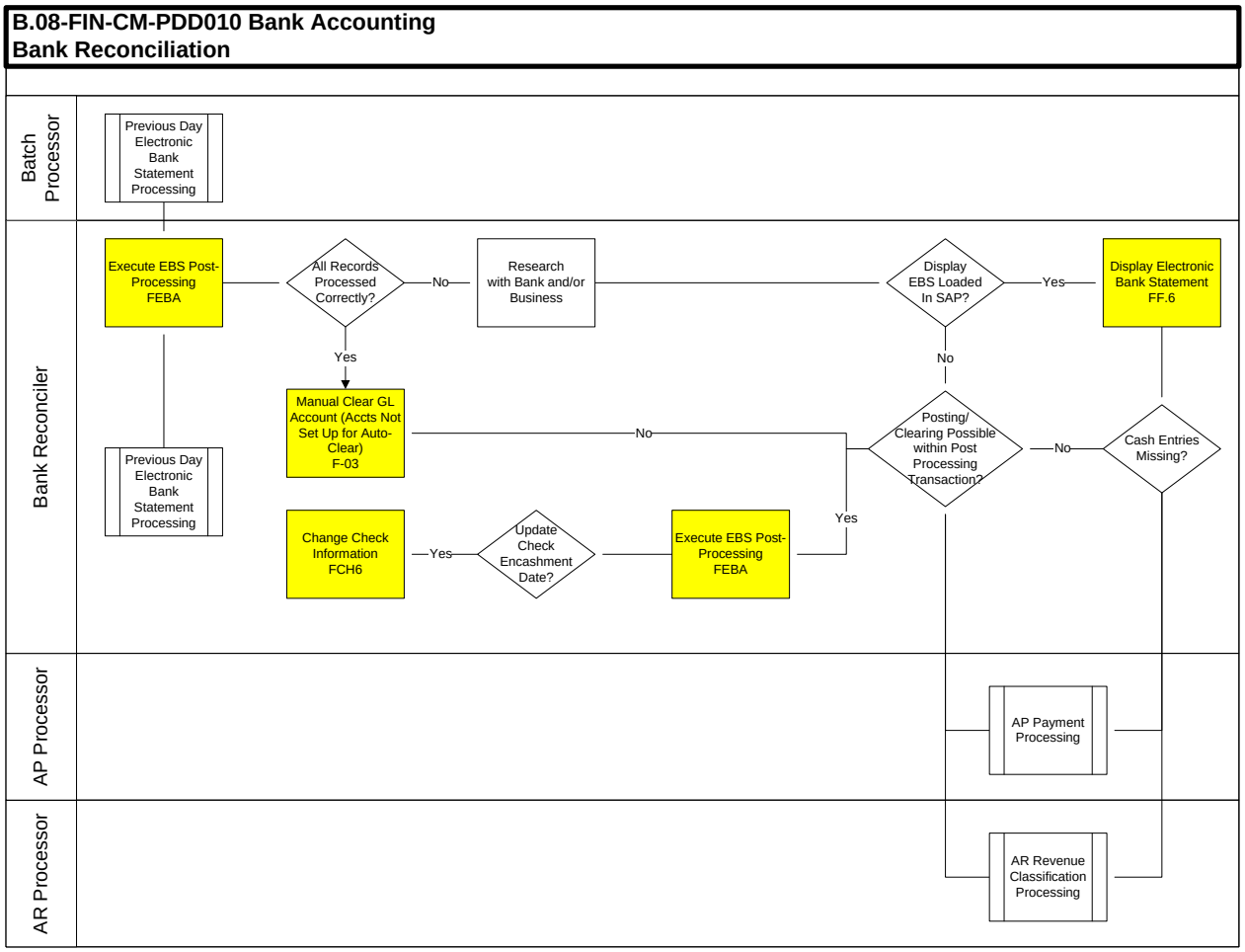
Maintain House Bank:



Process Electronic Bank Statement:

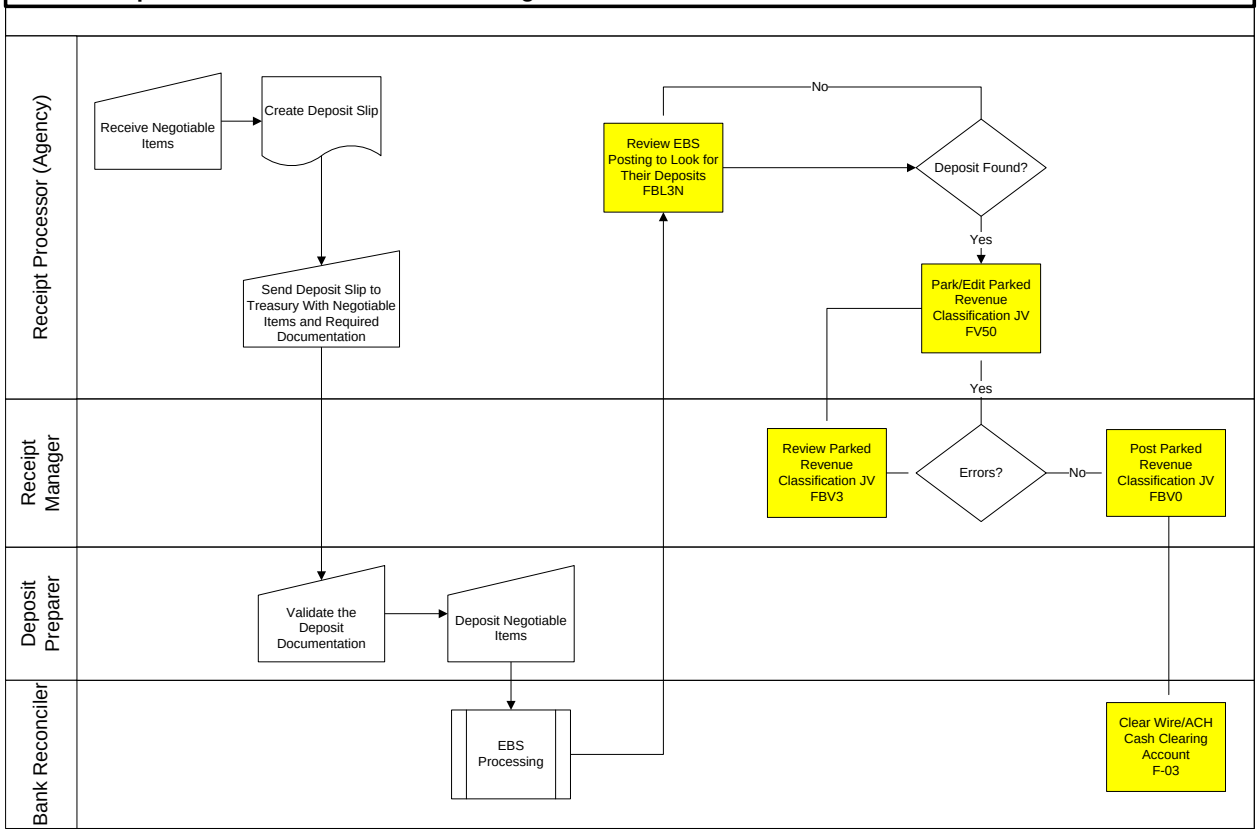


Bank Reconciliation:

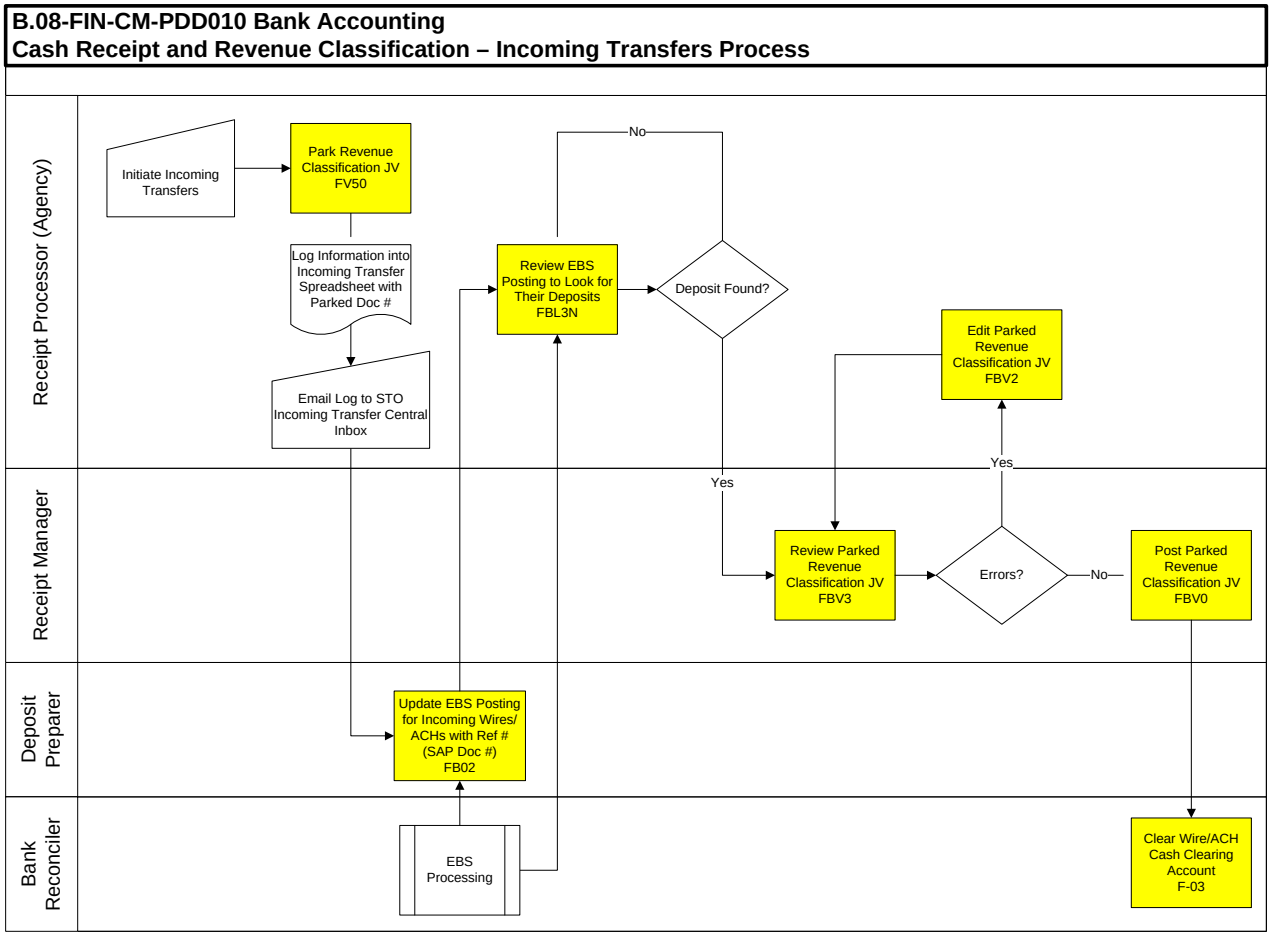


Cash Receipt and Revenue Classification – Negotiable Items

B.08-FIN-CM-PDD010 Bank Accounting
Cash Receipt and Revenue Classification – Negotiable Items Process



Cash Receipt and Revenue Classification – Incoming Transfers



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	All physical bank accounts for which cash related activities (disbursement, revenue classification, zba) are recorded will be set up as a cash GL account. Cash GL accounts will be set up with a series of sub-accounts to be used to reflect in-transit cash activities	A standardized form to request maintenance of GL account will be established. STO will follow the published procedures required to create/change/delete cash GL accounts. STO will own the cash GL accounts in the sense of how they are to be maintained	The designated users in STO will be educated on the conventions established for the cash GL accounts as well as trained to determine which CM master data should be created for a given bank account. No cash GL accounts should be maintained without STO's approval. This will ensure standardization, consistency, greater control and easier reconciliation for STO and any Agency that will reconcile the bank account using SAP
2.	Electronic Bank Statement Files will be uploaded and reconciled daily in the system for the following bank	STO will reconcile the Central Depository, Vendor Check Disbursement, Vendor EFT Disbursement, Unclaimed Property accounts and the ZBA movements	Users at the Agency level will be educated on the cash GL accounts they need to monitor to create journal entries and/or revenue classification documents based on the EBS

#	Decision	Process Impact	Organizational Impact
	accounts: Central Depository, Vendor Check Disbursement, Vendor EFT Disbursement, Unclaimed Property	between these accounts	recording of the sweep between the Agency's bank account and the Central Depository account
3.	Only bank accounts for which EBS and/or Payment Medium (check, EFT) is generated out of SAP will be set up as a House Bank/Account ID in the system	House Bank and Account IDs are SAP specific concepts – required at both technical (configuration) and process level (view check register, maintain check lot, view bank statements, etc)	The designated users in STO will be educated on the conventions established for House Banks and Accounts. In addition, the users will be trained to determine other related CM master data needed to support House Banks/Account IDs
4.	EBS will post the document corresponding to the As-Is DS document	Manual journal entry will no longer be required to denote that deposits have been made	Users at the Agencies will be trained to look up cash GL line item transactions to view the EBS posting related to their deposits

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	Control Agencies Policies and Procedures Manual	Chapter 4 Cash Receipts	OSRAP

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Bank Accounting>						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None Identified		X	X			

Note: *Offline form request to maintain House Bank/Account ID: the form will include information pertaining to the House Bank/Accounts (e.g. House Bank Code, descriptions, GL account associated with Account ID, bank account, etc).*

R – Reports	Master List of Current and Future State Reports: < Bank Accounting >						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None Identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: < Bank Accounting >						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	EBS File Processing	Retrieve Electronic Bank Statement file from secure server designated by the bank and move it a specified SAP directory. An archive strategy should be part of the solution in which a copy of the file is retained in a separate folder/directory. The archived file name should be appended with a date and time stamp to keep the name unique and prevent files being overridden. These files should be available for re-processing if necessary. The incoming file is encrypted. The file should be decrypted before being uploaded into SAP. The file will be processed through a schedule job using SAP's standard delivered transaction FF.5.	X	X	The EBS file processing is a daily activity. An automated process to retrieve, save and process the file will ensure that the process is not dependant on the availability and discipline of the staff assigned to the task. It will optimize the bank reconciliation process and make the cash balance information readily available for disbursement related decisions as well as investments.	Katie O'Connor	
2.	DPS and LDR Cash Receipt/Revenue Classification	DPS and LDR generates files from their sub-systems (CRAS and ACCPAC respectively) which are interfaced to generate cash receipt/revenue classification documents	X	X	Interfaces are in place due the volume and nature of transactions handled by DPS and LDR	Katie O'Connor	

C - Conversions	Master List of Future State Data Conversions: < Bank Accounting >						
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
1.	None Identified						

E – Enhancements		Master List of Future State Enhancements: < Bank Accounting >			
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	Upload	A custom program already exists that uploads the bank directory into SAP. In addition to the maintenance of bank master, the program generates a list of personnel records containing banks flagged for deletion. The program should be reviewed and expanded to generate a list of impacted customers, vendors and house banks	The implementation of the LA Gov project expands the types of master data that are dependent on the bank data: Accounts Receivable, Accounts Payable and Cash Management	The existing program should be reviewed to include master data from integrated modules in scope for this implementation	
2.	Upload	Payroll disbursement clearing files	The implementation of the LA Gov project expands the finance functionality in the existing SAP environment, including check management functions as well as integrated processes such as cash management	The existing program should be reviewed to determine whether changes are required due to integration with CM and GL	

W – Workflow	Master List of Future State Workflow Events: < Bank Accounting >		
No.	**Description**	**Justification**	**Comments**
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: < Bank Accounting >		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	None Identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: < Bank Accounting >			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	Bank Master Data Processor	Maintains Bank Master Record and submits change requests to OIS to create maintain House Banks/Account IDs	Centralized management of bank master data. STO owns the banking relationships and therefore will be responsible for bank information stored in the system	
2.	Bank Reconciler	Manually uploads the Electronic Bank Statement and reconcile bank accounts	Manually uploads EBS if needed (file should be processed by a scheduled job daily). Verifies that all records in the file were processed successfully. Manually posts/clears/ updates check information if item was not fully processed by the EBS processing	
3.	Batch Processor	Processes the schedule job to upload the Electronic Bank Statement	The EBS processing will be set up as a daily schedule job in SAP. OIS has ownership over scheduled jobs and will be responsible for monitoring the process and handling errors	
4	Receipt Processor	Receives negotiable items to be deposited and/or initiates incoming transfers. Parks journal entry document to classify revenue	Receipt processors will not have authorization to post journal entries. Revenue classification document will be entered using the “park” functionality	
5	Receipt Manager	Review and post parked journal entries	Parked documents will be reviewed and posted by the Receipt Manager	
6	Deposit Preparer	Receives negotiable items from the various Agencies to be deposited into the Central Depository	Most activities are performed outside of the system – receive deposit slips with negotiable items and any other relevant document from Agencies, which is verified before deposited into	

Authorizations		Master List of Future State Roles/Authorizations: < Bank Accounting >		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		bank account	the Central Depository account	
7	Configuror	Receives request to maintain House Bank/Account ID and follows the established change control policies and procedures	Configurors at OIS will be responsible for configuration maintenance	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Maintenance of Bank Master Data	OIS is currently responsible for the bank master data maintenance. With the implementation of the Cash Management, Accounts Payable and Accounts Receivable modules, the maintenance of the bank master becomes a critical integrated component for various business processes. STO is responsible for banking relationships and therefore will share the ownership of the bank master in SAP	Users assigned to the Bank Master Data Processor role will be trained on the transactions related to the bank master record maintenance
2.	Bank Reconciliation	The Bank Unit at STO currently reconciles the bank accounts using a 3rd party, non-integrated application. In the To-Be business process, the electronic bank statements will be uploaded in the same SAP system where disbursement and receipt affecting cash are posted. In addition, a new cash GL account structure will be implemented to facilitate the segregation of cash related activities and their reconciliation	Users assigned to the Bank Reconciler role will be trained on all Cash Management Master Data and the transactions related to bank reconciliation process
3.	Revenue Classification	Manual posting of “DS” documents by STO eliminated. The equivalent documents will be posted automatically when the Electronic Bank Statements are uploaded in the system.	STO will no longer post the “DS” documents, however they will review postings related to incoming ACH/Wires and update the posted document with the reference number provided by the Agencies, which will be then used to match the deposit with the revenue classification document. Users in the Receipt Processor and Receipt Manager roles will be trained on how to look up deposit transactions posted by EBS and on how to park/post journal entries

Training Impact

- The designated users in STO will be educated on the conventions established for the cash GL accounts as well as trained to determine which CM master data should be created for a given bank account.
- Users at the Agency level will be educated on the cash GL accounts they need to monitor to create journal entries and/or revenue classification documents based on the EBS recording of the sweep between the Agency's bank account and the Central Depository account.
- The designated users in STO will be educated on the conventions established for House Banks and Accounts. In addition, the users will be trained to determine other related CM master data needed to support House Banks/Account IDs.
- Users at the Agencies will be trained to look up cash GL line item transactions to view the EBS posting related to their deposits.
- Users assigned to the Bank Master Data Processor role will be trained on the transactions related to the bank master record maintenance.
- Users assigned to the Bank Reconciler role will be trained on all Cash Management Master Data and the transactions related to bank reconciliation process.
- Users in the Receipt Processor and Receipt Manager roles will be trained on how to look up deposit transactions posted by EBS and on how to park/post journal entries.

Appendix A

Not Applicable

Team:	Finance - Cash Management
PDD Name:	Investment Management and Interest Allocation
PDD Number:	FIN-CM-PDD040-Investment Management and Interest Allocation
Business Process Owner:	Gary Hall
Functional Lead:	Katie O'Connor
Functional Consultant:	Julie Mun

Executive Summary

Investment management is currently performed using the QED application.

AFS is updated manually using Journal Entries and Manual Warrants (payment of investment purchases made via wire through Chase's online tool).

In the To-Be design, investment management activities will continue to be tracked in QED. Therefore the focus of this document will be on what and how investment related accounting postings will be captured in SAP to meet financial reporting requirements as well as support cash position and bank reconciliation activities.

The proposal for the future design is to extract key activities from QED as well as the bank report in electronic format. A custom transaction will be developed to facilitate the reconciliation and generate the appropriate accounting entries.

In addition, interest allocation is executed monthly and posted to the various funds that are entitled to earn interest. A custom enhancement will be created to calculate the interest and facilitate the interest income posting.

The appropriate level of detail for investment postings in SAP will be finalized in Realization and will take into account reporting requirements identified during the Blueprint phase.

Section 2.0 contains the details of the reconciliation process and accounting entries expected from the investment file postings into SAP.

To-Be Process Description

The TO-BE processes for the Investment Management and Interest allocation processing are based on key integration points available through the SAP solution as well as the design/blueprint decisions made by the State's Treasurers Office (STO).

Investment Data File Posting Process:

Investment activities will continue to be managed through the same 3rd party application that is being used in the As-Is process: QED.

In order to ensure timely and accurate posting of investment related accounting data, a custom enhancement to post the QED data into SAP is the recommended approach for the State of Louisiana (State).

The implementation of this solution involves the following steps:

a) The Investment Processor will input transactions into QED daily. This is unchanged from the current process
Examples of transactions include, but are not limited to: purchase, sale, interest expense/income, interest allocation, mark-to-market, etc
b) Key transactions that carry financial impact will be extracted from QED into a data file
c) Once the data file(s) becomes available, it will be posted in SAP to create the accounting entries. The postings will be based on the pre-defined rules and the mapping of investment transactions to the appropriate accounting entries built into the custom transaction. During the processing of the file, the system will validate the accounting master data and produce error reports if the file is not processed successfully in its entirety
NOTE: The detailed design of the error handling features will be developed and documented in the functional specification document during Realization.

Journal entries generated by the QED file processing will have a unique document type, to distinguish the posting from manual Journal Entries.

The following table summarizes the basic accounting entries expected to post from the QED file processing:

Note: T/F = Treasurer's Pool Fund, G/F = General Fund

Event in QED	General Ledger	Fund	WBS/ CC
Purchase	Dr. Investment Dr. Interest Investment Cr. Cash Clearing (Wire Out)	T/F T/F T/F	N/A CC N/A
Sale	Dr. Cash Clearing (Wire In) Cr. Investment Cr. Interest Investment Dr./Cr. Realized Gain/Loss (if applicable)	T/F T/F T/F T/F	N/A N/A CC CC
Interest Income (throughout the month)	Dr. Cash Clearing (Wire In) Cr. Interest Investment	T/F T/F	N/A CC
Month-End: Interest Allocation (to participating funds)	Dr. Interest Investment Cr. Interest Investment ... Cr. Interest Investment	T/F G/F ... C/F	CC CC ... CC
Month-End: Interest Accrual	Dr. Accrued Interest Receivable Cr. Accrued Interest Revenue	T/F T/F	N/A CC
Month-End: Gain/Losses ***	Dr. Interest Investment Cr. Interest Investment	T/F T/F	N/A CC
Month-End: Gain/Losses Allocation	Dr. Interest Investment Cr. Interest Investment ... Cr. Interest Investment	T/F G/F ... C/F	CC CC ... CC
Month-End: Mark-to-Market +++	Dr./Cr. Investment Dr./Cr. Net Increase (Decrease) in Fair Market Value of Inv	T/F T/F	N/A CC
Month-End: Mark-to-Market Allocation	Dr. Net Incr (Decrease) in Fair Market Value of Inv Cr. Net Increase (Decrease) in Fair Market Value of Inv	T/F G/F	CC CC

	... Cr. Net Increase (Decrease) in Fair Market Value of Inv	... C/F	... CC

******* Realized Gain and Losses are not currently tracked in QED. The Banking Unit at STO manually calculates the amount at month-end using the Central Depository bank account statement and enters the appropriate posting into General Ledger. The cost-effectiveness of updating QED settings to track realized gain and losses (allowing automated accounting postings through the custom transaction) will be evaluated against the manual process to determine the most suitable approach for the State.

+++ The State carries all investments at cost and no mark-to-market updates are processed. The impact on financial reporting will be assessed during Realization.

Interest Allocation:

Three types of Investment interest allocation are processed in the legacy system:

a) "Standard" Investment Interest:

As-Is:

At month-end, the Investment group determines the interest rate (6-month average CD). Legacy report 2G08 shows the average daily cash balance for the period and the interest amount by fund. The regular interest is calculated using the following formula:

"Standard" Interest = average daily cash balance * interest rate

Report 2G08 calculates the interest income for most funds set up in the system. However, not all funds in fact earn interest. Therefore an offline excel worksheet containing the list of the funds that earn interest is maintained. The spreadsheet is populated manually based on the interest amount provided in the 2G08 report. As a final step, the interest allocation is entered in AFS as a manual journal entry using the amounts in the excel worksheet.

Most funds listed in 2G08 do not earn interest, on the other hand there are several funds that earn interest but are not part of the report. For these funds, the cash balance must be calculated offline. The manual computation adds all revenues and expenditures for the period to determine the cash balance. The interest income for these funds is entered as a journal entry.

To-Be:

Many of the manual steps and the need to keep offline spreadsheets stem from the lack of flexibility in selecting the funds that should or should not be included in the 2G08 report. In the To-Be design, a user maintained custom table will serve as the list of funds that earn "standard" interest.

A custom program will be developed to compute the interest amount for those funds listed in the "standard" interest funds table based on the funds average daily cash balance and the interest rate specified by the user.

The program will park the "standard" interest allocation document, which will be reviewed and posted by the Investment Manager in STO.

b) "Direct" Investment Interest

As-Is:

A number of funds are invested in a separate portfolio that earns "direct" interest. The interest earned by this portfolio is deposited into the Central Depository bank account. The investment group provides the banking unit with a QED report listing the incoming interest income. The banking unit confirms the deposits via the electronic bank statement by entering a credit memo in AFS. The investment group provides the amount breakdown and the coding needed to manually

post the interest allocation journal entry that will offset the credit memo entered by the banking unit.

To-Be:

Due to the low volume of those funds that earn “direct” interest, an Account Assignment Template for a Journal Entry will be created with the appropriate account coding. The journal entry template will be retrieved and updated with the “direct” interest amounts. The document will be parked for approval until the banking unit confirms that the interest income has been deposited to the Central Depository account and posted in the system by the electronic bank statement (EBS). Because EBS will post the incoming transfer, the manual credit memo will not be necessary in SAP. The parked “direct” interest allocation document will be posted.

c) “Extra” Investment Interest

As-Is:

A number of funds that earn “direct” interest have caps on how much of their cash is available for investment by legislature or other mandate. However, in addition to the “direct” interest earned on the amount invested, they are entitled to earn interest on the entire fund cash balance. Therefore a separate calculation is performed to determine the interest earned by the not invested portion of the fund cash balance. The “extra” interest is calculated using the following formula:

“Extra” Interest = Σ (daily fund cash balance – daily amount invested) * interest rate

The interest is allocated to these special funds and the information is entered in the system as a journal entry.

In the event that the invested amount exceeds fund cash balance, “negative” interest is posted by debiting the interest revenue account.

To-Be:

A custom table will be created to maintain the list of the special funds that earn “Extra” interest. A custom program will be developed in SAP to capture the daily amount invested from a QED report and compute the “extra” interest.

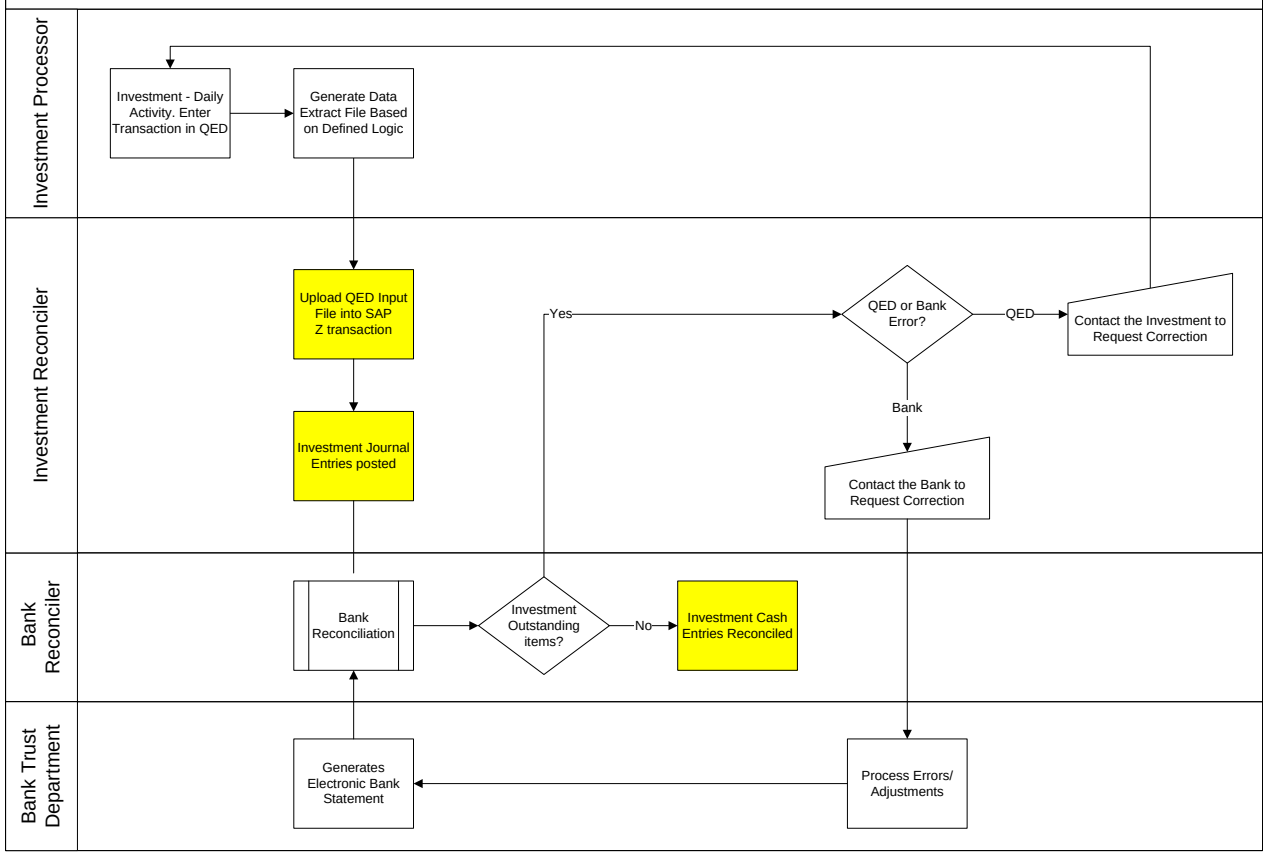
The program will park the “extra” interest allocation document, which will be reviewed and posted by the Investment Manager in STO.

#	Process Terminology	Description
1.	WBS (Work Breakdown Structure) Element	Master data structures used to collect and monitor the actual costs of discrete, long- term tasks such as Capital Projects.
2.	CC (Cost Center)	An organizational unit within a controlling area that represents a revenue and cost collector for more permanent activities or areas of responsibility.
3.	Fund	A fiscal and accounting entity having a self-balancing set of accounts, recording cash and other financial resources together with all related liabilities and residual equities or balances, or changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

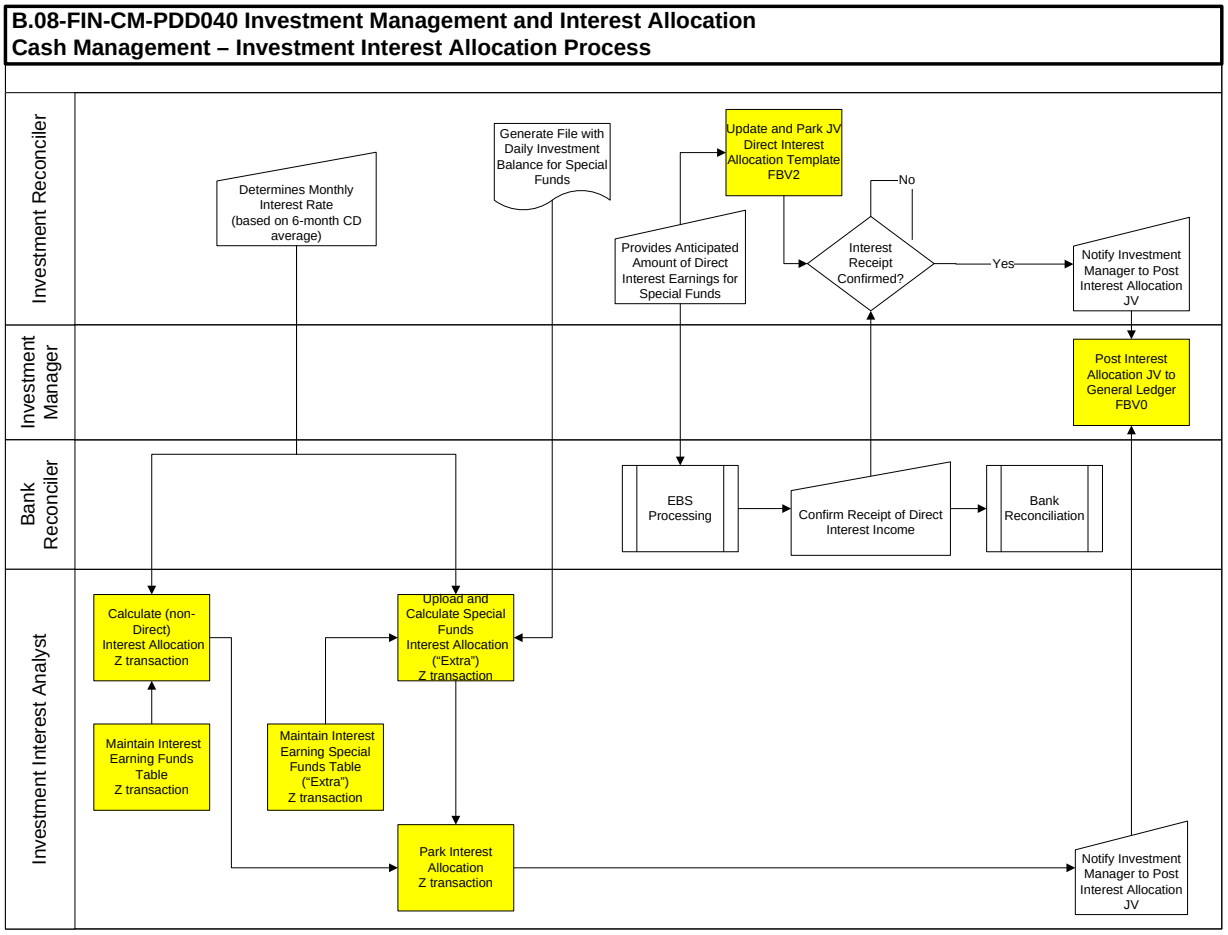
To-Be Process Flows

Investment QED to SAP Accounting Update Process

B.08-FIN-CM-PDD040 Investment Management and Interest Allocation
Cash Management – Investment Accounting Update Process



Investment Interest Allocation Process



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	Use of QED for Investment Management	Investment Management is currently handled by the Investment Unit at STO using the QED application. This process will not change with SAP	No Impact
2.	Develop enhancement in SAP to post the data file extracted from QED to update the General Ledger	Timely posting of Investment related accounting entries to the General Ledger greatly reducing the volume of manual entries	Users responsible for updating the accounting system with the Investment related entries will be trained to use the custom transaction including error handling procedures
3.	Develop enhancement to process interest calculation and allocation	The offline spreadsheets and the extensive manual interest allocation process will be replaced with custom tables and programs in SAP	Users responsible for posting the investment interest allocation will be trained to maintain the custom tables of interest earning funds, as well as executing the program to park the interest allocation journal entries

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	None Identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Investment Management and Interest Allocation>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified		X	X			

R – Reports	Master List of Current and Future State Reports: < Investment Management and Interest Allocation >						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: < Investment Management and Interest Allocation >						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified		X	X			

C - Conversions	Master List of Future State Data Conversions: < Investment Management and Interest Allocation >						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None Identified						

E – Enhancements		Master List of Future State Enhancements: Investment Management and Interest Allocation			
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	Investment QED File Posting	Post the QED input file containing Investment activities into SAP to generate accounting entries and update financials based on rules and mappings specified for each specific key/event in the file	3rd party application QED is used for Investment Management and the accounting system must be updated in a timely manner	The custom transaction will ensure all investment related activities are captured timely and accurately in the system, greatly reducing manual journal entries	Z-transaction will be created for front-end processing
2.	Table of Funds earning "Standard" interest	User maintained table listing the Funds for which "Standard" Interest is allocated	Offline excel spreadsheet is maintained manually to track the funds that earn "Standard" interest and record the amount of interest allocated for each fund	The custom table will replace the offline excel spreadsheet used to track funds for which "Standard" interest is calculated. The table will be used as an input for the custom program developed to calculate and park the interest allocation journal entries	Z-transaction will be created for front-end processing
3.	Table of Funds earning "Extra" interest	User maintained table listing the Funds for which "Extra" Interest is allocated	Offline excel spreadsheet is maintained manually to track the funds that earn "Extra" interest and record the amount of interest allocated for each fund	The custom table will replace the offline excel spreadsheet used to track funds for which "Extra" interest is calculated. The table will be used as an input for the custom program developed to calculate and park the interest allocation journal entries	Z-transaction will be created for front-end processing
4	Calculation of "Standard" Interest and Park Interest Allocation Journal Entry	The custom program will use two data input: a) interest rate entered by the user b) custom "Standard" interest funds table	Interest is calculated by the 2G08 report and manually for those funds not included in the 2G08 report. The interest amount are then entered in an offline excel spreadsheet and then finally posted using a	The custom program will eliminate the maintenance of an offline excel spreadsheet and the manual calculation required for some of the funds. The program will also park the interest allocation document	Z-transaction will be created for front-end processing

E – Enhancements		Master List of Future State Enhancements: Investment Management and Interest Allocation			
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
		The program will calculate the interest amount by multiplying the interest rate and the average cash balance for all the funds that are included in the custom "Standard" interest funds table. The system will park the interest allocation journal entry document	manual journal entry	reducing the number of manual steps	
5	Calculation of "Extra" Interest and Park Interest Allocation Journal Entry	The custom program will use three data input: a) interest rate entered by the user b) QED input file containing the daily amount invested for the funds/portfolios that earn "Extra" interest c) custom "Extra" interest funds table The program will calculate the interest amount by applying the "Extra" interest formula. The system will park the interest allocation journal entry document	QED report is generated to obtain the daily amount invested for the funds that earn "Extra" interest. Another report is generated from AFS containing the daily cash balance for the funds. Both data is then manually transferred to an offline excel spreadsheet used to calculate the "Extra" interest. The interest allocation is manually posted using a manual journal entry	The custom transaction will eliminate the labor intensive task of manually keying in the daily invested balance and the daily cash balance for the growing number of funds that earn "Extra" interest into an offline excel spreadsheet. The program will also park the interest allocation document reducing the number of manual steps	Z-transaction will be created for front-end processing

W – Workflow	Master List of Future State Workflow Events: Investment Management and Interest Allocation		
No.	**Description**	**Justification**	**Comments**
1.	None Identified		

Gaps

Gaps	Master List of Future Gaps: Investment Management and Interest Allocation		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	None Identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: Investment Management and Interest Allocation			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	Investment Processor	Enters daily investment activities in QED and generates the daily transaction extract file that will be posted into SAP	The Investment Processor is responsible for investment activities for the State and utilizes QED to track and record investment	
2.	Investment Reconciler	Determines the investment interest rate that will be used by the Interest Investment Analyst. Generates "Direct" interest earning report in QED to park the "Direct" interest allocation journal entry. Generates the Daily Investment Balance input file that will be used by the Interest Investment Analyst to calculate and allocate the "Extra" interest income	The Investment Reconciler will have access to the QED application and therefore be responsible for generating reports and input files that will be posted into SAP. QED tracks the funds that earn "Direct" interest as well as the interest income amount that must be allocated for these funds, therefore the Investment Reconciler will park the interest allocation journal entry. The document will be posted once the banking unit confirms the incoming interest transfer.	
3.	Investment Manager	Approves and posts the parked interest	Interest allocation journal entries will first be parked. The Investment	

Authorizations		Master List of Future State Roles/Authorizations: Investment Management and Interest Allocation		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
		allocation journal entries	Manager will review and posts the documents in SAP	
4	Investment Interest Analyst	Maintains the custom tables listing the funds that earn "Standard" and "Extra" investment interest. Responsible for executing the interest calculation and allocation programs	The Investment Interest Analyst will execute the custom program to calculate and park the interest allocation journal entry. This role will also be responsible for maintaining the custom tables that support the interest allocation program: the "Standard" interest funds and the "Extra" interest funds	
5.	Bank Reconciler	Manually posts the Electronic Bank Statement and reconcile bank accounts	The Bank Reconciler will manually post EBS if needed (file should be processed by a scheduled job daily) and verify that all records in the file were processed successfully. The Bank Reconciler will manually post/clear/ update the check information if an item is not fully processed by the EBS processing	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Posting of Investment related posting into SAP	The investment related postings into the legacy accounting system are currently done through manual journal entries. The To-Be design proposes an automated program to generate the accounting entries and will require greater analytical skills to review/reconcile and handle errors during the input file processing	Users assigned to the Investment Processor role will be trained on how to use the custom transaction and troubleshoot errors
2.	On-line maintenance of list of funds that earn investment interest and automated calculation and creating of journal entry to post interest allocation	The As-Is process of interest calculation and the posting of the interest allocation involves several offline spreadsheets and manual steps. These manual steps will be replaced in the To-Be process with online tables and a program that calculates and parks the interest allocation journal entry in SAP	Users assigned to the Investment Interest Analyst will be trained on how to maintain the custom tables of funds that earn "Standard" and "Extra" investment interest. Users will also be trained on how to execute the program to calculate interest and park the interest allocation document
3.	Bank Reconciliation	The Bank Unit at STO currently reconciles the bank accounts using a 3rd party, non-integrated application. In the To-Be business process, the electronic	Users assigned to the Bank Reconciler role will be trained on all Cash Management Master Data and the transactions related to bank reconciliation process

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
		bank statements will be posted in the same SAP system where disbursement and receipt affecting cash are posted. In addition, a new cash GL account structure will be implemented to facilitate the segregation of cash related activities and their reconciliation	

Training Impact

- Users responsible for updating the accounting system with the Investment related entries will be trained to use the custom transaction to post the QED input file including error handling procedures.
- Users responsible for posting the investment interest allocation will be trained to maintain the custom tables of interest earning funds, as well as executing the program to park the interest allocation journal entries.
- Users assigned to the Bank Reconciler role will be trained on all Cash Management Master Data and the transactions related to bank reconciliation process.

Appendix A

Not Applicable

Team:	Finance - Cash Management
PDD Name:	Debt Processing
PDD Number:	FIN-CM-PDD030-Debt Processing
Business Process Owner:	Gary Hall
Functional Lead:	Katie O'Connor
Functional Consultant:	Julie Mun

Executive Summary

This PDD will cover the process design and key decisions made during the following FM Blueprint Workshops:

FI-CM-003, 004 and 005 Debt and Investment Management and Interest

Debt Management:

Bond management is currently performed using the MUN-EASE application.

The accounting system ISIS is updated manually using Journal Entries and Manual Warrants (bond payments made via wire through Chase's online).

In the To-Be design, all bond management activities will continue to be tracked in MUN-EASE. Therefore the focus of this document will be on what and how bond related accounting postings will be captured in SAP to meet financial reporting requirements in both full and modified methods of accounting.

Full accrual is required to meet GASB34 requirements to report long-term liabilities for all funds and consolidated government wide statements while modified accrual is still necessary for governmental funds and only reports financial transactions that are short-term in nature.

The approach to post in both full and modified methods will allow up-to-date full accrual reporting at any given point in time instead of limiting the capability to year-end when adjustment entries are posted to comply with the GASB34 regulation.

The proposal for the future design is to extract the key activities from MUN-EASE and develop a custom enhancement transaction in SAP to post the MUN-EASE data file to generate the appropriate accounting entries. This recommendation stems from the following considerations:

- Increased volume of transactions and complexity of transactions that must be posted ➔ Compliance with GASB34 requires additional accounting entries to be posted as well as deep understanding of the debt related accounting to accurately determine the events that trigger full accrual entries and which GL accounts need to be used for each of these key activities (e.g. reclassification from long to short term liability, amortization of premium vs. discounts vs. cost of issuance, etc)
- Increased frequency to record accounting entries and emphasis on the timeliness of accounting postings ➔ Need to meet "hard" financial month-end closing schedule which must include bond related entries. Many entries which were only recorded at year-end will now require monthly posting.

The appropriate level of detail for debt related postings in SAP will be finalized in Realization and will take into account reporting requirements identified during the Blueprint phase.

To-Be Process Description

The TO-BE processes for the Debt Management processing are based on key integration points available through the SAP solution as well as the design/blueprint decisions made by the State's Treasurers Office (STO) at the State of Louisiana (State).

Debt Data File Upload Process:

Debt related activities will continue to be managed through the same 3rd party applications that are being used in the As-Is process: MUN-EASE.

In order to ensure timely and accurate posting of debt related accounting data, a custom enhancement to post MUN-EASE data into SAP is the recommended approach for the State of Louisiana.

The implementation of this solution involves the following steps:

a) The Debt Processor will input transactions into MUN-EASE daily. This is unchanged from the current process

   Examples of transactions include, but are not limited to:

   - new debt issuance
   - repayment
   - interest expense
   - interest payment
   - amortization of issuance cost/discount/premiums
   - defeasance
   - interest rate (for variable rate bonds)

b) Key transactions that carry financial impact will be extracted from MUN-EASE into a data file

c) Once the data file becomes available, it will be posted in SAP using a custom transaction. The postings will be based on the pre-defined rules and the mapping of debt transactions to the appropriate accounting entries built into the custom enhancement. During the transaction processing, the system will validate the accounting master data and produce error reports if records are not processed successfully

   NOTE: *The detailed design of the error handling features will be developed and documented in the functional specification document during Realization*

Debt related entries will be recorded in both full and modified accrual methods of accounting. The following table summarizes the key differences between full accrual and modified accrual treatment for bonds:

Event	Modified Accrual Treatment	Full Accrual (GASB34) Treatment
Bond Issue	Posted bond proceeds as revenue in the year of acquisition. Bond payable is recorded as memo entries the balance sheet of long-term debt group.	Set up bond payable on the balance sheet
Discount or Premium	Recorded as an expense or revenue source when the bond is issued	Amortized over the life of the debt issuance
Principal Repayment	Expensed when paid. Entry to reduce account payable in GLTDAG.	Reduction in the bond payable balance on the balance sheet
Underwriters Expenses	Recorded as an expense when bond is issued. May be capitalized and depreciated over life of asset instead of depreciated over the life of the bond.	Amortized over the life of the debt issuance. May be expensed and capitalized and depreciated over the life of the asset.
Interest	No interest accruals required. Expensed when paid.	Interest expense crossing fiscal years are accrued (reversed the following year)
Reclassification of short-	No reclassification is performed	The short-term portion of bonds payable is

Event	Modified Accrual Treatment	Full Accrual (GASB34) Treatment
and long-term payable		updated

Journal entries generated by the MUN-EASE file upload will have a unique document type to distinguish the posting from manual Journal Entries.

The following table illustrates some of the basic full and modified accrual entries expected to post from the MUN-EASE file upload. Additional entries dealing with more complex scenarios such as refinancing and defeasance will be identified during Realization.

Note: D/F = Debt Service Fund, C/F = Capital Fund, T/F = Treasurer's Pool Fund, G/F = General Fund

Event in MUN-EASE	Modified Accrual			Full Accrual		
	General Ledger	Fund	WBS/CC	General Ledger	Fund	WBS/CC
Debt Issuance – Bonds Proceed (GASB: Establish Liability)	Dr. Cash Clearing (Wire In) Cr. Bond Proceeds Revenue	T/F C/F	N/A CC	Dr. Bond Proceeds Contra Cr. LT Bond Payable Dr. LT Bond Payable Cr. ST Bond Payable	C/F C/F C/F C/F	CC N/A N/A N/A
Bond Prem/Disc/Issue Cost and Accrued Interest Payable (bond issue date is later than bond date) (GASB: Defer Prem/Disc/Issue Cost)	Dr. Cash Clearing (Wire In) Dr. Bond Disc. Exp (if applic) Dr. Bond Issue Cost Cr. Bond Premium Proc (if applic) Cr. Bond Accrued Int. Pay (if applic)	T/F C/F C/F C/F C/F	N/A CC CC CC N/A	Dr. Bond Premium Contra Cr. Deferred Bond Prem (if applic) Dr. Deferred Bond Issue Cost Cr. Bond Issue Contra Dr. Deferred Bond Disc (if applic) Cr. Bond Discount Contra (if applic)	C/F C/F C/F C/F C/F C/F	CC N/A N/A CC N/A CC
Semi-Annual Interest Payment	Dr. Bond Interest Expense Dr. Bond Accrued Int. Pay (if applic) Cr. Cash Clearing (Wire Out)	D/F C/F T/F	CC N/A N/A	No entries because same as the modified accrual postings		
Annual Principal Repayment and (GASB: Reclass LT to ST Bond Payable)	Dr. Bond Principal Expense Cr. Cash Clearing (Wire Out)	D/F T/F	CC N/A	Dr. ST Bond Payable Cr. Bond Principal Exp Contra Dr. LT Bond Payable Cr. ST Bond Payable	C/F D/F C/F C/F	N/A CC N/A N/A
Amortization of Prem/Disc/Issue Cost	No Entries			Dr. Deferred Bond Premium Cr. Amortized Bond Premium Dr. Amortized Bond Discount Cr. Deferred Bond Discount Dr. Amortized Bond Issue Cr. Deferred Bond Issue Cost	C/F C/F C/F C/F C/F C/F	N/A CC CC N/A CC N/A

GASB: Year-end interest accrual	No Entries			Dr. Accrued Bond Interest Exp Cr. Accrued Interest Payable	D/F D/F	N/A N/A

During the Realization phase of the implementation, the new SAP Chart of Accounts will be reviewed to determine whether all the required debt related general ledger accounts exist. New accounts will be created if needed. Those accounts used exclusively to record full accrual entries will follow a specific numbering convention. This will facilitate the reporting on the different basis of accounting by including or excluding the related GL accounts.

- Modified Accrual Reporting:
  Exclude accounts posted in the GASB (full accrual) entries
- Full Accrual Reporting:
  Include all accounts from all entries:
- Bonds proceeds net to zero and bond payable is set up
- Premium/Discount/Issuance costs net to zero and deferred premium/discount/issuance cost to be amortized over the life of the bond is set up
- Bond principal expense net to zero and payable is reduced
- The portion of the bond payable due the following year is re-classed from Long Term to Short Term

MUN-EASE reports and data extract capabilities will be reviewed during Realization. If feasible, the State will engage the technical support from the application vendor to update existing reports or develop new data extract files to support the SAP enhancement.

Transactions that cannot be derived from the MUN-EASE data file will be entered as manual journal entries in the General Ledger.

Arbitrage calculation:

The Bond Commission office is responsible for arbitrage calculation and performs the complex analysis required to support debt related decision making (e.g. issuance of new debt). The tools used for these purposes are:

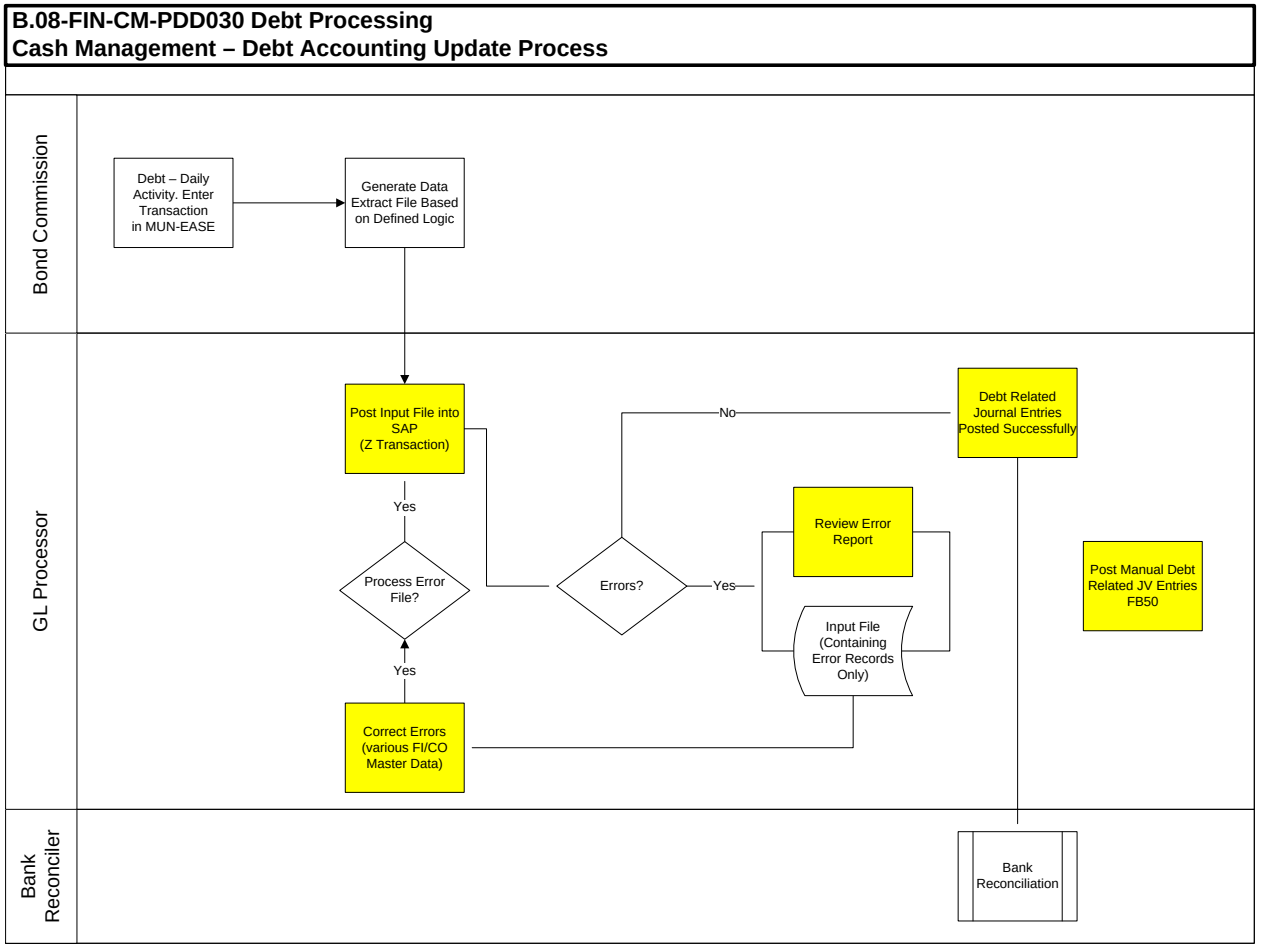
- Reports generated from AFS:
  - 2G06 – General Ledger Trial Balance
  - 2G36 – Detail Transaction Register
  - 2G38 – Receipts and Expenditures
- Data from the Investment group at STO

Development of the General Ledger Trial balance and Receipts/Expenditures reports is included in the General Ledger Reporting Process Design Definition document. Refer to FIN-GL-PDD050 Reporting.

#	Process Terminology	Description
1.	None Indentified	

To-Be Process Flows

Debt MUN-EASE to SAP Accounting Update Process



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Use of MUN-EASE for Debt Management	Debt Management is currently handled by the Bond Commission office using the MUN-EASE application. This process will not change with SAP	No Impact
2	Post debt activities in both Modified and Full accrual methods of accounting in the General Ledger	Full accrual entries are currently not recorded in AFS. The Bond Commission provides reports that are used to maintain offline calculations and balances that must be included in the CAFR	Users responsible for maintaining offline spreadsheets and providing Debt related information for the year-end full financial reporting will review the postings and balances in SAP
3	Develop enhancement in SAP to post data file	Timely posting of full accrual entries to the General Ledger instead of a year-end	Users responsible for maintaining offline spreadsheets and providing Debt related

#	Decision	Process Impact	Organizational Impact
	extracted from MUN-EASE to update the General Ledger	activity	information for the year-end full financial reporting will be trained to use the custom transaction including error handling procedures

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	None Indentified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: < Debt Processing >						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Indentified		X	X			

R – Reports	Master List of Current and Future State Reports: < Debt Processing >						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Indentified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: < Debt Processing >						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Indentified		X	X			

C - Conversions	Master List of Future State Data Conversions: < Debt Processing >						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None Indentified						

E – Enhancements		Master List of Future State Enhancements: < Debt Processing >			
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	Debt MUN-EASE File Upload	Post the MUN-EASE extract data file into SAP to generate accounting entries and update financials based on rules and mappings specified for each specific key/event in the file.	3rd party application MUN-EASE is used for Debt Management and the accounting system must be updated in a timely manner. Compliance with GASB34 and financial reporting requirements to report both full and modified accrual increases the volume and complexity of accounting entries to be input into SAP	The custom journal posting transaction will ensure all bond related activities are captured timely and accurately in the system	

W – Workflow		Master List of Future State Workflow Events: < Debt Processing >	
No.	**Description**	**Justification**	**Comments**
1.	None Indentified		

Gaps:

Gaps		Master List of Future Gaps: < Debt Processing >	
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	None Indentified		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: < Debt Processing >		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	GL Processor	Executes the custom transaction to post the input file from the MUN-EASE application containing debt related data	Execute custom transaction to post the MUN-EASE input file and review error reports. If errors are found and the file cannot be processed fully, the Debt Processor will engage with the appropriate staff to resolve the issue whether the error was in the data entry	

Authorizations		Master List of Future State Roles/Authorizations: < Debt Processing >		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
			in MUN-EASE or invalid SAP master data. The Debt Processor will enter manual journal entries in SAP as needed	
2.	Bank Reconciler	Manually posts the Electronic Bank Statement using SAP's standard transaction and reconcile bank accounts	Manually posts EBS if needed (file should be processed by a scheduled job daily). Verifies that all records in the file were processed successfully. Manually posts/clears/ updates check information if item was not fully processed by the EBS processing	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Posting of Debt related accounting entries into SAP	The debt related postings into the legacy accounting system are currently done through manual journal entries. The To-Be design proposes a custom transaction to generate the accounting entries and will require greater analytical skills to review/reconcile and handle errors during the input file upload	Users assigned to the GL Processor role will be trained to gain greater understanding of how full and modified accrual methods of accounting work in SAP. They will also be trained on how to use the custom transaction and troubleshoot errors
2.	Bank Reconciliation	The Bank Unit at STO currently reconciles the bank accounts using a 3rd party, non-integrated application. In the To-Be business process, the electronic bank statements will be posted in the same SAP system where disbursement and receipt affecting cash are posted. In addition, a new cash GL account structure will be implemented to facilitate the identification of cash related activities and their reconciliation	Users assigned to the Bank Reconciler role will be trained on all Cash Management Master Data and the transactions related to bank reconciliation process

Training Impact

- Users responsible for maintaining offline spreadsheets and providing Debt related information for the year-end full financial reporting will review the postings and balances in SAP.
- Users responsible for maintaining offline spreadsheets and providing Debt related information for the year-end full financial reporting will be trained to use the custom transaction to post the MUN-EASE extract data file including error handling procedures.
- Users assigned to the GL Processor role will be trained to gain greater understanding of how full and modified accrual methods of accounting work in SAP.
- Users assigned to the Bank Reconciler role will be trained on all Cash Management Master Data and the transactions related to bank reconciliation process.

Appendix A

Not Applicable.

Team:	Finance - Cash Management
PDD Name:	Imprest Fund and Replenishment
PDD Number:	FIN-CM-PDD050-Imprest Fund and Replenishment
Business Process Owner:	Gary Hall
Functional Lead:	Katie O'Connor
Functional Consultant:	Julie Mun

Executive Summary

An Imprest expenditure bank account is established for an Agency to address small dollar purchases, payments to One-Time Vendors, on-demand payments (vendor awaiting for payment at the premise) and Travel expenditure payments.

A designated seed amount is determined by the State Treasurers Office (STO) and each Agency is responsible for maintaining and tracking their balances. Once a payment has been processed out of the Imprest account, the expenditure is recorded in AFS via manual warrant, TMS interface or journal/payment voucher based on each Agency's procedures.

To replenish the account, a payment voucher is generated in AFS using the Agency as the vendor account. The invoice payment is processed in the regular Accounts Payable payment run and the check is deposited to the Imprest account.

In the To-Be design, the SAP Cash Journal functionality will be used to track the Imprest Account balances in the system. Users will be able to book expenditures using the Cash Journal, updating the General Ledger as well as their remaining Imprest balance.

The Replenishment process will work in a similar fashion as the As-Is Process: a vendor invoice will be entered with the Agency as the vendor and the check deposit will then be recorded in the Cash Journal to reflect the change in the Imprest Account balance.

To-Be Process Description

Of the types of payments processed through the Imprest Accounts, the categories with the largest volume are One-Time Vendor invoices and Employee Travel reimbursement. This is due to the fact that the State of Louisiana does not currently utilize the One-Time Vendor function in AFS and not all Agencies are taking advantage of the SAP HR system to process employee travel expenditure payments.

In the To-Be design, users will have the ability to process One-Time Vendor invoices using the standard Accounts Payable (AP) invoice and payment functionalities. Therefore these payments will be handled through the regularly scheduled payment runs. For additional information on vendor invoice and payment processing, refer to FIN-AP-PDD020-Vendor Invoice through Payment.

For employee travel expenditure payments, Agencies should be required to utilize the existing SAP HR module. Travel expenditure for non-employees or employees without direct deposit can also be handled through the standard AP process. Non-employees can be processed either as a One-Time Vendor or a regular vendor. Employees paid through AP will always be set up as regular vendors.

The Imprest accounts will then be used primarily as petty cash: handling of small dollar purchases and on-demand payments.

The SAP Cash Journal functionality will be utilized to manage the Imprest Accounts. During Realization, the list of existing Imprest Accounts and Agencies will be reviewed to determine whether it should be set up as a Cash Journal (see additional information on the Note under the "Imprest Accounts – Expenditures" section below).

Each Imprest Account will have its own Cash Journal and its balance will increase/decrease depending on whether a reimbursement or expenditure transaction is being recorded.

Cash Journals can be initially saved (without updating the General Ledger) and then posted, allowing the approval process to take place between the two transactions.

Imprest Accounts – Expenditures:

For expenditure processing, the first step will be for the Imprest Custodian to enter the Cash Journal regardless of whether the vendor payment (check/EFT) is issued using a 3rd party application or SAP. This will ensure that the available balance is sufficient to cover the disbursement. If the payment is going to be made outside of SAP, the Cash Journal will be reviewed by the Imprest Manager and posted upon approval. The posted Cash Journal will serve as the approval to initiate the vendor payment.

For the scenario in which the payment will be generated from SAP, the Imprest Custodian will park a vendor invoice. The Imprest Manager will review both the saved Cash Journal (for expenditure posting) and the Vendor Invoice (for payment processing) and post the documents.

Once the vendor invoice is posted, the Imprest Payment Processor will generate the check payment. The Imprest bank account will be set up as a House Bank and Account ID so that the payment can be processed and the check generated contains the specific details of the Agency's Imprest account (routing number, account number, etc). Refer to FIN-CM-PDD010 Bank Accounting for more information on Cash Management master data.

Each Agency will be responsible for reconciling the checks issued from their Imprest account. For those checks issued in SAP, the Bank Reconciler will update the check information to indicate the check encashment date. This activity can be performed daily or monthly depending on the data source used to reconcile (e.g. bank website, monthly paper bank statement, etc). As the final step in the reconciliation process, the accounting entry created by the vendor invoice and the payment will be matched and cleared to mark them as reconciled items.

NOTE: There is no standardization in the model and check stock used by the Agencies that generate checks from their Imprest accounts, which is a pre-requisite for printing checks in SAP. Issue 8000000461 has been logged to track this matter.

The first step the implementation team will take is to generate a survey form to gather information concerning topics such as: volume of on-demand checks, printer model, sample of check stock – blank or pre-printed, etc… The results of the survey will be reviewed with DOA to determine:

- Which Agencies will keep their imprest account based on DOA's policies and procedures
- Which Imprest Accounts should be set up as Cash Journals in SAP
- The printer maker/model that should be selected for Imprest Account Check processing.
- The FRICE-W object related to check forms is included in to FIN-AP-PDD020-Vendor Invoice through Payment.

Imprest Accounts – Replenishment:

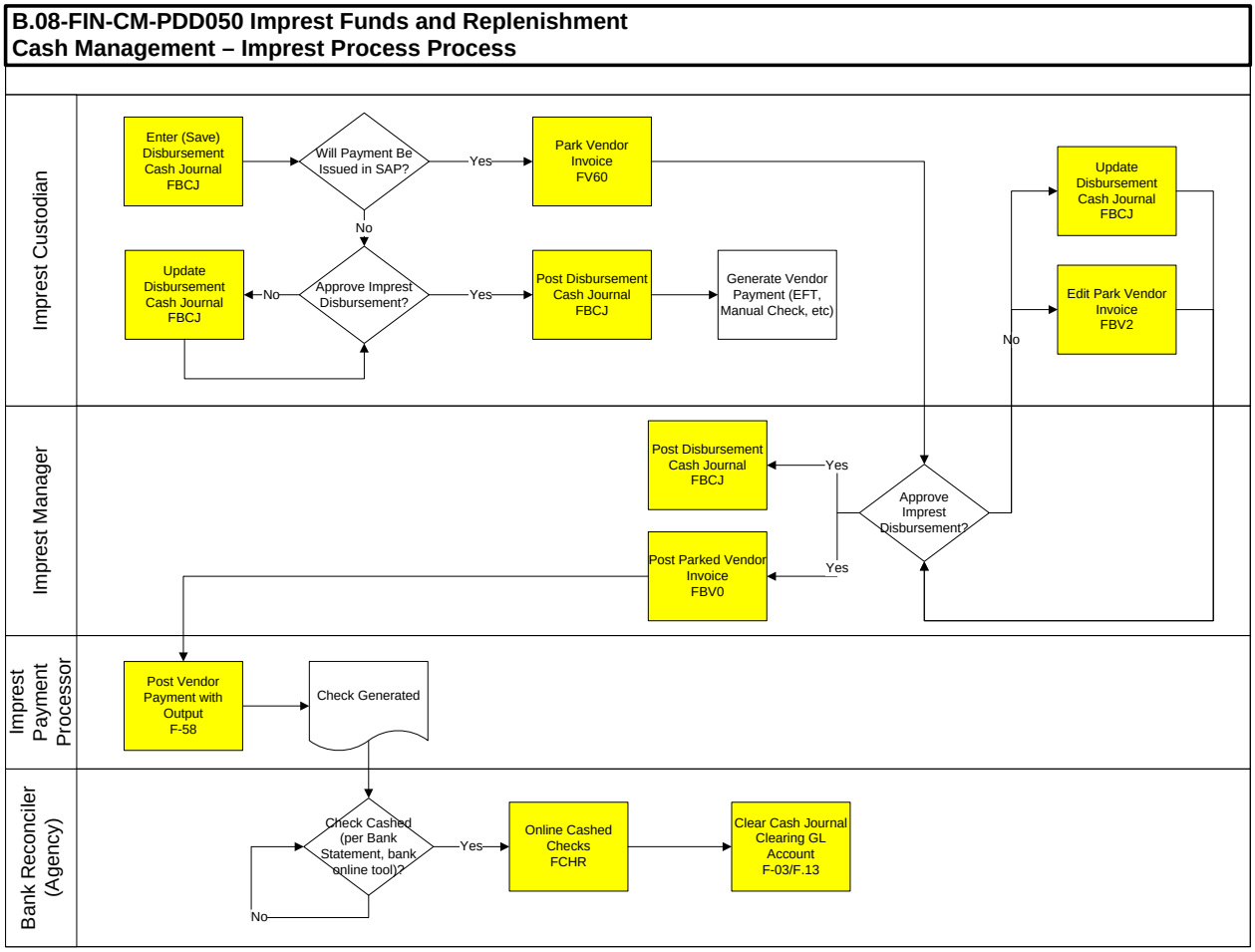
Each Agency will determine the appropriate trigger to the replenishment request. This can be based on a threshold amount (e.g. 50% of the Imprest balance has been depleted) or time intervals (e.g. weekly). Similarly to the current process, the Agency will enter a vendor invoice and use itself as the vendor to initiate the replenishment process. The invoice will be processed through the regularly scheduled

payment run. After the payment has been processed by the bank (EFT) or the check has been deposited, the Imprest Custodian will enter the Replenishment in the Cash Journal to update the Agency's Imprest account balance.

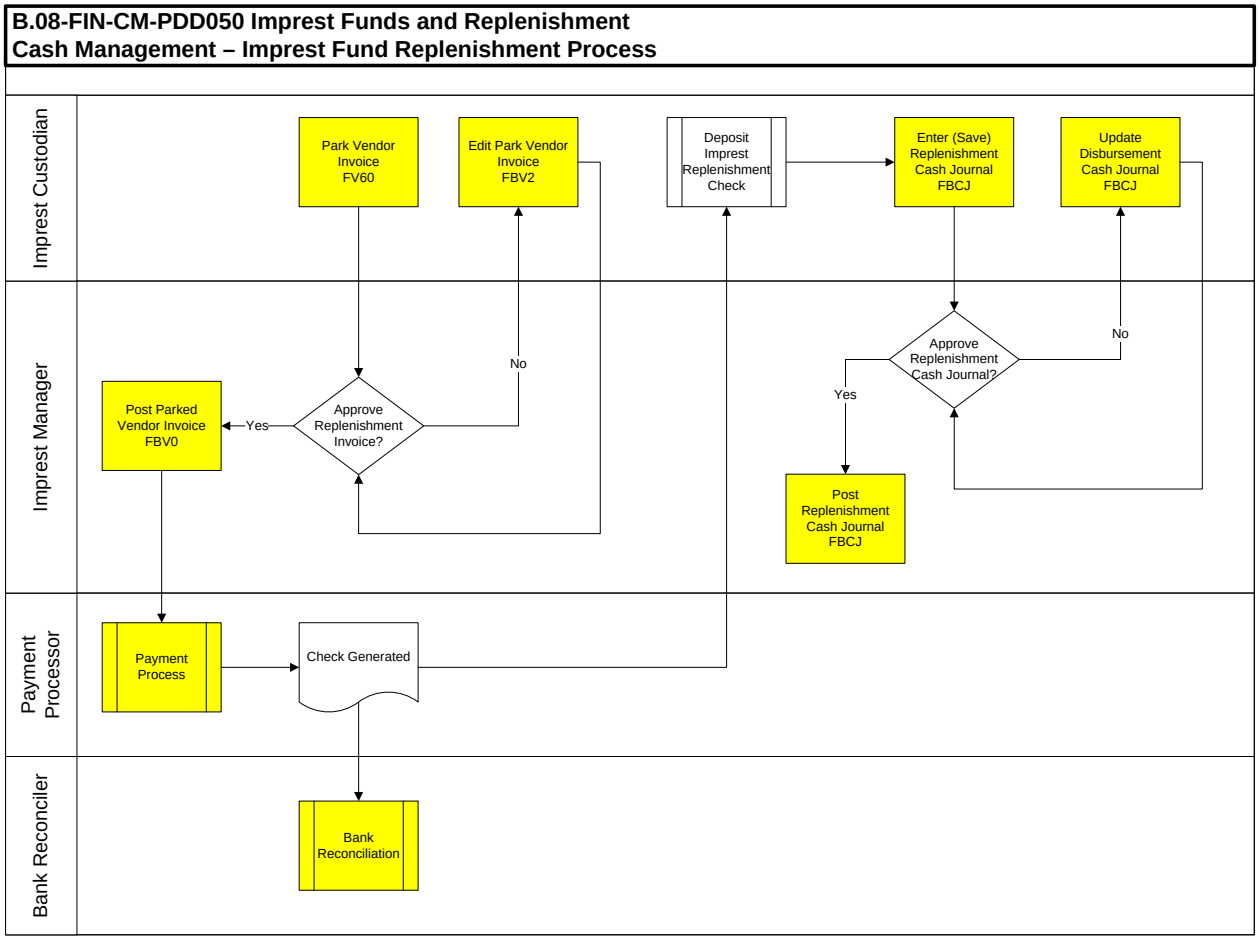
#	Process Terminology	Description
1.	Encashment Date	Date when the check was cleared by the bank

To-Be Process Flows

Imprest Account Expenditure Process:



Imprest Account Replenishment Process:



Key Business Process Decisions

A guiding principle for the project is to adapt to a common system-enabled business process design as provided by the best business practices inherent in the SAP and Agile applications. This section is used to document the key decisions that will impact existing business processes that may or may not affect ultimate configuration. Information in this section is shared with the key external support groups including the Executive Steering Committee.

#	Decision	Process Impact	Organizational Impact
1	Use of Cash Journal to track Imprest Balance	Online monitoring of Imprest account balance instead of using offline spreadsheets. Expenditures will be entered in the Cash Journal, updating both the General ledger and the Imprest account balance	Eliminates the processing of manual warrants to record the expenditure. The Imprest balance is automatically tracked in the system through the Cash Journal functionality
2	Use of standard AP process to handle payments to One-	Greatly reduce the number of payment transactions processed through the	Eliminates the dual data entry: once in the 3rd party application to generate the payment,

#	Decision	Process Impact	Organizational Impact
	Time Vendors	Imprest account.	and the manual warrant processed in AFS to capture expenditures.
3	Use of SAP HR to process employee travel payments	Greatly reduce the number of payment transactions processed through the Imprest account.	Eliminates the dual data entry: once in the 3rd party application to generate the payment, and the manual warrant processed in AFS to capture expenditures.
4	Generate Imprest Check payments in SAP	For those Agencies that will have the capability of printing checks against their Imprest account in SAP, the process will be fully integrated in one system	Eliminates the dual data entry: once in the 3rd party application to generate the payment, and the manual warrant processed in AFS to capture expenditures. Need for 3rd party application (for check printing purposes) eliminated. Check Management and reconciliation in SAP

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	Currently, each Agency establishes the policies and procedures related to the management of their Imprest Account(s). The LA Gov implementation project recommends that the State creates a State-wide standardized policies and procedures to govern the Imprest Account activities.		Agencies, DOA and STO
2.	With the availability of SAP HR Travel and One-Time Vendor payments in Accounts Payable, the volume of Imprest activities should be significantly reduced. Therefore the seeding requirement may need to be reviewed after SAP implementation.		STO

Identified Development Objects (FRICE-W)

Tailoring the solution to the unique business requirements of the State will require development work to support efficient business processes. List identified development objects by category, including the justification for the work and a business contact to refine and validate detailed requirements during realization. Categories include forms, reports, interfaces, conversions, enhancements, and systematic workflow.

F – Forms	Master List of Current and Future State Forms: < Imprest Fund and Replenishment >						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Indentified		X	X			

R – Reports	Master List of Current and Future State Reports: < Imprest Fund and Replenishment >						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Indentified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Imprest Fund and Replenishment>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Indentified		X	X			

C - Conversions	Master List of Future State Data Conversions: < Imprest Fund and Replenishment >						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None Indentified						

E – Enhancements	Master List of Future State Enhancements: < Imprest Fund and Replenishment >				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None Indentified				

W – Workflow	Master List of Future State Workflow Events: < Cash Reporting and Forecasting >		
No.	Description	Justification	Comments
1.	None Indentified		

Gaps

Gaps	Master List of Future Gaps: < Imprest Fund and Replenishment >		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	None Indentified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: < Cash Reporting and Forecasting >			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	Imprest Custodian	Enters the Expenditure and Replenishment Cash Journals in SAP. Parks the Vendor Invoice if the payment will be generated out of SAP	The Imprest Custodian will save the cash journal and park vendor invoices, which will be reviewed and approved by the Imprest Manager. This user will not be authorized to print checks in SAP	
2.	Imprest Manager	Approves and posts Cash Journals and Vendor Invoices that will be paid using the Imprest account in SAP	The tasks performed by the Imprest Manager will update the General Ledger with the expenditure (cash journal) and vendor liability. This user will not be authorized to print checks in SAP	
3	Imprest Payment Processor	Generates vendor payment check from Imprest Account in SAP	For control and segregation of duties, the Imprest Payment Processor will be authorized to execute the check printing transaction in SAP	
4.	Bank Reconciler (Agency)	Enters the check encashment date for those checks issued out of the Imprest account in SAP	Using the bank online services and/or the monthly bank statements, the Bank Reconciler will update the check information in SAP with the encashment date	
5	Payment Processor	Processes the mass payment run for the State	The Payment Processor is responsible for the bi-weekly Vendor Disbursement check run	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Process Cash Journal	The balance of an Agency's Imprest account will be tracked and monitored in	Users assigned to the Imprest Custodian and Imprest Managers will be trained on how to

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
		SAP instead of offline spreadsheets. Entering the expenditure directly in the Cash Journal will replace the manual warrant entered in AFS	save/display/post/print Cash Journals
2.	Process Imprest account checks in SAP	For those Agencies that will print the Imprest Account checks in SAP, the need to maintain a separate 3rd party application will be eliminated	Users assigned to the Imprest Custodian and Imprest Managers will be trained on how to park/post vendor invoices. Users assigned to the Imprest Payment Processor will be trained to how to generate a check in SAP. Users assigned to the Bank Reconciler role will be trained on how to reconcile in SAP and update the check information with the encashment date

Training Impact

- Users assigned to the Imprest Custodian and Imprest Managers will be trained on how to save/display/post/print Cash Journals.
- Users assigned to the Imprest Custodian and Imprest Managers will be trained on how to park/post vendor invoices.
- Users assigned to the Imprest Payment Processor will be trained to how to generate a check in SAP.
- Users assigned to the Bank Reconciler role will be trained on how to reconcile in SAP and update the check information with the encashment date.

Appendix A

Not Applicable

9. Grants Management

Team:	Finance - Grants Management (Grantee)
PDD Name:	Grant Master Data
PDD Number:	FIN-GM-PDD010-Grant Master Data
Business Process Owner:	Afranie Adomako
Functional Lead:	Marlene Scott and Briant Beard
Functional Consultant:	Tri-Chan Le

Executive Summary

The content of this document will address the State of Louisiana's master data design required to support SAP Grants Management – Grantee (GM) business process. At a high level, grants can be defined in SAP as any external reimbursement or funding. SAP provides two (2) modules to support grant related activities: Grantee Management (GM) and Grantor Management (GTR). GM functionality supports any grant business processes where the grant is awarded to the State from an external entity, as in the case of the federal government or private entity (Organizations, Foundations, etc.), and the State consumes that grant fund. GTR supports any grant activities in which the State is the sponsor, thereby the original source of funding, and awards the grant to an outside entity such as a parish. Together, GM and GTR will support the business process for pass-through grants as in the case of a Federal grant awarded to the State to pass through to a third party, an entity outside of the State such as a parish or foundation. GTR and GM offer distinct functionalities that will support different aspects of the pass-through process, which includes using GTR to benefit from the application and assessment functionality allowing third parties the utility to apply to the State while utilizing GM to benefit from the billing functionality and reporting capability to sponsors.

This document will address the master data requirements for GM, specifically grants awarded from an external source to the State. Additionally, since GM and GTR will support the business process for pass-through grants, this document includes GM master data required to manage its part of the pass-through process. GTR PDDs will further discuss specific grantor master data requirements needed to manage its business process responsibilities in the design for pass-through grants.

SAP GM is a financial posting and reporting toolset, allowing a financial view of funding and activity by Grant award as well as by Grant programs (Sponsored Programs). Compared to the legacy AFS system in which grants are primarily managed offline using various systems including Excel spreadsheets and Access database, employing the GM module will allow a uniform approach to the management of Grant-funded activity. GM provides a sponsor view or dimensions of grant related activities. These dimensions are the Sponsor, Grant, Sponsored Program, Sponsored Class, Fund and Fiscal Year. Details of these dimensions and any other master data or tool required to support grant activities, such as the Work Breakdown Structure (WBS) Element and GM Derivation tool, are discussed in subsequent sections.

As agreed by the Subject Matter Experts (SME's) in the GM blueprint sessions, the Grant, Sponsored Program, Sponsored Class and WBS Elements will be maintained at the departmental level by the Departmental Grants Administrator (DGA) while the Sponsor will be maintained by the Central Grants Administrator (CGA), a new role to be defined in DOA. However, for certain cases where a department is awarded very few grants a year, a DGA role is not required and the CGA will need to undertake the responsibilities for managing the grants of that department. The GM derivation rules will be maintained

solely by the GM Derivation Specialist at the Office of Information Services (OIS); however, GM derivation tables will be maintained by the CGA.

To-Be Process Description

Grants can be defined in SAP as any external reimbursement or funding. As part of realization, an inventory of all external reimbursements or grants will conducted. This inventory will be analyzed to determine whether the benefit of tracking these in GM outweighs the cost or effort. All other external reimbursements not converted to GM (due to complexity or will be converted as part of the second go-live with DOTD) will be tracked offline as is the current case for the majority of grants. From blueprint to date, it has been determined that the Federal Highway Administration (FHWA) program will not be managed in GM due to the complexity of the funding structure and billing requirements. In order to meet these requirements, a custom solution will be built by the Project System (PS) team. Reference FIN-PS-PDD050 for design details.

Employing SAP GM will allow a uniform approach to the management of Grant-funded activity. SAP GM is a financial posting and reporting toolset, allowing a financial view of funding and activity by Grant award as well as by Grant Sponsored Program. GM provides the following additional advantages:

- View the grants and sponsored program budgets, revenues and costs in terms of the sponsor's dimensions. These dimensions are simultaneously updated when posting to the State's internal dimensions.
- Simplify the claiming process by deriving the sponsor's reporting revenue/expense categories and sponsored programs from the State postings. Use of the SAP GM Sponsored Class allows presentation of the State's costs in sponsor-required format.
- Online budget control by grant, sponsor's programs or sponsors classes, where required.
- Automatic billing and posting of receivables where possible.
- Additional posting controls, many of which are currently tracked offline, according to:
  - Allowable expense codes
  - Grant cut-off control
  - Control of posting by grant lifecycle
- Elimination of, or reduced dependence on, manual shadow systems such as Excel to track grants by sponsor or internal dimensions and standardize grants processes throughout the State
- Provide greater visibility (in system) for grants in the application stage.

The following master data (detailed below) exist in SAP GM: Sponsor, Grant, Sponsored Program, Sponsored Class and Fund.

Sponsor

Grant Sponsors are created within a Sales Area. One Sales Area will be created for the State's Sponsors to facilitate Grant 'Billing' (see FIN-GM-PDD050 Grant Billing and Receivables Processing).

When a Sponsor is required, accounts receivable will first create an FI customer master record with both company code and sales view (refer to AR master record PDD for more information). The customer master record will be assigned an internal, sequential number. The same number is assigned to the Business Partner. The CGA then extends the Sponsor by creating the Business Partner – Sponsor role. An SAP Sponsor is created for each grant sponsor using standard transaction BP - Create Business Partner, and designation of Business Partner type "Sponsor".

The SAP Sponsor (Business Partner) is used to represent and record details about the granting agency. The Sponsor master data includes such details as

- Administrative (address, contact information)
- Grant details, including:
  - Grant Type (e.g. Competitive, Entitlement)

  - Sponsor Fiscal Year Variant
  - External Fund
  - Billing Rule (e.g. Resource Related Billing (RRB - automatic billing), Manual Billing)
  - Cost Sharing (Matching) Rules, if any
  - Indirect Cost calculation rules
  - Permitted Sponsored Programs/Classes, and
- A link with the Accounts Receivable and Sales and Distribution master records for appropriate receivable and billing handling.

This data is defaulted to the grant master record, but can be overridden if necessary and if the Sponsor settings allow this. Sponsor maintenance will be centralized, managed by the CGA, with the assistance of AR. The sponsor will be an eight (8) digit, internal sequential number assigned by the AR system. The business partner will be created with the same number as the AR master record.

Grant

An SAP Grant is created via standard transaction GMGRANT and is used to represent a specific award/agreement with a Business Partner. Grants are created with reference to a Sponsor and Grant Type. The Grant master data includes such details as:

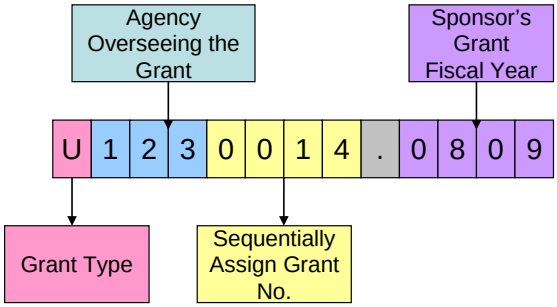
- Administrative
  - Grant Amount
  - Funding Origin
  - CFDA designation, if required
  - Validity Period
- Budgeting Rules
  - Sponsor' s Fiscal Year
  - Budget splitting rules. The splitting rule determines how budget validity periods are generated (e.g. by grant validity period, by grantor fiscal year, etc).
  - Budget Layouts
- Posting Rules
  - Whether certain types of transactions are allowed and how they are handled. This can be used to override the lifecycle status posting rules.
  - External Fund and Internal Fund(s) (if cost sharing is applicable)
  - Allowable Sponsored Classes
  - Allowable Sponsored Programs,
- Billing Rules
  - Whether manual or cost reimbursement billing is used
  - Whether billing is based on cash, expense or other basis
  - Link to Sales Module for Billing
- Posting and budgeting control by fund, sponsored programs and sponsored class combination.
- Cost Sharing Requirements, if any.
- Indirect Cost Allocation requirements, if any.
- Limits on indirect cost, if any

Grant creation will be decentralized to the departmental level by the DGA. However, the CGA will be responsible for creating grants for departments that receive few grants a year and do not require a DGA. The basis behind this design is due to the complexity, multitude and sensitivity of the grant master data. The time and effort it takes to train a new DGA of a department that receives few grants is not an effective

solution as decided by the SMEs. The DGA's and CGA will each will have the authorization to create Grants for application and ongoing grant maintenance as discussed in FIN-GM-PDD020.

The following paragraphs will discuss the grant naming convention for federal, pass-through, and privately funded grants. Additionally, grant funded projects will also be addressed. The field length for grants is 20, however, the State will only use the required number of characters out of the available 20, as shown below.

For Federal, Pass-Through and Other grants (Private Foundations/Organizations etc.), the grant naming convention will be:



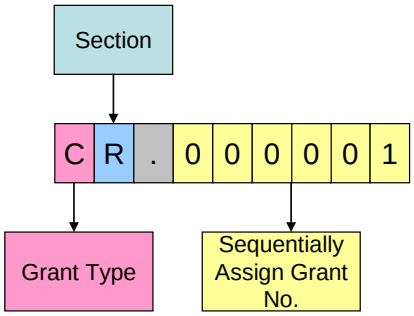
The grant number is comprised of 13 alpha/numeric characters. The first character of the grant master is alpha, which designates the grant type and allows fund to be automatically derived from the grant number. The naming convention above refers to the following types of grants established: US Federal (U), Other (O), and Pass-Through (P). Refer to Fund section below for further details and full listing of Grant Types.

The agency overseeing the grant is defined as the agency that monitors and applies for the grant. This may differ from the agency that executes the grant, which represents the agency or cost center where the money is spent.

The sequentially assigned number will begin with 0001 and increase by 1. Each agency will thus have a 0001 grant. The next assigned number will be 0002, etc. The grant will maintain this same sequence throughout its life, the only thing differentiating it is the fiscal year at the end of the grant number. This allows for a possible 9999 grants for each managing agency.

The fiscal years represents the sponsor's validity period of the grant. The first two digits represent the start year, while the last two represent the end year of the grant. If a grant is calendar year based, for example 2008, it will be assigned 0808. If a grant stretches over two years, it will be assigned the two years, for example, 0809 for a grant which begins in 2008 and ends in 2009. For multi-year grants, the same convention applies. For example, a grant which begins in 2008 and ends in 2010, will be assigned the suffix 0810 to the grant number.

From blueprint to date, the only agencies identified to receive grant funded capital projects are the Department of Natural Resource (DNR) to manage Coastal Restoration (CR) projects and the Department of Transportation Development (DOTD) to manage Coastal Protection (CP) projects. For coastal grant funded capital projects, the following grant naming convention will be used:



The Grant number is comprised of 9 alpha/numeric characters. The first 2 characters will be alpha, in which the first character designates that it is a "Coastal Grant Funded Project" grant type and the second character designates the section, whether it is a CR, CP or Coastal Combination of Restoration and Protection (CC) project. Refer to Fund section below for further details and full listing of Grant Types.

The sequentially assigned number will be 6 characters, beginning with 000001 and increase by 1 for every new grant funded capital projects.

Refer to FIN-PS-PDD010 for further details on how PS will handle capital projects, specifically on Coastal Grant Funded Projects; Refer to FIN-GM-PDD040-Grant Accounting for how the postings will update both PS and GM; and Refer to the Sponsored Program section below for details on the relationship with Grant Programs and Project Phases for grant funded projects.

Sponsored Program

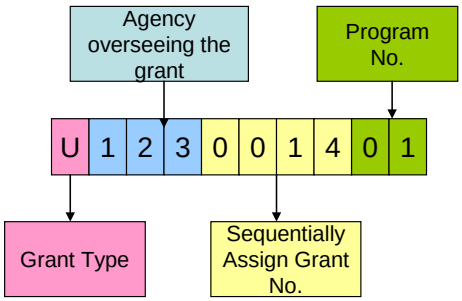
The grant master, which is an external dimension, will be linked to the other SAP modules via the WBS Element, an internal dimension. The link between external and internal dimensions will be managed in the GM Derivation tool. A grant may fund several different and distinct sponsored programs. These programs will be represented in GM using the Sponsored Program dimension.

A Sponsored Program is created using standard transaction GMPROGRAM, to represent a Grant-funded program. Funded program, as further detailed in FM PDDs, will represent the external, reporting programs.

The sponsored program can also be used to limit the fund center(s) (via cost center(s)), funded programs and functional areas groups that can post to the program. This acts as a posting validation control which will override account assignment derivations and acts as a link to Funds Management (FM) master data.

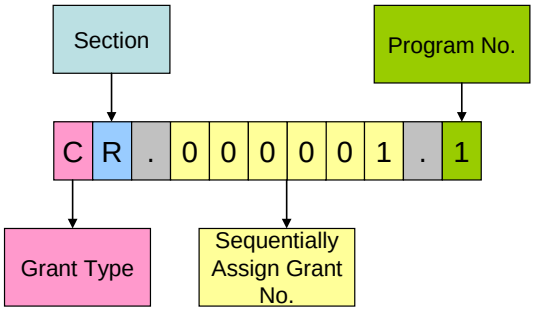
Sponsor program maintenance will be decentralized to the DGAs at the departmental level. However, similar to the grant, CGA's will be responsible for creating Programs for departments that receive few grants a year and do not require a DGA.

The field length for sponsored programs is 20. However, the State will use only the required number of characters as indicated below. The following naming convention applies to sponsor programs of the following grant types: Federal, Pass-Through, and Others. The sponsored program will be derived from the WBS element, representing the GM cost object – (see Other Master Data and Account Assignment Derivation sections below for further details). The sponsored program to WBS Element is a one to many (1: N) relationship.



The convention will be 10 alpha/numeric characters. The first eight (8) digits of the sponsored program will be the same as the grant number (i.e. the grant type, agency overseeing the grant and sequentially assigned number). The next two (2) digits will be the program number, which allows for a possible 99 programs for each grant.

For Coastal Grant Funded Capital Projects, the sponsored program naming convention will be as follow:



Similar to the Grant naming convention for Coastal Grant Funded Projects, the first 9 characters of the sponsored program represent the grant type, section, and sequentially assigned number. This is followed by a period and a 1 digit phase.

Unlike Sponsored Programs for Federal, Pass-Through and Other/Private grants, grant funded project Sponsored Programs will have a one to one (1:1) relationship with the WBS Element, which also represents the phases of the project (Planning/Feasibility, Design, Land Rights, Construction, Monitoring, Operations/Maintenance , and CRMS). As decided in the PS blueprints, Coastal projects will have 7 phases, and therefore, 7 WBS Elements and 7 Sponsored Programs will be created. Refer to FIN-PS-PDD010 for further details on these project phases from the PS side. The similar naming convention for project phases and Sponsored Programs will facilitate simultaneous updates of both PS and GM without having to use settlement functionality, while further allowing the State to benefit from both functionalities, including meeting sponsored requirements, such as budgeting and billing on the GM side, and posting and reporting on the PS side.

Sponsored Class

A Sponsored Class represents an expenditure claim or reporting category on the clients claim or reporting form. Sponsored class may represent a single State commitment item or a group of State commitment items for presentation from sponsor's perspective. Commitment items represent budget and fund accounting classifications of GL Accounts and Cost Elements in the Funds Management Module. They are thus used to reflect the type of revenues and expenditures being budgeted and also to detail balances for each fund in FM. A Sponsored Class is created using standard transaction GMCLASS. Use of this

object facilitates budgeting and posting by sponsor categories simultaneously with budgeting and posting using State accounts.

The sponsored class is linked to commitment items in FM. Multiple commitment items may be assigned to the sponsor class. When using grants budgeting, only these commitment items can be used for budget transfer to FM.

The sponsored class can also be used to limit the commitment items that can post to the program. This acts as a posting validation control which will override account assignment derivations.

Additionally, Sponsored Classes can be set to billable or non-billable, according to sponsored requirements. Only expenditures charged to a billable class will be picked up during automatic billing – Refer to FIN-GM-PDD050 Grant Billing and Receivables for details.

Sponsor Class maintenance will be decentralized to the DGAs at the departmental level. However, similar to the grant, CGA's will be responsible for creating Classes for departments that receive few grants a year and do not require a DGA.

The following is the naming convention for Sponsored Classes:

5	0	0	S	U	P	P	L	I	E	S									
S	F	-	1	0	0	S	A	L	A	R	Y								
R	E	V	.	F	E	D	.	E	D	U									
R	E	V	.	N	O	N	.	E	D	U									

- Up to 20 alpha/numeric characters can be used.
- As decided in Blueprint, the State will establish generic classes that apply to the majority of grants. The sponsor class will be derived from commitment item only using GM derivation rules
- The first 3 digit represents the federal reporting level for expenditures and is followed by the description of the expenditure class. It was decided in blueprint that the class naming convention will apply for all grants regardless of the funding source (ie. Federal or Others/Private).
- Deviations of similar classes for specific grants may be required. This will include/exclude certain commitment items that are in the generic class. The sponsor class will be derived from commitment item and grant number using GM derivation rules (e.g. 500Supplies01, and 500Supplies02 represent deviations from the generic classes).
- For the purpose of budget exemption of salaries and related benefits, the classes will be denoted with an "SF- " then followed by the naming convention of 100Salary (i.e., SF-100Salary). GM will be configured to exempt budget check on classes beginning with "SF-". Any other exceptions will be noted during realization, as required.
- Every active grant will be set up to include an Expense and Revenue Sponsored Class. Revenue Sponsored Classes are exempt from this naming convention. Instead, the class will only include characters REV for revenue, followed by a period, followed by FED for Federal or NON for non-federal, followed by a period, followed by the description of the revenue account.

Fund

Funds are centrally maintained in FM. In GM, a distinction is made whether the Fund is of an External (Sponsor funded) or Internal (State funded for matching) source in management of a Sponsored Program. The required External Grants fund and Internal funds will already be set up at go-live. Refer to FM PDD FIN-FM-PDD010 for Master Data Maintenance. Any new required funds will be set up by OSRAP.

The following grant relevant funds will be used. The fund will be a nine (9) digit numeric code. For the State, the External fund will be based the funding source – Federal or Other/Private. As discussed earlier in the Grant section, the Fund will be derived from the first alpha character of the Grant number. The following Funds and its relationship to Grant Type have been established:

FUND	FUND DESCRIPTION	GRANT TYPE
Internal Funds -Agency Funds	General – State Appropriations Cost Sharing	U, O, P, C
Federal External Fund	US Federal Government Grant Fund	U
Other External Fund	Other Grant Fund	O
Federal External Fund	US Federal Government Grant Fund	P
Federal External Fund	US Federal Government Grant Fund	C

It was determined during GM Blueprint that for Pass-Through and Coastal Grant Funded Project grants, the State only receives funding from the US Federal Government and no other sources such as Organizations/Foundations, and therefore, the system will be configured to derive the US Federal Government Grant Fund.

When cost sharing is required, grant costs will initially be coded to the internal fund, which is the agency's fund responsible for the matching potion. Sponsor cost sharing requirements could be applicable to grant types.

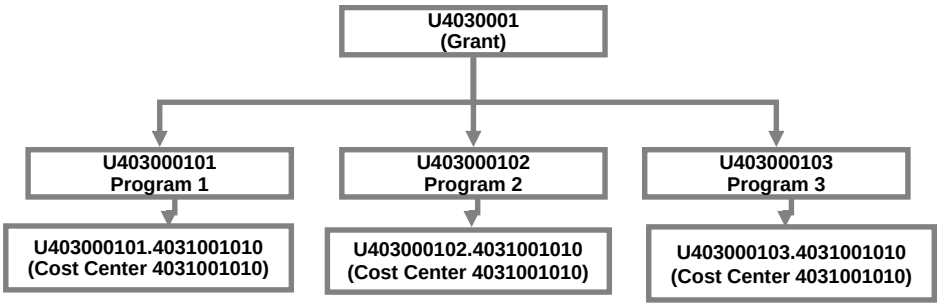
Other Master Data

When charging to a grant, users must enter an SAP cost object on each transaction. These CO objects represent the internal view cost collector, whereas the grant sponsored program represents the external cost collector. WBS elements will be used as the cost object for each grant program. The WBS was used in place of the internal order since it provides more digits and allows the State to imbed both the agency overseeing the grant and the agency executing the grant in the grant program, thus enabling easier reporting for both agencies.

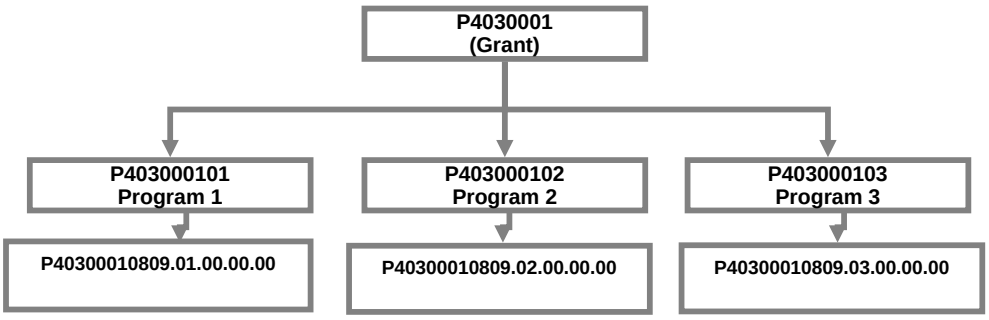
In addition to entering the WBS Elements, the grant number will be entered on each transaction. Refer to FIN-GM-PDD040 Grant Accounting for additional information.

The WBS element will represent internal, breakdown of grant money. The sponsor may provide one lump sum of money and the State decides how it will be spent. WBS elements will be created and released for each internal breakdown, to allow tracking and reporting of how the money was spent internally at the State.

WBS elements will be set up in a hierarchy to allow for reporting and allocation requirements. The following is a sample hierarchy for Federal and Other/Private Grants. Actual cost/revenue will post to the third level, which has the agency or cost center number that is spending the grant fund. A Cost Center is an organizational unit within a controlling area that represents a revenue and cost collector for more permanent activities or areas of responsibility



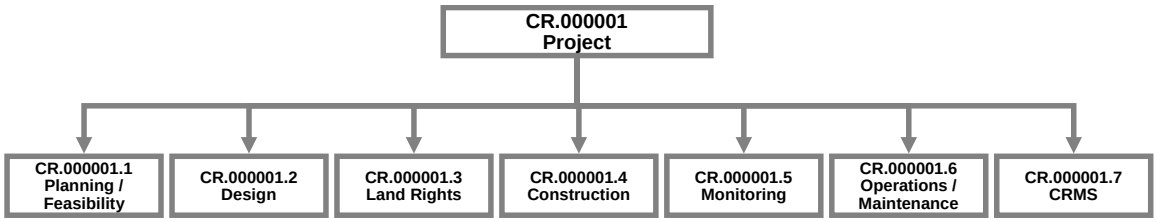
For Pass-Through Grants, the following diagram represents the hierarchical structure. The sample shows only 3 levels, however, this structure could have up to 6 levels. The WBS posting address is represented as P40300010809.01.00.00.00, in which "01.00.00.00" represents the recipient's hierarchy, and therefore, allows up to a total of 4 levels where actuals can post to.



The legacy AFS system views any grant received from a sponsor by a managing State (i.e., DOE) agency that "passes" or allows the grant award (or portions of) to be spent by a different State (i.e., OYD) agency as Pass-Through. In SAP, the term pass-through references the case where a sponsor grant is awarded to the State to be passed through to a third party, an entity outside of the State such as a parish or foundation. In the case where a managing agency (i.e., DOE) allows a different agency (i.e., OYD) to spend portions (or full amount) of the grant fund, a WBS will be created to capture this agency's (ie. OYD) grant program related expenses/revenues, <u>but only if the managing agency allows direct charge to the grant</u>. If direct charge is not allowed, then expenditures from the spending agency will be charged to some other appropriate cost object. At month end, CO allocation will be run to allocate costs to the grant.

Pass-through WBS Elements will have a one to one (1:1) relationship with the Grantor Program IDs. The role responsible for creating the Grantor Program IDs will also be responsible for creating and maintaining the WBS Elements. However, the Grant, Sponsored Program, Sponsored Classes and Funded Program will continue to be maintained by the DGAs (or CGA in specific cases). For more information on Funded Program, refer to PDD FIN-GM-PDD030.

For Coastal Grant Funded Projects, the following represents the hierarchical structure. Postings will occur against the second WBS level.



Funded program in FM will be created for each WBS element relevant to Federal and Other/Private grants and Coastal Grant Funded Projects. For Pass-through grants, a Funded Program will be created for each sponsor dictated program (Sponsored Programs) instead of each WBS Element. From a GM-Grantee and Federal stand point, pass-through funds do not need to be budgeted to the recipient level, but rather to the program level to ensure that recipients do not over claim expenditures for that sponsored program. Similar Funded Program groups will be created in FM to allow for FM budget control and FM actual/budget/variance reporting at different levels. For more information of budget control for grants, refer to PDD FIN-GM-PDD030.

Account Assignment Derivation

Account Assignment Derivation in SAP GM ensures appropriate posting of Sponsored Classes and Programs when State GL accounts and WBS elements are charged.

Expenditure and revenue accounts are assigned to specific Sponsored Classes so that the Sponsored Class maintained in a Grant master record accurately reflects the sponsor's view of the State's expenditures. Postings to revenue and accounts simultaneously update the sponsor class in GM to which the accounts were assigned.

WBS Elements are assigned to Sponsored Programs so that the grant-funded programs roll up to the appropriate Grant award in the SAP GM ledger.

Users can never directly change either one of these GM objects. The following GM derivation rules will be configured for sponsored program and class:

Sponsored Program:

- For Federal and Other/Private Grants:
  - First 10 WBS Element character = Sponsored Program (standard derivation N:1)
- For Pass-Through Grants:
  - Element Character + 14th to 15th character = Sponsored Program
- For Coastal Grant Funded Projects:
  - WBS Element = Sponsored Program (standard derivation 1:1)

Sponsored Class:

- Commitment Item = Sponsored Program Class (Standard derivation)
- Grant + Commitment Item = Sponsored Class (grant specific class deviations)

The GM derivation rules will be maintained solely by the GM Derivation Specialist at the Office of Information Services (OIS), however, GM derivation tables will be maintained by the CGA. DGAs will need to communicate with the CGA if any changes to the tables are required.

Grants Management Scope

The following criteria were used to define a grant: 1) If there are sponsor reporting requirements, 2) A need to apply for funding, and 3) Eligibility requirements to be met. Those grants that meet these criteria will be tracked in GM. For grants that will not reside in GM due to complexity, such as FHWA, or requirement to track offline, a shell will be created in GM for that particular grant along with the grant dollar value. This will allow a complete report of all grants that exist in the State and facilitate the Governor's initiative. In such case, GM functionality will not be used and no postings would occur.

CO Allocation and HR Maintenance

The State's processes for recording Cash/In-kind Match for grants will be in accordance with SAP Public Sector Best Practice recommended use of External and Internal Fund concepts. This allows the State to distinguish between Sponsor external resources and the State's internal resources in GM. With this practice, the end-user posts all Grant expenses to the appropriate grant (external) fund with other pertinent account assignments. On a monthly basis, CO distribution cycles are executed to reclassify the State's match portion of these expenses from the grant (external) fund to the appropriate internal fund according to the cost sharing requirements of the grant. Further information regarding CO allocation is provided in FIN-GM-PDD040 and FIN-CO-PDD050.

During GM Blueprint, it was decided that the Distribution cycle would be created and maintained by the departments due to the complexity and granule details required to properly set up the cycles. However, the cycles would be run by OIS.

Grant related payroll costs can be directly posted to the Grant from the HR system via the use of HR Infotype 1018 or direct time entry. Infotype 1018 represents the HR position and provides the ability to distribute costs. Therefore, multiple account assignments can be defined so that a position supporting multiple grants or grant programs can split amongst the various SAP account assignments, and in the case of matching requirements, can be split between internal and external funds. Infotype 1018 allows payroll cost distribution to the following coding block: Fund(s), Grant and WBS Element. Further information regarding HR related activities is provided in FIN-GM-PDD040.

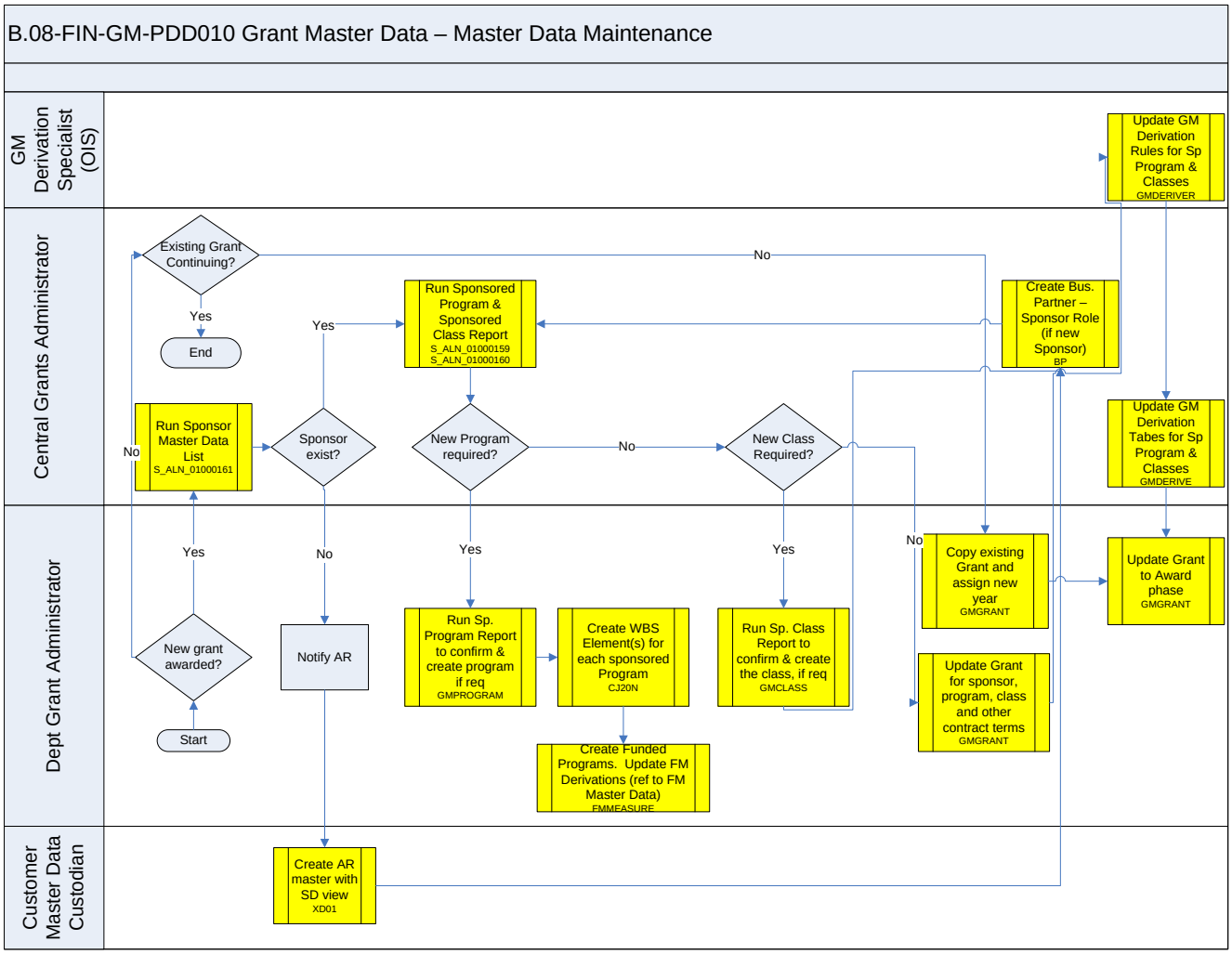
1018 records will need to be regularly monitored and updated to accurately charge to the appropriate grant(s) or account assignments, if needed. It was suggested during the GM Blueprint that the use of a 1018 Update Form could help communicate the required 1018 record changes/updates to the appropriate personnel. When required, the DGAs will use the form to record the necessary changes to the 1018 record and submit to the department's HR section for updates. The GM Functional Team and Enterprise Readiness Team will help make recommendations to the agencies on the form.

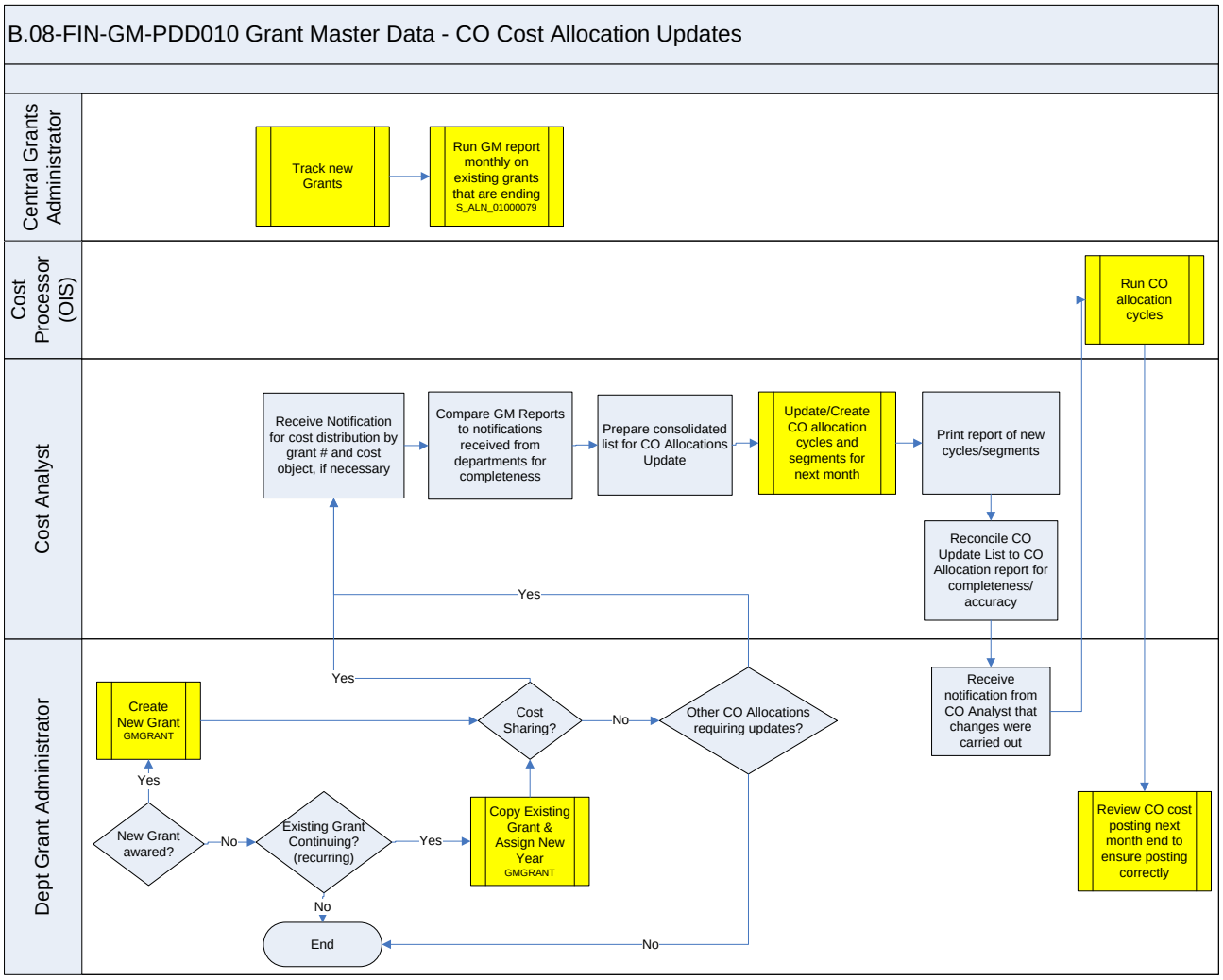
#	Process Terminology	Description
1	Sponsor	An agency or institution providing financial assistance in the form of a grant.
2	Grant	Represent lower-level funding instruments used to document, control and report on the results of an agreement between a sponsor and an organization.
3	Sponsored Program	GM structure used to control and monitor transactions based on a sponsor's external programs, which may be different from an organization's own programs.
4	Sponsored Class	GM structure used to control and monitor transactions based on a sponsor's account structure, which may be different than an organization's own accounts.
5	WBS Element	Structures used to collect and monitor the actual costs of discrete long-term tasks.
6	Fund	A fiscal and accounting entity with a self-balancing set of accounts which are segregated for specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Represent the lowest level of funding used for tracking, controlling and reporting on available financial resources
7	GM Derivation Tool	Tool to derive sponsored classes and sponsored programs, and, under

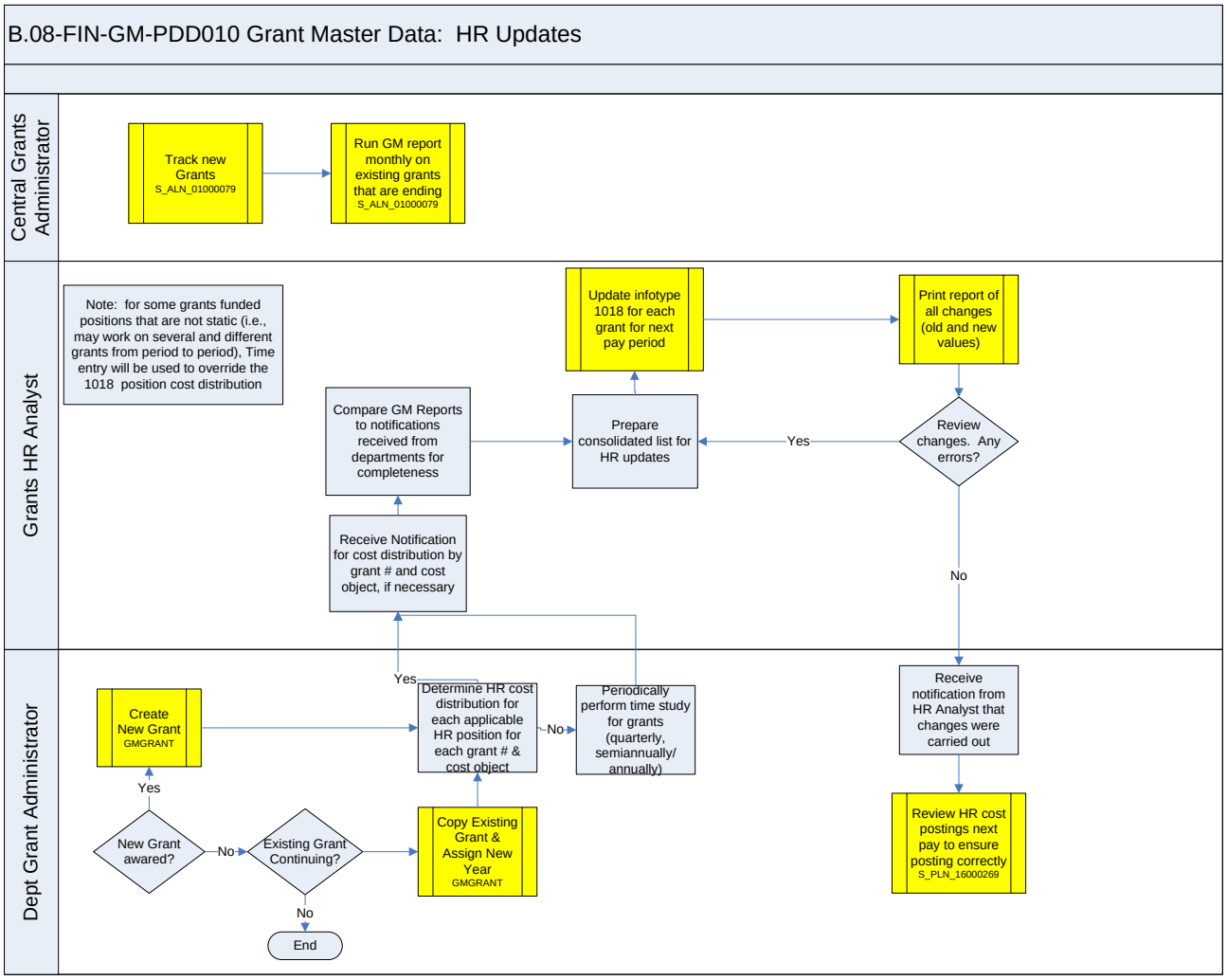
#	Process Terminology	Description
		certain circumstances, funds and grants. User-defined rules are created to record data assignments and perform the derivations.
8	Pass-through Funding	Grants awarded to a grantee organization that the grantee distributes to a third party.
9	Fund (External)	Financial support or resources that outside sources (such as sponsors) contribute to an organization.
10	Fund (Internal)	Financial support or resources that inside sources (grantee or contractor) contribute to help subsidize sponsored program activities.
11	Cost Center	An organizational unit within a controlling area that represents a revenue and cost collector for more permanent activities or areas of responsibility.
12	Commitment Item	Commitment Items represent balance sheet, fund equity, revenues and expenses accounts in FM at the lowest level of detail necessary for internal and external reporting. They cut across organizational units, funds and/or functional areas.

To-Be Process Flows

The following diagrams display the business processes required to maintain GM master data, CO Allocation runs and HR maintenance of 1018 records. As indicated previously, for those departments that receive few grants a year, a DGA role is not required and the CGA will need to undertake the responsibilities for managing the grants of that department. Additionally, the CGA will also serve as a support role for all DGAs.


B.08-FIN-GM-PDD010 Grant Master Data – Master Data Maintenance
GM Derivation Specialist (OIS)
Central Grants Administrator
Dept Grant Administrator
Customer Master Data Custodian
Update GM Derivation Rules for Sp Program & Classes
GMDERIVER
Existing Grant Continuing?
No
Yes
End
Run Sponsored Program & Sponsored Class Report
S_ALN_01000159
S_ALN_01000160
Create Bus. Partner – Sponsor Role (if new Sponsor)
BP
Run Sponsor Master Data List
S_ALN_01000161
Sponsor exist?
New Program required?
New Class Required?
Update GM Derivation Tabes for Sp Program & Classes
GMDERIVE
Copy existing Grant and assign new year
GMGRANT
Update Grant to Award phase
GMGRANT
New grant awarded?
Start
Notify AR
Run Sp. Program Report to confirm & create program if req
GMPROGRAM
Create WBS Element(s) for each sponsored Program
CJ20N
Run Sp. Class Report to confirm & create the class, if req
GMCLASS
Update Grant for sponsor, program, class and other contract terms
GMGRANT
Create Funded Programs. Update FM Derivations (ref to FM Master Data)
FMMEASURE
Create AR master with SD view
XD01


B.08-FIN-GM-PDD010 Grant Master Data - CO Cost Allocation Updates
Central Grants Administrator
Track new Grants
Run GM report monthly on existing grants that are ending
S_ALN_01000079
Cost Processor (OIS)
Run CO allocation cycles
Cost Analyst
Receive Notification for cost distribution by grant # and cost object, if necessary
Compare GM Reports to notifications received from departments for completeness
Prepare consolidated list for CO Allocations Update
Update/Create CO allocation cycles and segments for next month
Print report of new cycles/segments
Reconcile CO Update List to CO Allocation report for completeness/ accuracy
Yes
Dept Grant Administrator
Yes
Create New Grant
GMGRANT
Cost Sharing?
No
Other CO Allocations requiring updates?
Receive notification from CO Analyst that changes were carried out
Yes
New Grant awared?
No
Existing Grant Continuing? (recurring)
Yes
Copy Existing Grant & Assign New Year
GMGRANT
Review CO cost posting next month end to ensure posting correctly
No
End
No



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Creation of new roles: CGA, DGAs, Cost Analyst, Cost Processor, GM Derivation Specials, Grant HR Analyst and Customer Master Data	Creating the GM Derivation Specialist, CGA and DGA roles will allow for separation of duties, which is critical for the maintenance of GM master data	Understanding the master data design and how they are integrated.
2	Use of CO distribution to allocate cost.	Cost will be posted to the external fund when it is inconvenient to split cost upfront.	Training on the maintenance of the CO distribution runs.
3	Logical GM Master Data & naming convention	Naming convention for master data needed to support GM activities has been identified. The processes related to the creation and maintenance are captured in	Training on new naming convention and the integration of these master data. Understanding of how GM is updated and the relationship between external and internal

#	Decision	Process Impact	Organizational Impact
		the attached Visio flows.	dimensions. Understand when to use which naming convention in relations to the source of funding.
4	SAP GM will be the system of record for grants.	The "GM" module will allow for grant activity to be tracked and budgeted online in real-time – whereas in the past, many agencies & departments used a combination of systems and spreadsheets.	Agencies/Departments will use SAP to record for grant activity. Also, for non-tracking agencies, basic grant information will be needed.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	See below		X	X			

Note: *The GM Functional Team and Enterprise Readiness Team will help make recommendations to the agencies on the 1018 Update Form. This will be used to update account assignments on the 1018 records.*

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Central Grants Administrator - CGA	CGA required at a central location		CGA should have same security as DGA create master data but limited to specific authorization groups, if needed. Display access for all authorization groups
2.	Departmental Grants Administrator-DGA	DGAs at the departmental level		Limit authorization group, if needed.

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
3.	Cost Analyst	Analyst at Departmental level		
4.	GM Derivation Specialist	OIS specialist		Must be tightly controlled
5	Grant HR Analyst	Analyst at departmental level		
6	Cost Processor	OIS Processor		
7	Customer Master Data Custodian	User required at a central location		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Grant activity must be recorded in the system	In the past, many agencies & departments used a combination of systems and spreadsheets. GM will help to eliminate offline processes and manual manipulations	Agencies will need to understand the integration of modules within SAP, particularly the validation and controls that are set up.
2.	Set up of Master Data – Sponsor, Grant, Program, Class & GM Derivation	GM dimensions will need to be created. Currently these dimensions are offline.	CGA/DGA/GM Derivation Specialist will need to understand how to create and maintain these master data
3.	Distribution cycle	Cost sharing/matching can be automatically allocated using CO at month end.	Cost Analyst and Processor will need to understand how to set up and maintain these cycles.
4	GM Master Data - Intelligence in numbering convention	Use of intelligent number ranges to link grants and grant sponsored programs to CO objects, which will allow for updates of the internal and external dimensions at the time of posting. This will allow consistency, as opposed to today where account assignments are freely used according to agency's discretion	CGA/DGAs will need to understand the significance of the convention as it serves for reporting, deriving account assignments, and overall, structuring Grants Management.
5	Validation of account assignment for programs and classes	All postings will be validated to ensure that account assignments used are allowed for in GM.	Users need to understand the validation checks that occur in SAP-GM at posting.

Training Impact

The following addresses the training requirements and impact as a result from this PDD:

- CGA is required within DOA. The CGA will serve as a reference and point of contact for all DGA's, helping them to resolve any system errors encountered while processing GM related business transactions. For departments that receive few grants a year, the CGA will need to

handle the management of those grants since a DGA is not needed. CGA will also be responsible for the maintenance of the Sponsor Master Data.

- DGAs at the departmental level. DGAs will be responsible for the maintenance of the Grant, Sponsored Program, Sponsored Class, WBS Element, and Funded Program.
- The GM derivation rules will be maintained solely by the GM Derivation Specialist at OIS; however, GM derivation tables will be maintained by the CGA.
- The Cost Analyst at the departmental level will be responsible for the set up of the GM distribution cycles.
- The DGAs/CGA will need to coordinate with the Cost Analyst to ensure that allocation cycles are properly set up.
- The Cost Processor will be at OIS and need to be trained in running the distribution cycles.
- The Grants HR Analyst at the department's HR section will need to be trained by the HCM Project to update 1018 records

Appendix

Not Applicable

Team:	Finance - Grants Management (Grantee)
PDD Name:	Lifecycle Management
PDD Number:	FIN-GM-PDD020-Lifecycle Management
Business Process Owner:	Afranie Adomako
Functional Lead:	Marlene Scott and Briant Beard
Functional Consultant:	Tri-Chan Le

Executive Summary

The content of this document will focus on the State of Louisiana's Grants Management (GM) lifecycle design, which addresses SAP standard delivered phases of GM and decisions from Subject Matter Experts (SME's) during Blueprint concerning which phases are required for the State and activities allowed during each phase.

Employing SAP Grants Management (GM) will allow the State of Louisiana to manage and report grant related activities online, in one integrated system, as opposed to the legacy AFS system where grants are primarily managed offline through various systems including Excel and Access. In the future, all online grants, regardless of the type of grant, will be subject to these lifecycle phases – Application, Award, Closing, Closed and Cancelled. Additionally, if pre-award cost is allowed by the sponsor, then the pre-award indicator can be set on the Grant master. All grants will be tracked online, beginning at the Application phase, and updated accordingly, ending at the Closed phase. The Cancelled Phase will be set for grants which were applied for and not awarded.

Lifecycle status will be configured and set up so that status can be reversed to some other stage. For example, grants in closing status can be reset to award or grants in closed status can be reactivated to closing. SAP provides an audit trail for any changes to the lifecycle status, including the time, date and user ID used to make that change. Standard SAP – GM reports are also available to provide details of grant status as well as other parameters.

Due to the detail and complexity of the grant master, these phases will be controlled at the departmental level by the Departmental Grants Administrator (DGA) or Central Grants Administrator (CGA) for departments that receive few grants a year, and therefore, do not require a DGA.

To-Be Process Description

As indicated in FIN-GM-PDD010 Grant Master Data, the CGA and DGA's will create the grant master, which will reference the grant type. Grant Types define the lifecycle and user status, internal or external number assignment, posting control of allowed value types for each status, field group control of grant master record fields to determine if they are required, optional, displayed or hidden in each status, standard budget layout sequence and Funds Management Budget Type integration among other things.

When configuring each grant type, default posting controls are established for each phase. These default controls can be changed for a given grant in the master record to refine the controls thereby making the controls more or less stringent. The defaults will not be changed unless absolutely necessary.

At this time, the following separate grant types will be defined for each external grant fund. By doing so, separate grant number ranges can be assigned to grants belonging to each fund, so that the grant

external fund can be automatically derived from the grant number during posting. The following table outlines the grant types that will be set up:

Grant Type	Description	Number Range	Related Grant Fund
U	US Federal Government Grant	U000000000000 to U999999999999	Federal External Fund
O	Other Grant Fund	O000000000000 to O999999999999	Other External Fund
P	Pass-Through Grants	P000000000000 to P999999999999	Federal External Fund
C	Coastal Grant Funded Projects	CA0000000 to CZ9999999	Federal External Fund

Separate grant types are not required by different types of grants (Competitive, Entitlement) since both grant types share the same number ranges and lifecycle status. However, on the grant master, an award type field is provided to distinguish the nature of the grant award (competitive, entitlement etc).

Grants Management provides several stages for managing the grant from application to closeout. Each lifecycle can be used to control the types of postings allowed. The lifecycle status is configured as part of the Grant Type configuration in SAP. This configuration will be set up so that lifecycle status can be reversed to some other status. For example, grants in closing status can be reset to award or grants in closed status can be reactivated to closing. The following standard delivered lifecycle statuses will be used to manage grants through their validity periods:

- ☐ **Application Phase**: In this phase, no actual or budget postings will be permitted. All new grants begin at this stage. It allows the DGA and CGA's the ability to create the grant and review the settings prior to moving the status to the award phase.
- ☐ **Award Phase**: In this phase, budgeting and postings can take place during the grant validity period. All posting activities including POs and funds reservations are possible and open.
  - o If the grant allows for pre-award cost, implying that the sponsor allows expenditures to be charged against the grant prior to receiving the official grant award letter, a check box is provided on the grant master to indicate whether pre-award cost is allowed.
- ☐ **Closing Phase**: In this phase, only subsequent processing of previous commitments, such as PO's, are permitted. No new commitments are permitted. This phase is usually applied at the end of the validity period of the grant or in cases where the grantor allows an additional period after the end of the grant to liquidate commitments and process a final billing.
- ☐ **Closed Phase**: The grant will be closed after all expenses have been posted and billed. No additional activity is expected. The closed status does not allow any activity. Thus, unlike the current AFS system, no further postings will be permitted, reducing the need to clean-up data that is incorrectly posted to a closed grant.
- ☐ **Cancelled Phase**: Grants that were not awarded by sponsor or approved by the State will be moved from the Application stage to the Cancelled Stage. No activity is permitted in this stage.

All identified grants types will be configured with the same lifecycle statuses, and therefore, all online grants will be subject to these statuses. The first phase will be the Application Phase for all. Application phase will be used for those grants that have not yet been awarded by the sponsor. All grants will begin in the application phase and once approved will move directly to the Award phase.

Since the DGA and CGA create the grant master, they will also be responsible for maintaining and updating the statuses for their respective grants. As indicated in PDD FIN-GM-PDD010- Grant Master Data, the DGA will be at the departmental level. However, for those departments which do not have a DGA because of the few number of grants awarded per year, the CGA will undertake the responsibilities of a DGA, including updating the grant status.

The DGA and CGA will monitor grant status monthly using standard delivered reports. They will review any grants status that seem incorrect (e.g. grant validity expired but status is “Award” phase instead of “Closing” or “Closed”) and discuss these with the various departments/agencies.

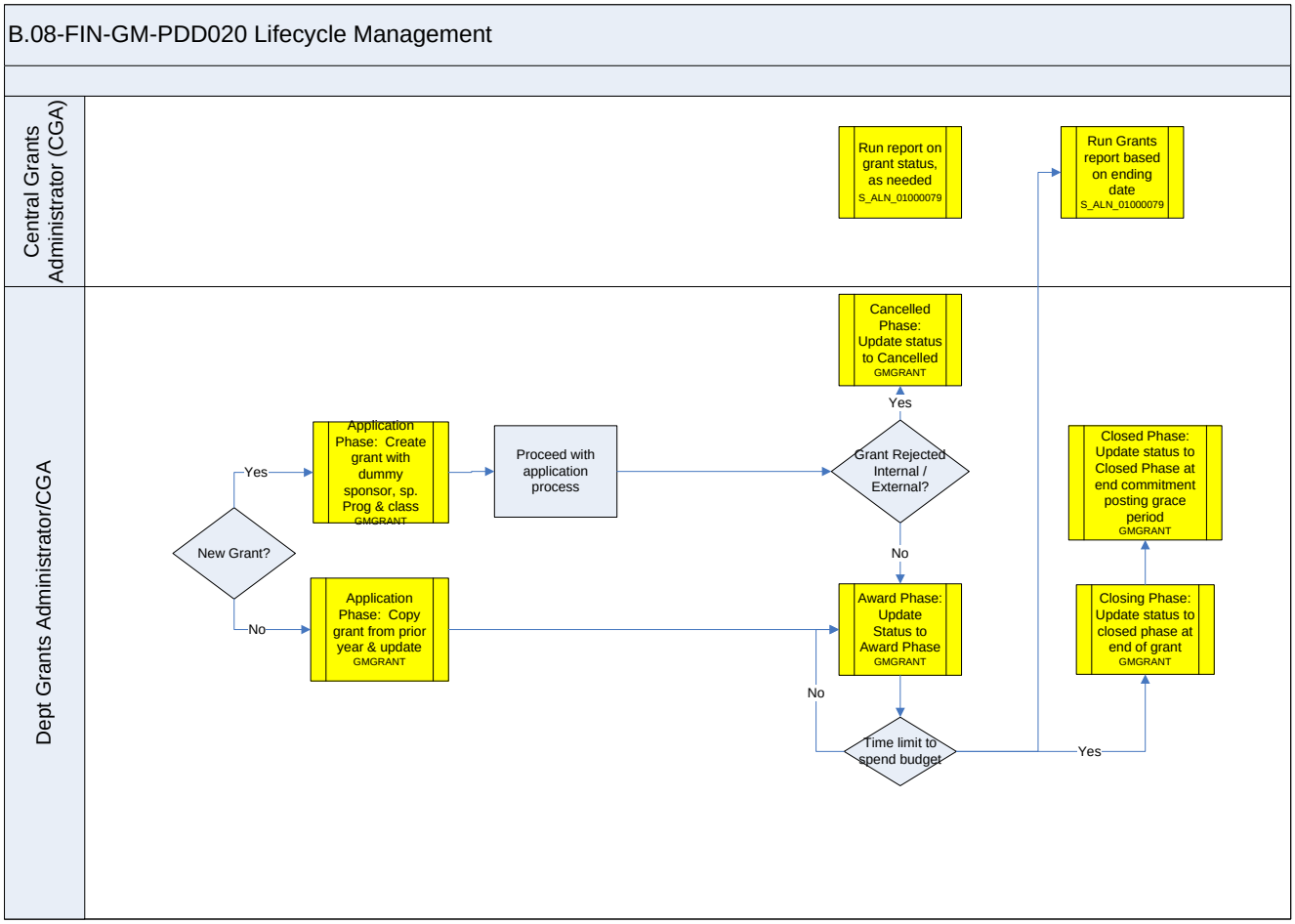
The following table summarizes the above points:

Grant Status	Default Activities	Possible Next Statuses	Status Update Responsibility
Application	None	Award / Cancelled	DGA/CGA
Award	All Postings	Application / Closing	DGA/CGA
Closing	-No Budgeting -No new purchase requisitions or purchase orders -Allow subsequent transactions (e.g. payments on existing Pos) -Allow direct expenses and adjusting entries, CO allocations and HR postings	Closed /Award	DGA/CGA
Closed	None Payroll posting will error	Closing	DGA/CGA
Cancelled	None	Application	DGA/CGA

#	Process Terminology	Description
1	Grants Lifecycle	The different phases or statuses of a grant’s lifecycle such as application, award, closing and closed. Each phase can be used to control grant activities. Stages can be further broken down to match a business process.

To-Be Process Flows

The attached diagram displays the business process required to maintain the lifecycle statuses.



Key Business Process Decisions

A guiding principle for the project is to adapt to a common system-enabled business process design as provided by the best business practices inherent in the SAP and Agile applications. This section is used to document the key decisions that will impact existing business processes that may or may not affect ultimate configuration. Information in this section is shared with the key external support groups including the Executive Steering Committee.

#	Decision	Process Impact	Organizational Impact
1	Lifecycle will consist of the following stages: Application, Award, Closing, Closed and Cancelled	Standardize lifecycle management process across the State regardless of the type of grant (competitive and recurring/entitlement grants)	CGA/DGA's will be responsible for lifecycle status maintenance. Online grants will be subject to these phases, which will impact which type of transactions/postings can occur.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Central Grants Administrator - CGA	1 CGA required at a central location		CGA should have same security as DGA manage the lifecycle but limited to specific authorization groups. Display access for all authorization groups
2.	Departmental Grants Administrator- DGA	DGA's at the departmental level		Limit authorization group by department. Ability to change in all phases of lifecycle.

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Standardization of Lifecycle phases	The following phases will apply to the grants: Application, Award, Closing, Closed and Cancelled. Pre-post functionality also exists in the Grant Master.	Depending on the status of the grant, users will only be able to process specific transactions. Increase level of control by assigning possible activities to different stages of a grant lifecycle
2	Tracking at application phase for all grants, regardless of grant type	Online tracking and reporting of grants and statuses. System provides audit trail of changes against the grant.	CGA/DGA's will need to be trained on how to maintain the statuses and the types of transactions that could take place.

Training Impact

- DGA's at the departmental level will need to be trained on managing the grant lifecycle. DGA's need to understand the different value types that exist and allowed to post for specific phases of the grant.
- The CGA will also need to handle the lifecycle management for those departments that receive few grants a year, and therefore, will not have a DGA.

Appendix

Not Applicable

Team:	Finance - Grants Management (Grantee)
PDD Name:	Budget and Budget Control
PDD Number:	FIN-GM-PDD030-Budget and Budget Control
Business Process Owner:	Afranie Adomako
Functional Lead:	Marlene Scott and Briant Beard
Functional Consultant:	Tri-Chan Le

Executive Summary

The content of this document will focus on the Grants Management – Grantee (GM) budget and budget control design for the State of Louisiana, which also includes highlights of the annual budget preparation process. Sponsored grants are subject to budget guidelines from both the sponsor and State. The implementation of SAP and integration of Funds Management (FM) and GM will allow these requirements to be met. ECC FM will allow for budget and control by State dimensions (fund, funds center, functional area, funded programs and commitment item) and ECC GM will allow for budget and control of a grant by various sponsor dimensions (grant, fund, sponsored program, sponsored class, and timeslice or budget validity period). Compared to the current system where agencies maintain grant budgets offline using various system including Excel and Access, this will be a significant improvement as it allows budgeting, budget controls, tracking and reporting online.

The State's annual budget will be prepared using Business Intelligence's Budget Prep (BI-IP) and retracted to ECC FM and uploaded to GM after final approval from the Governor. BI-IP will be used to prepare the budget beginning with the 2011-12 budget preparation cycle. Unlike the legacy system where grants are not budgeted, ECC requires budgeting by grant. Budget will be prepared and submitted on a grant by grant basis, and in addition, broken down to the lowest level of FM account assignments where budget will be spent. This allows for comparison of budget versus actuals. Once the budget is approved, non-grantee relevant budget will be retracted directly to ECC FM where budget control occurs. Grantee relevant budget will be uploaded to ECC GM to convert the budget to external sponsor dimensions, after which the budget flows to FM according to the State's internal dimensions. Grant budget from BI-IP will be pre-posted by OPB and posted by the Departmental Grants Administrator (DGA) or Central Grants Administrator (CGA) for cases where a DGA is not required because of the few grants received per year by a particular department, and therefore, the CGA will need to undertake the responsibilities for managing the grants of that department.

The GM Budget Workbench will be utilized by all grants in GM to budget sponsor funds as well as any State cost sharing portions. The workbench allows for processing of daily budget processes such as transfers within a grant, and periodic budget processes such as returns of budget, supplements to existing budget and for entering budgets of newly awarded grants received after the annual budget upload from BI-IP to ECC. All mid-year grant budget adjustments will be pre-posted by the Grant Budget Coordinator and then reviewed, posted and released by the Grant Budget Analyst.

This document further addresses various budgeting availability controls (AVC) in ECC. The GM module has its own budget checking functionality, which can be used independently or in conjunction with FM budget checking. In GM, budget will be controlled according to sponsor requirements per grant. In FM, budget will be controlled by State requirements. Reference PDD FIN-FM-PDD030 for FM details.

The combination of non-grant budget and grant budget forms the overall State budget, and ultimately infers the approved budget authority. During the year, the original and adopted budget may be amended through individual supplements, returns and transfers. As agreed by the Subject Matter Experts (SME's) regardless of the budget process, ECC will be the system of record and a reporting source for approved budget authority. Therefore, shifting of budget should not change the overall budget or budget authority. Strategies for maintaining the overall budget authority are discussed in subsequent sections of this document. This document also addresses several recommendations pertaining to the BA7 and non-BA7 approval processes that were made by the Subject Matter Experts (SME's) during the combined BI-IP and Grants Blueprint.

To-Be Process Description

This section will address the following major topics:

- Budget Preparation and upload to ECC GM Budget Workbench
- Budget Workbench usage and functionalities
- Budget Workbench integration with FM
    - Budget Amendments within the Workbench & the BA7 / non-BA7 processes
    - Budget Authority
  - Budget Control
  - Budgeting for Pass-Through and Coastal Grant Funded Projects

2011-2012 Budget Preparation

BI-IP will be used to prepare the budget beginning with the 2011-12 budget preparation cycle. The annual budgets for 2010-11 will be created outside of SAP, converted to SAP dimensions via the use of mapping tables in SAP and converted / uploaded to ECC when complete.

Budget prepared in BI-IP will be retracted into ECC FM and uploaded into GM. Budget will be prepared on a grant by grant basis for budgets related to cost sharing funds in addition to external, federal and private, grant funds. Similar to non-grantee relevant budget, grantee budget will be prepared using internal state dimensions and when uploaded into ECC GM's budget workbench, it will be automatically converted to sponsored dimensions and released to FM to form the overall consolidated budget. The use of an enhancement is required for this process.

Annual budget submission to the Office of Planning and Budget (OPB) will include recurring grants, grants that have been awarded, and grants that have been unofficially awarded, implying that the award letter has not been received yet but is expected. Similar to the current process, agencies requesting amendments to the November budget will require review and approval from OBP prior to having the changes updated in BI-IP's budget version. Reference FIN-BP-PDD010 for details on BI-IP's budget preparation process. Budget upload from BI-IP will be pre-posted by the OBP with assistance from the CGA, and reviewed, posted and released by the DGA.

Mid-year awarded grants will be entered directly in GM using the GM budgeting workbench; BI-IP will only be updated on the next extraction of data. This approach permits real time budget update in ECC. Grant budget (and Actual / Commitment postings) will reside at the lowest level of FM account assignments (i.e. individual funds/funds center/funded programs/functional area/commitment items). This allows actual versus budget comparison.

GM Budgeting Workbench

The SAP Grants Management (GM) Budgeting Workbench will be used for **all manual** budget entries outside of the annual budget upload from BI-IP. These will include budget amendments (transfers, supplements, returns) and the entry of final budget based on award letters received after the budget retraction. The GM Budgeting Workbench allows entry of the budget in the State's internal dimensions while simultaneously creating the budget according to the sponsor's external dimensions. Once saved, the GM budget is released to FM to become a part of the State overall budget, according to the State's

organizational and account objects, including fund, funds center, commitment item, functional area, grant and funded program.

Grant budgets based on sponsors' dimensions can be entered for each of the following lifecycle statuses: Proposal, Application, and Award. However, only the Award Lifecycle status allows for budget on both the Sponsors' (external) and State dimensions (Fund, Funds Center, Functional Area, Funded Program, Commitment Item, and Grant).

Budget Entry

All grants will be uploaded and/or amended in GM and according to the State dimensions in FM:

- State Fiscal Year
- Grant
- Fund
- Functional Area
- Funds Center
- Funded Program
- Commitment Item

The GM Budget Workbench then allocates the budget to the following sponsor's dimensions in GM:

- Grant
- Grant (budget validity) period
- Sponsored Program
- Sponsored Class
- Fund

The GM Budget Workbench acts as a mechanism mapping sponsor dimensions to State dimensions. The following are the required fields on the budget document header:

- **Budget Version** allows the State to keep two or more sets of data for the same budget object in parallel. For GM, the State will use only one version: "0" – Operating Budget. All budget relevant postings (pre-encumbrances, encumbrances and actuals) will check available funds against this version. New GM budget documents (budget transfers, supplements, returns, etc.) will be posted against version 0 in GM.
- **Budget Process** characterizes the basic process that is used to post a budget entry document. The following standard **delivered budget processes will be used as follows:**
    - ENTER – this will be used when new budget is entered in GM. This applies to the following: 1) annual uploaded budget from BI-IP to GM, and 2) mid-year budget entry in ECC for newly awarded grants that are within budget authority. If budget authority is exceeded, agencies will use process SUPPLEMENT (if grant award is approved by the legislative budget committee).
    - TRANSFER – will be used when existing budget is transferred within a grant (e.g. one sponsored program to another or one sponsored class to another). The transfer function cannot be carried out across grants.
    - SUPPLEMENT – this process will be used when existing budget is supplemented (increased with a corresponding increase in budgeted revenue). For mid-year entries of newly awarded grants, agencies will use process ENTER only when there is available budget authority. Process SUPPLEMENT will be used when there is insufficient budget authority, which requires legislative budget committee approval.
    - RETURN – this process will be used when existing budget is rescinded (decreased with a corresponding decrease in budgeted revenue).

- **Budget Document Type** classifies the budget document and is assigned to its unique budget document number range. The State will use the following budget document types for GM budgeting:
  - SE/AE – Enter Sponsor/Agency share funds original budget amount
  - ST/AT– Sponsor/Agency budget transferred within a grant
  - SS/AS - Sponsor/Agency budget supplements
  - SR/AR – Sponsor/Agency returned budget

  All GM document types will be mapped to FM document type GRNT when budget is saved and released to FM. State budget match, if any, will be entered as a separate budget document. It will be entered after the sponsor share budget so that the amount of the State share budget by sponsor dimensions will be defaulted based on the sponsor share budget documents created and the cost share rules in the grant master. The workbench will offer a suggested cost sharing amount to budget which the user may overwrite, if needed.

- **Grant**: The grant number for which the budget document is being created must be specified.

A budget layout will be created for use by all grants. This budget layout will be created as follows: Grant/Fund/Sponsored Program/Timeslice/Sponsored Class. Timeslice is a device in GM which matches State fiscal year to the different sponsor fiscal years. For instance, if a federal (FY October 1 – September 31) grant were awarded to the State (FY July 1 – June 30), two time slices will be created – one running from October 1 to June 30 and the other from July 1 to September 31.

Integration with FM

The following table illustrates how the GM budget documents and key characteristics will be mapped to FM when the budget is saved and transferred:

SCENARIOS	GM			FM		
	PROCESS	BDGT TYPE	DOC TYPE	PROCESS	BUDGT TYPE	DOC TYPE
Grant budget created as part of annual budget cycle in BI-IP will be retracted/uploaded to GM	ENTR	N/A	SE/AE	ENTR	ORGR	GRNT
Grant budget amendments (existing grants) created during fiscal year will be entered manually using the GM budgeting workbench	SUPL SEND/RECV RETN	N/A	SS/AS ST/AT SR/AR	SUPL SEND/RECV RETN	ADJ1 LAPS	GRNT
New grants award after the annual budgeting cycle will be entered manually using the GM budgeting workbench	ENTR (SUPL if not budget authority)	N/A	SE/AE	ENTR (SUPL if not budget authority)	ORGR if enter ADJ1 if SUPL	GRNT
Y/E residual budget carryforwards will be conducted in FM	N/A	N/A	N/A	COSD/CORV	YERB	CFWD
Y/E commitment budget carryforwards will be conducted in FM	N/A	N/A	N/A	COSD/CORV	YECB	CFWD

Annual budget uploaded from BI-IP to ECC GM will use process ENTER. However, entry of mid-year awarded grant budget in ECC will be coded to process ENTER if within budget authority. Otherwise, use process SUPL if budget authority is exceeded and the BA7 process is required.

Budget Amendments (Supplements, Returns, Transfers)

During the year, the original and adopted budget may be amended through individual supplements, returns and transfers. The GM Budgeting Workbench will be used for these budget entries. All GM budget amendments will be made directly in ECC not BI-IP, which allows for real time update of budget, unlike BI-IP, which must be uploaded to ECC in order for budget amendments to take effect.

Individual grant relevant budget amendments will be entered with the following budget document header field values:

- Budget version: 0
- Budget process for budget supplements: SUPL – Supplement
- Budget process for budget returns: RETN – Returns
- Budget process for budget transfers: SEND – Transfer Send and RECV – Transfer Recv
- Document type: will vary according to type of amendment and source of funds

All budget processes will be pre-posted by the Grant Budget Coordinator (Supplements, Returns, Send, and Enter) while the Grant Budget Analyst will be posting and releasing the documents.

Budget Amendments in Relation to the BA7 and Non-BA7 Process

Current policy requires a BA7 approval process when the following grant related activities occur:

- Any budget amendments that cross the state's expenditure program or SAP's 3 digit commitment item.
- New grants received mid-year
- Amendments to existing grant, which results in an increase to an agency's budget (budget authority)

The BA7 process requires approval from the following individuals:

- Grant Budget Analyst (Department Secretary or designated appointee)
- Level 1 GM Budget Analyst (OPB)
- Level 2 GM Budget Analyst (OSRAP)
- Level 3 GM Budget Analyst (STO)

Additionally, any transfers within the same agency program and object category does not require OPB approval, but depending on the department, might require departmental approval.

As decided in the GM blueprint session, these approval processes will remain unchanged despite debates during Blueprint on the need and value added from certain approval levels. SAP workflow will be used to manage the approval process for both BA7 and non-BA7 budget documents. Once the Grant Budget Coordinator creates a budget document to initiate the approval process, workflow will send email messages to the approver, and when approved, a message will be routed to the next approver. If rejected, the document will be routed back to the originator for review and error correction/resubmission, if needed. GM budget workflow is available in ECC but serves only simple workflow processes. The use of GM workflow process and functionality will need to be further evaluated during Realization. Additionally, the use of the pre-post functionality in combination with the workflow process will need to be reexamined and could possibly be simplified via workflow. Another option to look into is to maintain the current offline approval process as it is today without the use of workflow and only use the pre-post functionality.

Due to restrictions of the current system's functionalities, grant budget has to be maintained offline. Therefore, amendments (transfers, supplements, returns) to sponsor programs and classes do not affect the overall approved budget (budget authority for grants and non-grants combined) maintained in AFS and thus, do not require BA7 / Non-BA7 approvals. However, in the future, these amendments will be completed using the GM Budget Workbench, which is integrated with FM. Any amendments in grant sponsored programs/classes will affect the FM side (possibly crossing state programs and 3 digit commitment items), and as a result, will require BA7 / Non-BA7 approvals. The number of BA7 / Non-BA7s is expected to drastically increase. The effects of the Workbench were concerning to the Grant SME's and OPB present during the BI-IP integrated blueprint. Additionally, the SME's expressed concern

regarding the requirement to go through the BA7 approval process for any new grants received mid-year. For these reasons, the following recommendations were suggested by all parties during this session:

Recommendation 1:
The Blueprint session Participants recommended approval for any Budget adjustments related to existing Grants should not have to be approved outside their Agency's office (and/or Department's office), as long as it does not exceed the Managing Agency's existing approved Budget Authority and Appropriation Unit (Means of Finance), covering:

- *adjustments between two or more Grants*
- *adjustments across Object Categories (equiv in SAP)*

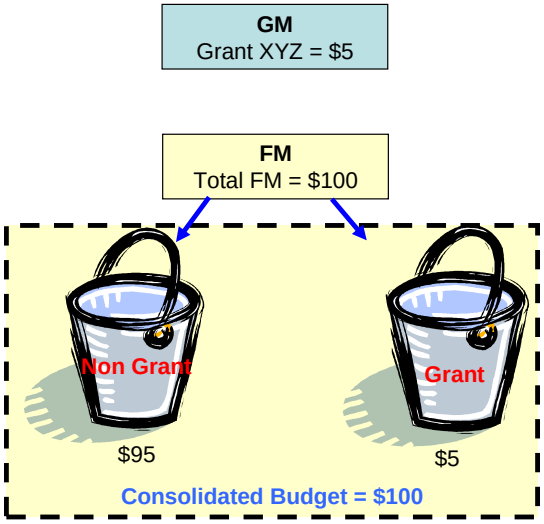
Recommendation 2:
The Blueprint session Participants recommended changing the current/existing law/guideline to allow Agencies to add new Grants and accept new Grants (in Grantee Mgt module), without requiring OPB/Legislative approval (BA7), as long as the Agency does not exceed its existing and approved Budget Authority and Appropriation Unit (Means of Finance).

The above is for Grants that do not require the State to later sustain that Program, i.e. no future obligation/future fiscal impact to the State after the Grant comes to an end. This will be ensured by the Secretary of the Department/Agency or his/her Designee.

These recommendations will be pursued during Realization by the State. The development of any workflow is also dependent on the results of these recommendations. Additionally, these recommended changes will allow agencies to seek more grant award opportunities. Increase in federal/private funding offers the state the opportunity to utilize sponsored funds to pay for expenditures prior to utilizing State funds.

Budget Authority

The combination of non-grant related budget and released grant budget forms the State's overall budget. Below illustrates this concept:



Only when budget is released will FM be updated. As required by the SME's, ECC will be the system of record maintained to report on the overall approved budget (budget authority). Therefore, budget amendments should not change the overall budget authority. The following strategies were identified to support this requirement:

- Use of a generic grant to reserve a "cushion" for grant budget.

- Return non-grant relevant budget in FM using FM Workbench and enter (process ENTER) grant budget in GM Workbench (resulting in 2 budget documents created).
- Return of grant budget in GM workbench and Enter non-grant budget in FM workbench (2 documents created)
- Enter budget in GM with Unreleased status. When appropriate, release the budget to FM to form the overall consolidated budget.
- To report on the total grant award amount, use the grant master award amount field.
  Note: The above strategies must align with guidelines pertaining to State programs and 3 digit commitment items.

Budget Addresses

Three distinct addresses are identified for posting and budgeting:

1) Posting Address: level where expense account assignments are allowed to post.
2) Budgeting Address: level where budget is managed and assigned to
3) Availability Control Address: level where budget availability is controlled and checked.

As indicated earlier, funds will be budgeted to the lowest FM level of account assignment (Fund, Funds Center, Commitment item, Functional Area, Funded Program, and Grant). Posting will occur at the same level. This allows for actual versus budget comparison. Budget will be controlled at a higher level than the budget address. Below addresses the budget control design.

GM Budget Control

The GM module has its own budget checking functionality, which can be used independently or in conjunction with FM budget checking. GM budget control takes place according to the external grant dimensions only, such as grant, sponsored programs, sponsored classes and budget validity period. GM budget control will take place for grants if the following conditions are met:

1. Sponsor fiscal year crosses the State fiscal year
   - So that budget amount can be controlled in total for the grant validity period
2. Grant specifically requires budget control according to sponsor's dimensions

In cases where GM budget control is used, FM budget control will also take place. In cases where GM budget control is not required (i.e. conditions above are not met), only FM budget control will take place according to State requirements.

GM budget control may take place at the grant, sponsored program or sponsored class level as per grant requirements. A code will be entered in the grant master to determine at what level budget control will take place or whether budget control is not required. FM budget can take place according to internal requirements in FM, for example, at the 3 digit commitment item (legacy object category equivalent). In both GM and FM, AVC will be set up with hard stops if budget (plus sponsor defined tolerance) is exceeded. Consistent with the overall budget control policy, salary and related benefits will be exempt from budget control.

GM budget control will take place as follows:

- **Budget validity period:** The grant validity will be used, unless a grant requires different budget control (e.g. by sponsor fiscal year for multi-year grants)
- **Fund:** The total of internal (for cost matching, if applicable) fund and external fund will be consolidated for budget control
  - To allow for postings to external fund first and then reallocation of internally funded program
  - Cost matching portion will be budget controlled in FM to prevent overspending of internal funds

- **Grant / Sponsored Program / Sponsored Class:** Level of budget checking will be determined by specific grant requirements

  Note: No budget control on salaries and benefits postings from HR.

For FM Budget Control, refer to FIN-FM-PDD030.

The following standard tolerance profile was defined for **GM AVC**:

- **Warning at 90% of budget usage**
- **Error (hard stop) at 100% of budget usage**
- **Warning at 100% for salary related expenses**

For standard FM AVC tolerance profile, refer to FIN-FM-PDD030.

The standard tolerance profile will be assigned to the majority of grants regardless of level of budget control (grant, sponsored program, sponsored class). Exception Tolerance profiles may be defined during realization based on grant needs. Tolerances provide early warning of possible budget overruns.

All grants will be subject to FM budget control, and thus affected by the FM tolerance profiles. Refer to FIN-FM-PDD030 for further details.

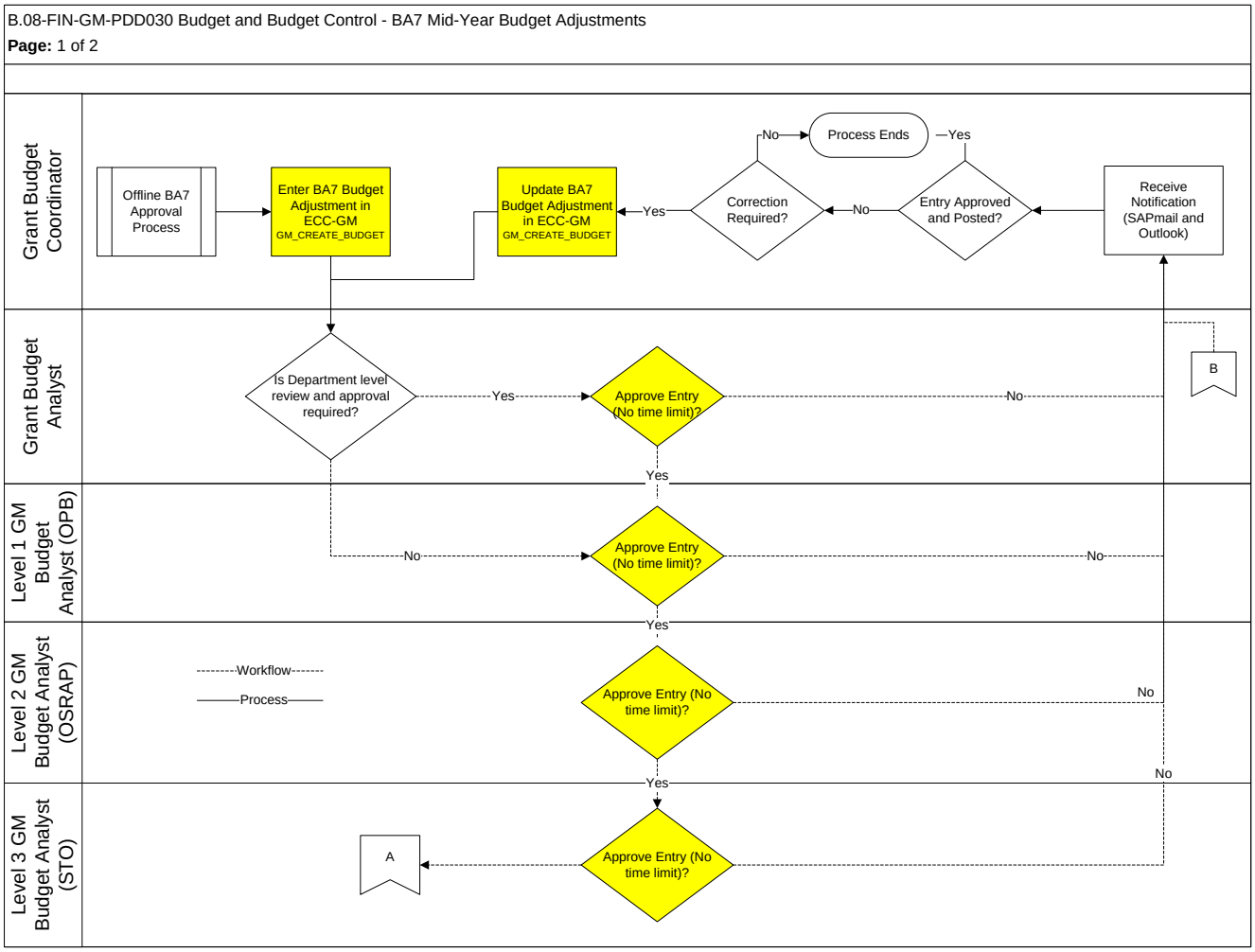
Other GM Budget Notes

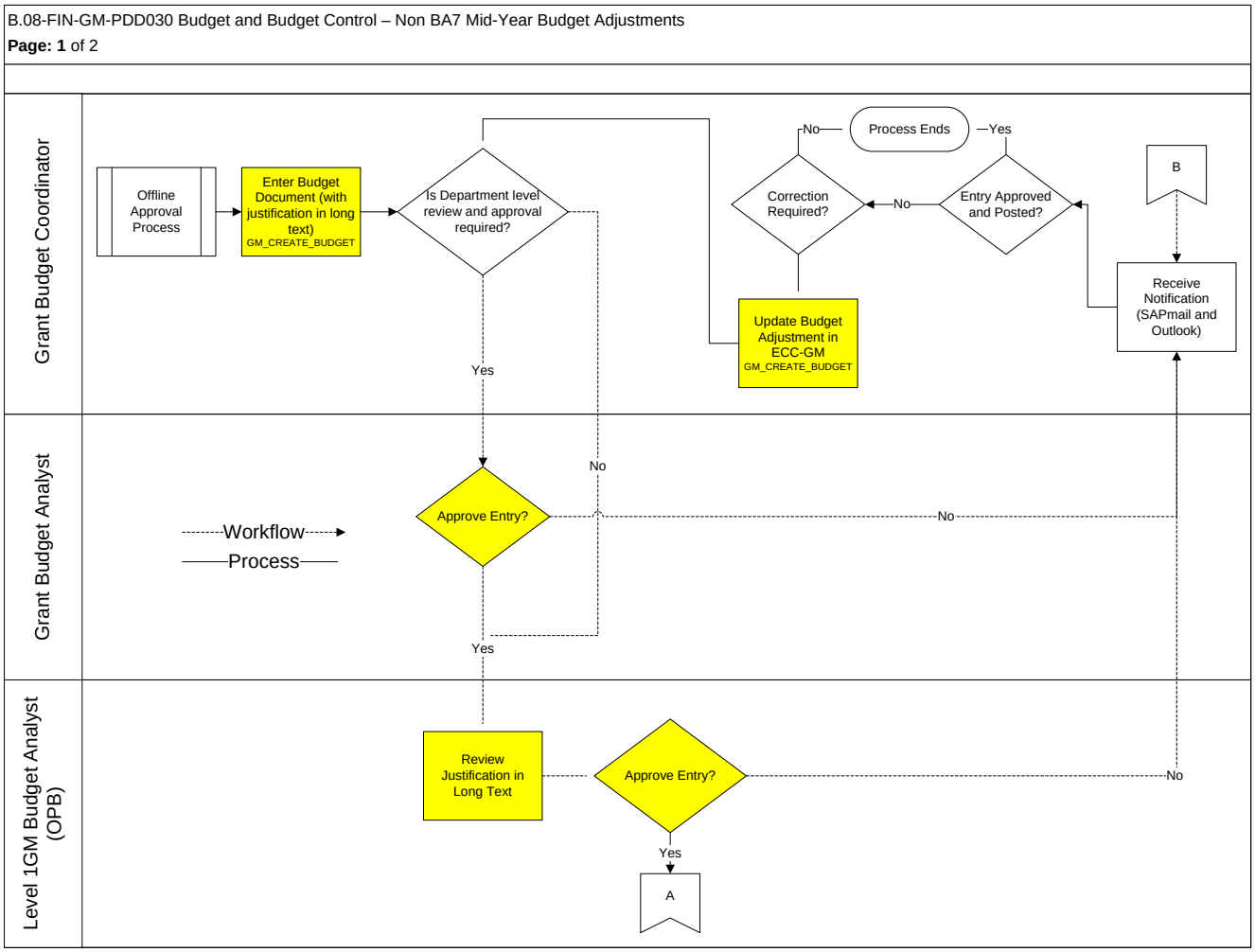
- Pass-through grants will be budgeted using the GM Budget Workbench. The overall sponsored program will be budgeted not the lower individual recipient level. From a GM-Grantee and Federal stand point, pass-through funds do not need to be budgeted to the recipient level, but rather to the program level to ensure that recipients do not over claim expenditures for that sponsored program. Therefore, a Funded Program will be created for each sponsor dictated program (Sponsored Programs) instead of each WBS Element, allowing a one to one (1:1) relationship with each sponsored program.
- Coastal Grant Funded Projects will be budgeted using the GM Budget Workbench. It will be budgeted at the Funded Program level (equivalent to the project phases and sponsored program).
- Grant relevant expense and revenue will be budgeted using the GM Budget Workbench.
- Consistent with current business practice, only the current fiscal year will be budgeted. Any future amounts will be budgeted in the specific year the budget relates to. This will apply to multi-year grants and yearly grants.

#	Process Terminology	Description
1	GM Budget Workbench	GM tool used to process budget entry documents as well as call up and display previously entered budget entry documents related to grants. The workbench allows the ability to transfer budget within a grant, return budget
2	Budget Validity Periods	Determines how the budget for a grant will be controlled, i.e. according to grant validity period or sponsor's fiscal year. Grant budget validity periods are assigned to via the budget spitting rules in a grant master record.
3	Grant Availability Control (AVC)	Component in GM which controls budget according to a sponsor's external dimensions such as sponsor programs, sponsored classes and budget validity periods.
4	Grant Timeslice	Device in Grants Management by which the fiscal year of an organization receiving funds is matched with the different fiscal year of the organization donating the funds

To-Be Process Flows

The following diagrams display the workflow approval processes for the BA7 and non-BA7 process. However, these processes are dependent on the results of the SME's recommendation to limit the approval process as indicated above.





Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Pre-post all GM budget documents	Pre-posting allows a level of review prior to posting the document	The Grant Budget Coordinator and Grant Budget Analyst will need to be trained on this process
2	Use ECC for mid-year budget amendments	Real time update of budget in ECC	Training on the Budget workbench. BA7/Non-BA7 workflow might be required depending on the state of the agency's budget authority and type of amendments.
3	Prepare budget in BI-IP by state dimensions	November budget will be budgeted on a per grant basis and after approval, will be uploaded to ECC GM (FM when released)	Agencies will need to prepare the budget based on State dimensions.
4	Budget address equals to posting address, but budget control address is at a high	Grants will need to be budgeted individually.	Training required for budget related processes, including budget workbench, budget errors and reporting of budget vs.

#	Decision	Process Impact	Organizational Impact
	level		actuals.
5	Budget per grant	Each grant will need to be budgeted for the annual budget prepared in BI-IP and any mid-year awarded grants budgeted in ECC	The budget workbench is very complex and requires extensive training for those responsible for pre-posting and posting of GM budget documents
6	GM AVC will work in conjunction with FM AVC	Online budget control	The activation of online budget control might require budget transfers when insufficient budget exist in GM and FM.
7	Workflow grant related non-BA7 and BA7 process	Online tracking of the approval status.	Training on the workflow process and functionalities required. Only when approved can budget be posted and consumed. Timing is critical.
8	Budget may shift on a daily basis, but the system should always reflect the approved budget authority	ECC will be the system of record. Budget should be strategically shifted in order to maintain the approved budget authority amount within the system.	Training on the Return, Supplement functionalities in FM and GM. Training on the released functionality in GM. Training on the usage and maintenance of budget using a generic grant to serve as a "cushion" for budget.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	LA RS 39:73(C) - Allotments to Govern Expenditures; Transfer of Allotments Regular Session 2008, House Bill No. 1, Act 19, Section 2 LA RS 39:134 - Legislative Appropriation Authority The above revised statutes and act pertains to changes to appropriation and transfer of funds as well as budget authority, and the budget amendment form 7 (BA-7) processes.	1. That any Budget adjustments related to existing Grants should not have to be approved outside their Agency's office (and/or Department's office), as long as it does not exceed the Managing Agency's existing approved Budget Authority and Appropriation Unit (Means of Finance), covering: A. adjustments between two or more Grants B. adjustments across Object Categories (equiv in SAP) 2. To change the current/existing law/guideline to allow Agencies to add new Grants and accept new Grants (in Grantee Mgt module), without requiring OPB/Legislative approval (BA7), as long as the Agency does not exceed its existing and approved Budget Authority and Appropriation Unit (Means of Finance). The above is for Grants that do not require the State to later sustain that Program, i.e. no future obligation/future fiscal impact to the State after the Grant comes to an end. This will be ensured by the Secretary of the Department/Agency or his/her Designee.	

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	GM Budget Balance	To view the residual balance of grant budget (released & unreleased) per budget address in order to assist in budget processes such as transfers, returns & supplements.		X	This will provide detail reporting. Standard ECC GM reports only provides summary level reporting	Marlene Scott / Briant Beard	

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	BA7 workflow	State requires various approvals depending on the type of budget amendments.	Standard SAP GM provides simple workflow, which needs to be accessed during Realization
2.	Non-BA7 Workflow	State requires various approvals when budget document crosses state programs and 3 digit commitment items	Standard SAP GM provides simple workflow, which needs to be accessed during Realization

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Departmental Grants Administrator (DGA)	DGAs at the departmental level to post pre-posted budget documents as part of the annual budget upload from BI-IP		Apply authorization group settings to DGA, if needed
2.	Central Grants Administrator (CGA)	CGA is required to assist OPB with pre-posting of budget from BI-IP if needed. Also to post documents for grants the CGA is in charge of (as part of the annual budget upload from BI-IP).		Apply authorization group settings to CGA, if needed. Display authorization for all authorization groups.
3.	Grant Budget Coordinator	At the departmental level to pre-post documents		OBP will need to be assigned to this role in order to pre-post retracted budget form BI-IP
4	Grant Budget Analyst	At the departmental level to post pre-posted documents		
5	Level 1 GM Budget Analyst	OPB Approval as part of the BA7 and non-BA7 process		
6	Level 2 GM Budget Analyst	OSRAP Approval as part of the BA7 process		
7	Level 3 GM Budget Analyst	STO Approval as part of the BA7 process		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Budget per grant	Grants will be budgeted online on a grant by grant basis unlike legacy where grants are not budgeted for online	Agencies will need to prepare the budget per grant. This affects the annual budget preparation process. Budget will need to be broken down into the lowest level of FM account assignment where funds will be spent.
2.	Budget Control by	Grants will be budget controlled online	Agencies will need to be knowledgeable of various

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	Grant	according to sponsor requirements. Offline spreadsheets will no longer be used to manage budget	AVC messages. Budget transfer might be required prior to processing. This process may need a realignment of duties for budget and grant personnel. Coordination between both agency budget office and grant office will be required.
3.	Use of GM Budget Workbench	The Workbench will be used for budget prepared in BI-IP and daily budget processes (transfers, enter, supplements, returns) for all grants in GM. No longer will use offline spreadsheets to manage grant budget	Training on pre-post, post and released functionalities. Furthermore, training on budget processes such as Transfers, Returns, Supplements and Enter.

Training Impact

- The Grant Budget Coordinator will need to be trained to pre-post grant budget documents originated from the GM Budget Workbench
- The Grant Budget Analyst will need to be trained to post grant budget documents originated from the GM Budget Workbench.
- The role of the Grant Budget Coordinator will be assigned to individual(s) in OPB to pre-post GM budget documents from BI-IP. They will need to be trained on how to use the GM budget upload utility as well as the GM Budget Workbench. They will look to the CGA for support if needed.
- The DGAs and CGAs will need to be trained on functionalities within the GM Budget Workbench, which includes the posting of annual budget documents from BI-IP. DGA's will be at the departmental level. The CGA, at a central location, will need to assist the DGA to troubleshoot.
- Workflow approvers will need to be trained on the workflow process.

Appendix

Not Applicable

Team:	Finance - Grants Management (Grantee)
PDD Name:	Grant Accounting
PDD Number:	FIN-GM-PDD040-Grant Accounting
Business Process Owner:	Afranie Adomako
Functional Lead:	Marlene Scott and Briant Beard
Functional Consultant:	Tri-Chan Le

Executive Summary

The content of this document will address the processing and recording of grant payroll and non-payroll related revenues and expenditures in Grants Management (GM). This includes cost share, manual adjustments, indirect cost allocations, revenues, and encumbrances such as purchase orders. The grants ledger serves as a receiver module which is simultaneously updated when grant relevant postings occur in other modules.

The grant field is in the coding block of modules such as FI, CO, HR and MM, and is a required field along with the WBS Element, GL Account and Fund for any grant related charges. For revenues and expenses not related to Grants, the system will automatically default "Not_Relevant" in the Grant field. For the majority of postings, revenues and costs can be directly posted to grants. Payroll related costs for grants will be posted directly to grants from HR. Additionally, purchasing encumbrances (PRs / POs) and direct pay invoices (non-PO) will be coded to the grant directly. Indirect costs and overhead allocations that are billable to the sponsor will be posted to grants using CO Allocations, CO repostings, GM IDC functionality or manual FI postings depending on the nature of the allocation.

The State's processes for recording cost sharing for grants will be in accordance with SAP Public Sector Best Practice recommended use of External and Internal Fund concepts. This allows the State to distinguish between use of Sponsor external resources and the State's internal resources (for cost sharing or matching requirements) in GM for revenue, encumbrance, and expense postings. Two external funds (US Federal Government Fund and Other Grant Fund) will be used for all grant related funding. Where splitting between the internal fund and external fund is not possible upfront, postings for grant expenses will be initially made to the external fund with other pertinent account assignments. On a monthly basis, CO distribution cycles are executed to reclassify the State's match portion of these expenses from the grant external fund to internal fund for those grants requiring cost sharing.

Grants management will provide additional posting control not available in the current system. This includes the restriction of postings to allowable expenses as stated by the sponsor, restriction of posting transaction types by lifecycle of the grant, and functionality to limit transactions based on grant validity dates. Using the derivation tool, the system will be able to derive external/sponsor dimensions from internal dimensions. Successfully posted transactions will update the GM ledger with the Fund, Grant, Sponsored Program(s), and Sponsored Classes, and essentially facilitate grant billing and reporting.

To-Be Process Description

When grant related revenues or expenses are posted, the following dimensions or objects are required:

- **Grant –** The grant field is on the coding block in SAP to allow costs to be directly charged against the grant;

- **Fund –** When upfront splitting is not possible, grant relevant postings will initially be posted to the grant external fund. The external grant funds will be automatically derived by FM derivation rules from the first letter of the grant number. CO allocations will be used to drive costs to internal fund(s) for grants with cost sharing requirements. Any direct postings to the Internal Fund will require the Internal Fund to be entered manually;
- **WBS Element –** WBS element will be used as the CO posting object and represent the grant program;
- **G/L Account –** The revenue or expense account used for posting. The GL Account will be used to derive the Commitment Item. Additionally, the sponsored class will be derived from the commitment item (sometimes in combination with the grant number).

When costs are posted against the grant, the system will validate to ensure that only allowable expenses, as defined by the sponsored, are used. All postings that occur in modules such as HR, MM and CO will simultaneously update the GM ledger according to Grant, Fund, Sponsored Program and Sponsored Class, all of which are external/sponsor dimensions to the State. Sponsored program and class will be automatically derived from internal dimensions, such as WBS Element and GL Account, by the GM Derivation rules. Derivation rules will be managed by the GM Derivation Specialist in the Office of Information Services (OIS) while the tables will be managed by the CGA as indicated in FIN-GM-PDD010.

Postings to grants will be affected by the following:

- Available budget (except for payroll related costs, CO activities and Settlements)
- Grant Phase: As mentioned in GIN-GM-PDD020-GM Lifecycle Management, the types of postings that can be carried out will depend on the Lifecycle phase and grant master data posting control.
- Sponsored Classes: Only those commitment items assigned to a sponsored class within the grant will be accepted. This acts as an active control to prevent disallowed expenses or incorrect grant postings to the grant. This reduces the need for adjustment postings that are currently required without this control.

Payroll Related Expenses

Grant related payroll costs can be directly posted to the Grant from the HR system via the use of HR Infotype 1018 or direct time entry. Infotype 1018 represents the HR position and provides the ability to distribute costs. Therefore, multiple account assignments can be defined so that a position supporting multiple grants or grant programs can split amongst the various SAP account assignments, and in the case of matching requirements, can be split between internal and external funds. Infotype 1018 allows payroll cost distribution to the following coding block: Fund(s), Grant and WBS Element. Additionally, the employee's wage type is mapped to a symbolic account, which is mapped to a GL account. When payroll is posted to FI, GM dimensions will be automatically derived. 1018 records will need to be updated by the department's HR section when a grant is renewed with a new fiscal year (implying a new grant number) and for HR cost distribution.

The use of direct time entry is available to influence payroll, if necessary, based on actual hours worked. This is part of the time entry process. Direct time entry will override the cost distribution found in Infotype 1018 or work in conjunction with it. As identified in Blueprint, the majority of grant positions are static and the budget sits according to the information in Infotype 1018. However, there are cases where direct time entry is required. These cases will be verified during realization as each grant's requirements will be analyzed in detail.

Retroactive Changes: Retroactive changes to payroll will be recorded in the current period in SAP Finance, not to the respective periods that the change relates to. A grant related retroactive change will update the grant and its dimensions, but only if the grant is active and has legitimate validity dates. If a change to an expired grant is required, the CGA/DGAs will need to reset the lifecycle status to allow postings and adjustments.

Payroll Accruals: Payroll accruals will potentially be run monthly. Thus, a proper cut-off, particularly important at the end of the grant validity, can be attained. The payroll accrual amount will be configured to be billable. Thus, at the end of the grant period, if the next pay run straddles two grant years (and hence two different grant numbers), the payroll accrual will allocate the portion relating to the expiring grant, which is where the budget is. This accrual is then reversed in the liquidation period of the grant and offset by the actual portion allocated (same amount) when payroll is run. Based on the 1018 information, the payroll amount will be split between the old and new grant numbers. Payroll accrual functionality is pending based on decisions made by OSRAP and the HCM project.

SRM Encumbrances and Expenditures

Purchase Requisitions and Purchase Orders will be coded directly to the relevant Fund, Grant, Cost Element (from material group) and WBS Element in SAP. This will result in pre-commitments and commitments directly in the grant and related external fund, sponsored program(s) and sponsored classes. External Grant Fund will be automatically derived from the grant number.

Direct Pay Invoices (non-PO invoices) and Miscellaneous FI postings

Similar to SRM encumbrances above, vendor invoices and miscellaneous FI journal entries will be coded to the relevant Fund, Grant, GL account and WBS Element in SAP. This will result in pre-commitments, commitments and expenses posted directly in the grant and related external fund, sponsored program(s) and sponsored classes.

Pass-Through Expenditures

For pass-through grants, the GM-Grantee module will be used to facilitate sponsor billing and reporting while the GM-Grantor/CRM modules will be used to capture specific applicant's data such as the agreement. Third-party expenditures for pass-through grants will be directly coded against the pass-through Fund, Grant and WBS Element at the point of invoice in SAP. This will automatically update the GM (Grantee) ledger with sponsor dimensions and ultimately facilitate sponsor billing and reporting. From the Grantor blueprint, it was determined that third party expenditures, to be reimbursed by the State, will use consolidated expense accounts. The State's financial statements do not need to be broken down to reflect details of third party expenditures. However, Grantor standard and custom reports are available to provide details of third party claims. Refer to Grantor PDD for further info on Grantor Accounting.

The current legacy AFS system views any grant received from a sponsor by a managing State (i.e., DOE) agency that "passes" or allows the grant award (or portions of) to be spent by a different State (i.e., OYD) agency as Pass-Through. In SAP, the term pass-through references the cases where a sponsor grant is awarded to the State to be passed through to a third party, an entity outside of the State such as a parish or foundation. In the case where a managing agency (i.e., DOE) allows a different agency (i.e., OYD) to spend portions (or full amount) of the grant fund, a WBS will be created to capture this agency's (ie. OYD) grant program related expenses/revenues, but only if the managing agency allows direct charge to the grant. If direct charge is not allowed, then expenditures from the spending agency will be charged to some other relevant cost object. At month end, CO allocation will be run to allocate cost to the grant.

Indirect Costs & Overhead Allocations

All billable, indirect overhead allocations for grants will be calculated and recorded using CO allocations, CO Repostings, GM Indirect Costs (IDC) functionality, or manual calculation & journal entry. The best method for posting indirect costs or overhead to a particular grant will be determined during realization. Cost sharing CO allocations will exclude these costs.

CO Allocation will be used in cases where the costs or percentages allocated remain static or fairly static from month to month. CO allocations will be used for allocating the Cost Share portion from the grant external fund to the grant Internal fund(s) and for other grant related allocations that are constant. Periodically, the CO allocations will need to be updated or created for new grant numbers or new grants

as stated in FIN-GM-PDD010 Grant Master Data Maintenance. In cases where the allocation amount or percentage may vary from month to month, CO Reposting may be used instead.

GM Indirect Cost (IDC) functionality will be used to calculate indirect cost for grants. IDC rates are assigned by combination of sponsored program and sponsored class, so that ineligible combinations (e.g. equipment) can be left blank. Maximum amounts can be set at the grant level and at the combination of sponsored programs / sponsored classes. IDC will post the revenue to the agency fund and the expense to the grant (and external fund). IDC will be executed on a schedule run by OIS before GM billing is run. However, agencies may perform test IDC runs, if needed. As indicated in FIN-GM-PDD050, security and other options, such as custom Z transactions, will need to be analyzed during Realization in order to accomplish this.

Cost Sharing (Match)

The State's processes for recording Cash/In-kind Match for grants will be in accordance with SAP Public Sector Best Practice recommended use of External and Internal Fund concepts. This allows the State to distinguish between Sponsor external resources and the State's internal resources in GM. Funds are designated as External or Internal in SAP through the use of Fund Type. There will be 2 external funds created - US Federal Government Fund and Other Grant Fund – for all grants.

SAP recommends two basic methods for recording the encumbrances and expenditures where cash match is involved. The first method is to split account assignment for cost sharing/match between the External Fund and the Internal Fund ***up front*** *at the time of Purchase Requisition/Purchase Order or actual financial transaction entry*. This requires the end-user to be aware of the cost sharing requirement and to calculate and enter the appropriate split account assignments when entering a transaction. Because this is not always practical, the State chooses to use the second method called the Subsequent Allocation Method. In this method, the end-user posts all Grant expenses to the appropriate grant (external) fund with other pertinent account assignments. On a monthly basis, CO distribution cycles are executed to reclassify the State's match portion of these expenses from the grant (external) fund to the appropriate internal fund according to the cost sharing requirements of the grant. This will result in a credit to the grant fund and debit in the Internal cost sharing fund. Budget control on the Internal Fund will be carried out in FM. In the cases where cost sharing is not based on a fixed percentage of actual costs, other CO transactions may be used to transfer funds, such as CO Repostings. CO Reposting accomplish the same result, except that they are manually entered.

Revenue Accounting

Revenues will be recorded directly to each grant / grant program (WBS element) combination as it is billed to the sponsor. In the cases where cash is received upfront (e.g. drawdown grants), the amount is recorded directly in SAP as deferred revenue (offset to cash). On a monthly basis, the deferred revenue will be reduced and revenue in the grant increased for the expenditures incurred to match the revenues to expenses on a consistent basis. This will be accomplished via the use of a manual journal entry. Refer to FIN-GM-PDD050-GM Billing and Receivable Processing for further details on revenue accounting.

Month End

Reference FIN-GL-PDD040 for the preliminary schedule of month end steps. These steps must be carried out in the order presented to ensure grant accounting is complete and accurate. The calendar will continue to be detailed and defined in Realization.

Grant Accounting – Other

- In some cases, a third party agency may perform a service to a grant as part of the cost sharing portion required by the grant. The State does not have to reimburse the third party, but the grant requires a consolidated report. These third party agency costs can be captured using separate, statistical cost and revenue cost elements, which net to zero, in order to run consolidated reports.
- Program Income (user fees) will be netted against the claim, if any exists, and grant requires it.

- Asset purchases will be expensed upon acquisition, not depreciated.
- For Coastal Grant Funded Projects where there is a sponsor requirement to track activity/functions within a specific phase such as CRMS, a statistical order could be created for this purpose. These cases will be verified during realization as each grant's requirements will be analyzed in detail.

#	Process Terminology	Description
1	Sponsor	An agency or institution providing financial assistance in the form of a grant.
2	Grant	Represent lower-level funding instruments used to document, control and report on the results of an agreement between a sponsor and an organization.
3	Sponsored Program	GM structure used to control and monitor transactions based on a sponsor's external programs, which may be different from an organization's own programs.
4	Sponsored Class	GM structure used to control and monitor transactions based on a sponsor's account structure, which may be different than an organization's own accounts.
5	WBS Element	Structures used to collect and monitor the actual costs of discrete long term tasks.
6	Fund	A fiscal and accounting entity with a self-balancing set of accounts which are segregated for specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Represent the lowest level of funding used for tracking, controlling and reporting on available financial resources
7	Functional Area	Cross-organization FM object used to divide organizational costs according to functional aspects, activities or programs to meet legal or internal reporting requirements
8	GM Derivation Tool	Tool to derive sponsored classes and sponsored programs, and, under certain circumstances, funds and grants. User-defined rules are created to record data assignments and perform the derivations.

To-Be Process Flows

Not Applicable

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Post to external fund then allocate to internal fund monthly	CO allocation will split the cost monthly. This reduces time on the front end when users are coding each transaction	Training on the CO distribution cycle required
2	Split internal and external fund on 1018 record	Cost is coded to the proper source of funding quicker, allowing greater visibility of the budget	Communication required from DGAs/CGAs to Grants HR analyst on updates to Infotype 1018.
3	Validation of allowable expenses	Automated system will reduce time and effort currently spent today to manually validate charges against the grant.	DGAs/CGA need to properly maintain master data in GM.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Grant recipient actuals	To report on total dollars received by 3rd party recipients	X	X	OMB Circular A-133 requirement	Marlene Scott / Briant Beard	

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Inbound eGMS Interface	Update ECC with claiming info from 3rd parties to create AP invoice	X	X	eGMS will not be replaced	Marlene Scott / Briant Beard / Penny Parker	Tables and crosswalks are needed
2.	Outbound eGMS Interface	Update eGMS with check run info from ECC	X	X	eGMS will not be replaced	Marlene Scott / Briant Beard / Penny Parker	
3.	GOHSEP SYNC	Update grant payments to LAPA	X	X	File to reconcile with LAPA manual entry of payment data	Marlene Scott / Briant Beard	

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified						

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	WBS Element Upload	Spreadsheet utility to upload new WBS Element	Use for conversion and post go-live to support GM budget/actual uploads	Extensive details and massive amounts of data required to manage grant WBS master data	Replace existing interfaces: IS03P.SEQ.IF.IIK05111 Job Name (IS03P1GN) IS30P.SEQ.IF.IIR05111 Job Name (IS03P1GO) Reference FIN-GM-PDD060 WBS Conversion FRICE-W Objects

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	None identified			

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Validation of GM expenses	Automated system will reduce time and effort currently spent today to manually validate charges against the grant.	DGAs/CGA must properly maintain GM master data, which will be validated at the transactional level.
2.	Split internal and external fund on 1018 record	Cost is coded to the proper source of funding quicker, allowing greater visibility of the budget	Communication required from DGAs/CGAs to Grants HR analyst on updates to Infotype 1018.
3.	CO Distribution cycles	Automatic allocation of cost based on the rules maintained in each segment	Proper maintenance of cycle rules by the Cost Analyst is required to successfully process each run. Communication from DGAs/CGA to the Analyst is required for any updates to the cycle. This will be run as part of the month end process by OIS

Training Impact

- DGAs (at departmental level) and CGA will need to be able to assist users with system errors as each transaction is validated in GM via tools such as the Derivation Tool, validation rules and budget control.
- As part of the month end process, all tasks must be completed by the designated roles in the order presented on the month-end schedule. This has a great impact on the posting and updating of the grant, which ultimately influences the amount of reimbursements from the sponsor.

Appendix

Not Applicable

Team:	Finance - Grants Management (Grantee)
PDD Name:	Billing and Receivables
PDD Number:	FIN-GM-PDD050-Billing and Receivables
Business Process Owner:	Afranie Adomako
Functional Lead:	Marlene Scott and Briant Beard
Functional Consultant:	Tri-Chan Le

Executive Summary

The content of this document will focus on the Grants Management (GM) billing and receivables process design, which addresses billing rules and methods, standard GM billing functionalities, revenue recognition and deferred revenue, if applicable, and invoice clearing process.

SAP offers several billing methods including Resource Related Billing (RRB) and Manual billing. RRB functionality automatically identifies and proposes items available for billing to be included in a billing document. Manual Billing will be used to record revenues and receivables in cases where billing is based on units, specifically allowed expenditures or other eligibility requirements that are not easily identifiable, complex grants or billing scenarios, grants where money is received in advance, or where special sponsor provisions exist to bill negotiated or arbitrary amounts regardless of expenditures incurred in performance of the program.

RRB automatically generates invoices based on the billing rules defined on the grant master in which each grant may be assigned to bill on an expense, cash or commitment basis. RRB can accommodate individual grant billing or mass grant billing. Mass grant billing functionality should be used for those grants that typically do not required adjustments to billing amounts (straightforward grants). Billing on an individual basis should be used when adjustments to the amount billed is required. When individual grant billing is required, RRB will be executed by the Departmental Grants Administrator (DGA) or in the case where departments do not have a DGA because of the few grants awarded each year, the CGA will be responsible for executing RRB. When mass grant billing is required, the Office of Information Services (OIS) will be responsible for the execution. However, OIS coordination with the DGAs/CGA will be required. As dictated in the blueprint, agencies prefer to bill on an individual basis since it allows opportunity to make adjustments and view program cost per grant. As part of the RRB process, a billing request is first generated then followed by a released of the request to accounting. Once released to Accounts Receivable (AR), a posting to finance debiting the AR-Customer/Sponsor and crediting revenue for the Fund/Grant/WBS element (grant program) will automatically be recorded. Manual invoices created in AR will first be parked by the agencies and then posted by the DGAs, and in specific cases, by the CGA. The sponsor's cash remittances (wires or checks) will be applied against the customer invoices in SAP

Sponsors make payments either on an advance basis or a reimbursement basis. If grant related advances are received from the sponsor, the amount will be recorded as Deferred Revenue when received. This is in accordance to standard accounting practice and SAP best practice for unearned revenue. At month end, deferred revenue will be reduced and revenue will be increased for the grant by the amount of the expenditure, thereby, matching revenues and expenses.

Compared to legacy AFS system where billings are manually calculated, SAP GM RRB allows the ability to automate billing, generating an AR invoice tied to sponsored programs and classes. This will reduce agency's manual processing, allowing greater focus on management aspects of grant programs.

To-Be Process Description

Grant Billing is dependent on:

- The creation of Sponsor Master Data;
- Assigned billing rules to determine whether reimbursements claims are made when expenses are paid (cash basis reimbursement), when incurred (expense basis), when encumbered or if manual billing will be used. Billing rules apply at the sponsored program level for all sponsored classes.
- The stage of the expense posting (paid, incurred or encumbered), in the case of reimbursement agreements.

GM's integration with Sales and Distribution (SD) will facilitate sponsor billing and the automatic creation of invoices using RRB.

Resource-Related Billing

SAP Grants Management includes a "Resource-Related Billing" function that automatically identifies and proposes items available for billing and includes them in a billing document. RRB will be used for grants requiring reimbursement whenever possible (see below when manual billing will be used instead). The billing process will be carried out in two steps: DGAs or CGA will create the billing requests and release it to post to FI as part of monthly processes. The program selects unbilled costs which meet the billing rule requirements up to the date specified by the user in the transaction (e.g. end of the month). A billing request will be created, and if necessary, the user may backdate the billing request to the end of the prior month to match revenues to expenses. Once the billing request is processed, a posting to FI debiting the AR-Customer/Sponsor and crediting revenue for the Fund/Grant/WBS element (grant program) will automatically be recorded. GM Derivation will derive the Revenue Sponsored Class from the Revenue GL Account used while GM validations will ensure that the revenue account used is allowed. Therefore, to successfully post the invoice from RRB, a revenue sponsored class is required. RRB can accommodate individual grant billing or mass grant billing. Mass grant billing functionality should be used for those grants that typically do not required adjustments to billing amounts (straightforward grants); however, no adjustments to the amount billed are possible. Billing on an individual basis allows for adjustments to the amount billed. When individual grant billing is required, RRB will be executed by the DGAs/CGA. When mass grant billing is required, the GM Mass Billing Processor at OIS will be responsible for the execution. However, coordination with the DGAs/CGA will be required. As indicated in the blueprint, agencies prefer to bill on an individual basis since it allows opportunity to make adjustments and view program cost per grant.

Separate billing rules for Resource-Related Billing could be created to appropriately handle the billing for agreements that are cash basis vs. expense basis vs. encumbrance basis (or a combination of these) by assigning the appropriate GM Value Types to each billing rule. However, as decided in blueprint, agencies only require cash basis and expense basis billing rules to be configured. In addition, rules, such as billing on an expense basis, will allow agencies to recognize expenditures as expenses at the time of goods receipt. This enables agencies to be reimbursed by sponsors faster for services provided, resulting in better cash flow.

Prior to running RRB, several steps need to be executed, such as running the Indirect Cost (IDC) functionality and Cost Distribution cycles. IDC will be executed on a schedule run by OIS. However, agencies may perform test IDC runs, if needed. Security and other options, such as custom Z transactions, will need to be analyzed during Realization in order to accomplish this. Refer to FIN-GL-PDD040 for information on month end processes.

Manual Billing

Manual billing will be carried out whenever a grant does not require reimbursement (e.g. cash is received in advance) or whenever RRB cannot be used due to one of the following reasons:

- Billing is based on units
- Complex grants which require additional adjustments to recorded expenses
- Special sponsor provisions exist to bill negotiated or arbitrary amounts regardless of expenditure incurred (and paid)
- Billing rules vary at the sponsor class level

Grants which receive funds upfront instead of when expenses are incurred or paid for will be recorded directly in SAP as deferred revenue (offset to cash). On a monthly basis, the Deferred Revenue will be reduced and revenue in the grant increased for the expenditures incurred to match the revenues to expenses on a consistent basis. This will be accomplished via the use of a monthly journal entry. For all other grants (i.e. which require reimbursement), grant revenue will be recorded at the time of billing.
A manual billing rule will be assigned to the grant master so that the RRB program will ignore these grants for billing. The agencies (Grant Billing Analyst) will park the AR document, which will be reviewed and posted by the DGA (or CGA for cases where a DGA does not exist). For more on the manual billing process, reference FIN-AR-PDD020.

Grant Billing and AR Processing

For the different types of revenue collected, RRB will derive the correct revenue account based on the AR Account Assignment Group that the sponsor is assigned to.

Once the Reimbursement Request Billing is posted, CGA/DGAs will coordinate with grant program managers to request the reimbursement online (via sponsor claiming system) for the majority of the grants. The DGAs / CGA will be responsible to issue any related grant reporting and back-up required to support the claim. In cases where the request for reimbursement is not done online, any required claim forms and supporting documentation will be prepared and sent by the DGAs / CGA as necessary. It is the responsibility of the DGAs / CGA to ensure that the amount requested online or manually matches the amount in the grant reports or claim forms.

Currently, agencies manually calculate invoice amounts to be billed. Each agency uses various billing forms to bill sponsors, including one-off forms. These manual processes can be time consuming and could cause delays in billing, essentially impacting cash flow. To facilitate a more efficient process, standard billing forms that are used across the State will be custom built into SAP for automatic calculation and generation. During blueprint, the following forms were identified as standard and will be custom built in SAP: SF-269, SF-270 and SF-272. Any additional required custom forms identified in Realization will be reviewed at that appropriate time.

The sponsor's cash remittances (wires or checks) will be applied against the customer invoices in SAP. The application of cash against the customer invoices in SAP will result in a posting in FI debiting the appropriate cash clearing account and crediting AR-Customer/Sponsor for the Fund/Grant. The split processor will automatically put the fund/grant from the CR AR-Customer/Sponsor line item on the DR Cash line item. The application of cash against the customer invoices in SAP will automatically clear the open line items on the customer/sponsor account. (Refer to FIN-AR-PDD020 for more information regarding AR processes).

Other Grant Notes

Monthly revenue accruals would be attempted for grants that:

- Cannot be claimed due to time constraints prior to month end close
- For claims that are billed quarterly or less frequently

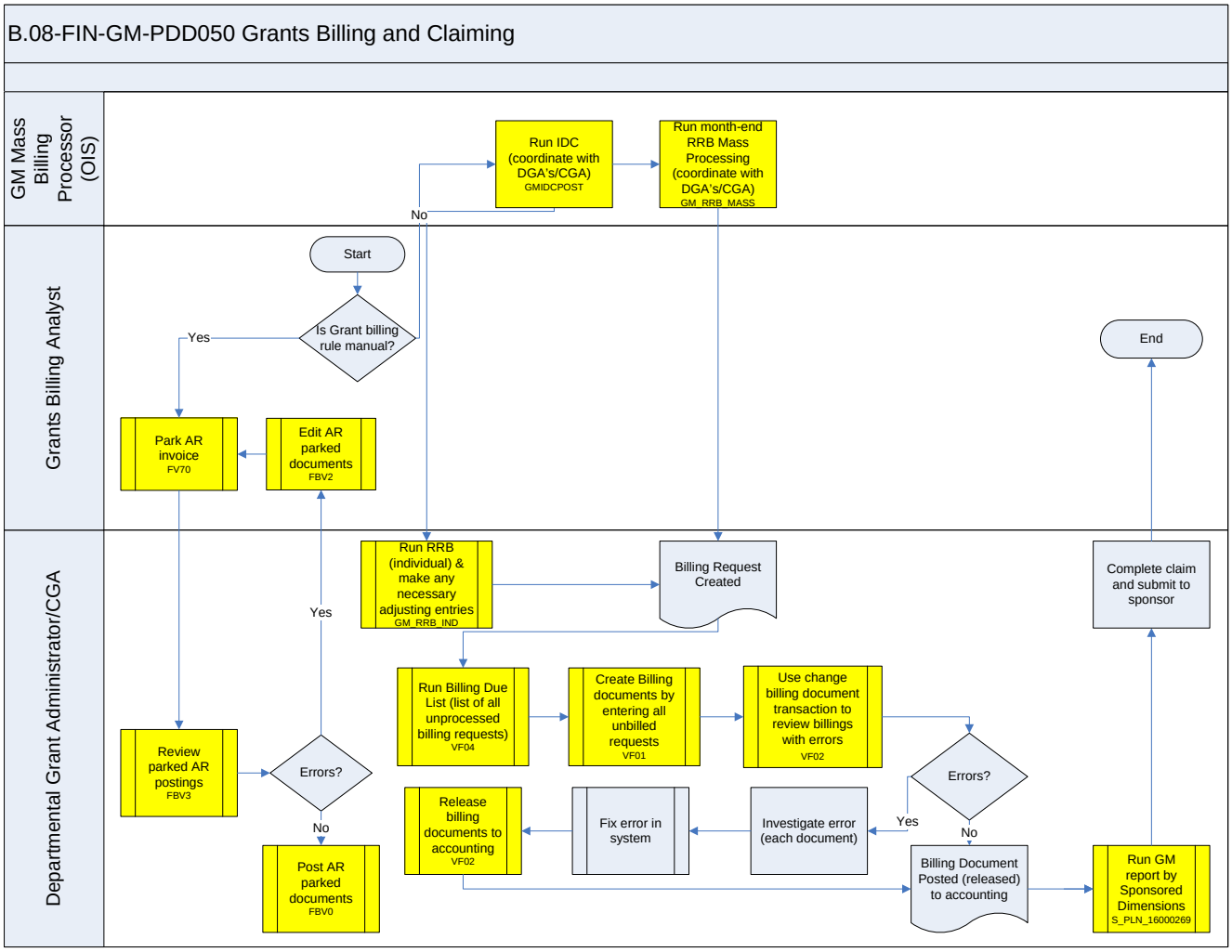
Accrual entries will be set up with automatic reversal on the first day of the next month. Revenue accruals are considered a best practice so that Full Accrual Accounting can take place on a monthly basis for all funds and revenues are matched to expenses.

As a requirement by the State to be in compliance with the Cash Management Improvement Act (CMIA), a custom SAP report will be built to include data such as check date, CFDA and Agency number, payment line item information and revenue receipt information. This report will be run as needed to facilitate the monitoring of disbursements and draw downs.

All expenditures are assumed to have been billed prior to conversion and will be coded against a GM conversion Value Type as indicated during the GM conversion blueprint and in FIN-GM-PDD060. However, in the case where there are still open items for billing at go-live, the State will need to manually create the receivable in the system in order to accurately track customer accounts and revenues.

#	Process Terminology	Description
1	Pass-through Funding	Grants awarded to a grantee organization that the grantee distributes to a third party.
2	Cost Sharing	Resources required to be contributed by parties other than the sponsor to help fund a sponsored program or project.
3	Indirect Costs	Expenses that are administrative or support in nature that cannot be directly attributable to sponsored programs or activities.
4	Indirect Cost Rate	A method for determining the proportion of indirect costs a sponsored program should bear, the ratio (expressed as a percentage and established by negotiation with the sponsor) of the indirect costs to a direct cost base.
5	Sponsored Class	GM structures used to control and monitor transactions based on a sponsor's account structure, which may be different than an organization's own accounts.
6	Sponsored Program	GM structure used to control and monitor transactions based on a sponsor's external programs, which may be different from an organization's own programs.
7	Fund (External)	Financial support or resources that outside sources (such as sponsors) contribute to an organization.
8	Fund (Internal)	Financial support or resources that inside sources (grantee or contractor) contribute to help subsidize sponsored program activities.
9	Resource Related Billing (RRB)	Sales and Distribution (SD) functionality used to automatically bill a grantor for grant / grant program cost reimbursement based on billing GM billing rules assigned to grants. Billing rules may be based on cash, expenditures or encumbrances, or any combination of the three.

To-Be Process Flows



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Use RRB	Automates billing process and supports multiple basis of billing (payment basis, expenditure basis, commitment basis, and combinations for RRB).	This will reduce agency's manual processing, allowing greater focus on management aspects of grant programs.
2	Create Forms SF-269, SF-270, and SF-272	Automate form to calculate billing amount by sponsor format	Reduce agency's manual processing and increase accuracy
3	Park and Post manual invoices	Grant billing analyst role and DGA/CGA will responsible to park and post manual invoices. Separation of duties to ensure accuracy.	Training on the park and post functionalities for the Grant Billing Analyst and DGAs/CGA.
4	Use IDC functionality	The Indirect Cost (IDC) functionality will automatically calculate and charge	This significant change increases the accuracy and timeliness of calculating

#	Decision	Process Impact	Organizational Impact
		indirect costs to grants	indirect costs. Training is required for the GM Mass Billing Processor to run IDC functionality
5	Allow billing on an expenditure basis	System capability to recognize expense at goods receipt, which allows billing on an expense basis, and therefore, resulting in better cash flow	This will result in better cash flow for agencies

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Cash Management Act Agreement between The State of Louisiana and The secretary of the Treasury, United States Department of the Treasury	There may be a possible amendment to the agreement due to changes in funding techniques and/or changes in clearance patterns due to the implementation of SAP.	Kurt Demmerly

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	SF-269	Sponsor claiming and reimbursement	X	X	Grant billing & automatic calculation of reimbursement in sponsor format		Form needs printing program
2.	SF-270	Sponsor claiming and reimbursement	X	X	Grant billing & automatic calculation of reimbursement in sponsor format		Form needs printing program
3.	SF-272	Sponsor claiming and reimbursement	X	X	Grant billing & automatic calculation of reimbursement in sponsor format		Form needs printing program

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Grant Actuals/CMIA	To view grant related postings, including dates of billing and receivables to comply with CMIA requirements	X	X	CMIA requirements	Donnie Ladatto/Kurt Demmerly	

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Departmental Grants Administrator (DGA)	DGAs at the departmental level to run RRB (individual) and post manual invoices		Apply authorization group settings to DGA
2.	Central Grants Administrator (CGA)	CGA required to run RRB (individual) and post manual invoices.		Apply authorization group settings to CGA. Display authorization for all authorization groups.
3.	Grant Billing Analyst	Create & park manual invoices		
4	GM Mass Billing	Required to run RRB		

	Processor	Mass billing and IDC		

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	RRB	Automate billing process	This will reduce agency's manual processing, allowing greater focus on management aspects of grant programs. RRB may cause a shift in duties in some agencies that use "accountants" to claim and post reimbursement payments. This may now require segregation of duties due to SAP-AR module.
2.	IDC Calculation	Automate indirect cost calculation based on the rules and rates defined on the grant master.	This will reduce agency's manual processing, allowing greater focus on management aspects of grant programs.
3.	Billing on an expenditure basis	System capability to recognize expense at goods receipt, which allows billing on an expense basis, and therefore, resulting in better cash flow	This will result in better cash flow for agencies

Training Impact

- The DGA and CGAs will need to be trained on the RRB (individual) process. DGAs will be at the departmental level while the CGA (only 1 required) will be at a controlling agency.
- The Grant Billing Analyst will be at the agency level and will need to be trained to create/edit manual invoices with park functionality.
- GM Mass Billing Processor (residing in OIS) will need to be trained on the RRB (mass) process and IDC functionality.

Appendix

Not Applicable

Team:	Finance - Grants Management (Grantee)
PDD Name:	Grants Conversion and Reporting
PDD Number:	FIN-GM-PDD060-Grants Conversion and Reporting
Business Process Owner:	Afranie Adomako
Functional Lead:	Marlene Scott and Briant Beard
Functional Consultant:	Tri-Chan Le

Executive Summary

The content of this document will focus on the Grants Management conversion strategy, which addresses the business requirements needed during Realization, the migration strategy during Conversion, and the reconciliation strategy for post-conversion. The premise for the conversion strategy is based on the decision to go live with all agencies on July 2010 with the exception of Department of Transportation and Development (DOTD), which will go live on October 2010.

Life-to-Date (LTD) actuals and budget will be converted for active grants. Inactive grants will not be converted. Additionally, budget and actuals will be converted for any grant where the validity period expires after go-live and/or if the validity date is earlier than the go-live date but there is a grace period for final billing provided by the sponsor which falls past the go-live date. For recurring grants, only the most current active grant will be converted. For multi-year grants, summary data from prior years and current year will be converted. As part of the LTD actuals conversion strategy, prior year expenditures and revenues will be converted to conversion GL Accounts at a summary level against the prior year while current year expenditures and revenues will be converted to detailed GL Accounts against the current year. Likewise, prior year budget for multi-year grants will be converted to conversion Commitment Items while current year budget will be converted to detailed Commitment Items the budget is appropriated to. All expenditures are assumed to have been billed prior to conversion and will be coded against a GM conversion Value Type. This value type allows distinction between converted data and post go-live data eligible for billing. Any DOTD related grants that expire between July 1 and October 2010 will also need to be converted for year end reporting purposes.

The success of the Life-to-Date (LTD) grants conversion is dependent on several critical factors as detailed in subsequent sections of this document. These sections emphasize the State's responsibility in cleaning up legacy data, the State's responsibility during Realization to collect and organize the data in preparation for conversion, the loading of master data and testing of conversion programs within various environments, and the three way reconciliation process, which compares legacy data to conversion program spreadsheets, spreadsheets to SAP, and finally, SAP to legacy data. Equally important to these conversion efforts is the communication, regarding the State's migration to a new ERP system, to sponsors and grant recipients as well as to other entities with whom the State does business. This will ensure an overall understanding from all parties of the forthcoming changes within the State.

This document will also provide details of any business critical Grants Management reports and requirements required at go-live and after. The narratives will highlight the use of Business Intelligence (BI), which is the primary reporting tool for the State. This strategy serves to mainly transfer the processing load from the transactional database (ECC) to the reporting database.

This document will solely focus on the design of the grant's LTD conversion and reporting needs. Any other conversion strategies or reports subject to other modules will need to be discussed within the respective teams.

To-Be Process Description

Since the State's legacy AFS system does not have a GM module or equivalent to manage the programmatic aspects of the grant, such as budgeting and reporting by sponsored dimensions, much of the data to assist in the daily business process of the grant are maintained offline in various systems including Excel and Access databases. For that reason, to collect budget and actuals, both AFS and various subsystems will need to be assessed. As decided in the GM blueprints with the Subject Matter Experts (SME's), the general approach is to use AFS to collect actuals as it serves as the current system of record for recording grant postings, while offline systems will be the utilized to collect budget as they provided more detailed information on a grant by grant basis.

Life-to-Date (LTD) actuals and budget will be converted for active grants. Inactive grants will not be converted. The LTD model presents a full view of grant activities, particularly for multi-year grants, and allows a comparison of budget versus actuals. Budget and actuals will be converted for any grant where the validity period expires after go-live and/or if the validity date is earlier than the go-live date but there is a grace period for final billing provided by the sponsor which falls past the go-live date. For recurring grants, only the most current active grant will be converted. For multi-year grants, all LTD budget and actuals from prior years and current year will be converted.

As part of the conversion effort, each new grant's AFS reporting categories or, in some cases, organizations will need to be set up to allow a one to one (1:1) conversion to grant programs.

Conversion of Budget

LTD budget for active grants will be converted. However, prior year budget will be loaded at a summary level to the prior year against conversion commitment items, while the current year budget will be loaded to the current year against the actual commitment item the budget is appropriated to. Budget will be loaded on a grant by grant basis. Therefore, when budget data is collected from each offline system, it needs to be presented on a per grant basis and split according to Fund, Commitment Item, Funded Program, Functional Area and Funds Center, all of which are budgeting dimensions of FM.

The following two options were presented during Blueprint regarding the conversion of budget: 1) Convert the full year budget or 2) Convert only residual budget. Because budget checks will be activated and LTD actuals will be converted, the second option would lead to a reduced budget since converted actuals will consume the converted residual budget. Therefore, the first option, to convert the full year budget, is more practical as it allows an online view of the annual budget and would reflect both residual and consumed budget.

To successfully load the budget, the following developments are required:

1) GM budget conversion/upload program.
    a. This conversion/upload utility serves to convert legacy data into internal FM dimensions (Fund, Funded Program, Functional Area, Funds Center and Commitment Item), and from FM dimensions, convert to GM dimensions (Sponsored Programs and Classes etc.) where it will calculate Indirect Cost and upload into the GM Budget Workbench on a grant by grant basis.
2) Crosswalk table
    a. Conversion of legacy budget and actuals is dependent on the crosswalk as each conversion program looks to this table to map legacy account assignments to SAP account assignments.
3) GM Master Data

a. All GM master data and any other master data relevant to support GM budgeting needs to be loaded prior to conversion. This includes the following:
   i. Creation of Funded Programs, Commitment Items, and Funds Centers;
   ii. Set up of Funded Program Groups, Funds Center Groups, Functional Area groups and Commitment Item Groups;
   iii. Sponsored Classes and their associated commitments items and groups;
   iv. Sponsored Programs and their associated Funds Center, Funded Program and Functional Area, and groups;
   v. Customer Master;
   vi. Sponsors and their funding programs and classes along will other pertinent information on the master;
   vii. Grants and their associated Sponsored Programs and Classes along with other pertinent information on the grant master; and
   viii. GM Derivation Rules must be completely set up to derive sponsor dimensions.

4) Other Master Data
   a. These include the set up of the FM Derivation Rules and other master data such as Fund and Business Area.

Conversion of Actuals

LTD actuals for active grants will be converted. Prior year actuals will be loaded to the prior year at a summary level. To prevent double counting LTD revenues and expense actuals already reflected in the fund balance of the converted grant funds, the offset postings will be to revenue and expense conversion accounts respectively. Current year actuals will be loaded to the current year at a summary level and against the appropriate revenue and expense GL accounts the posting originally hit. Data converted will simultaneously update the GM ledger and corresponding GM dimensions given that the derivation rules and tables as well as any master data to support GM activities are correctly set up. Similar to post go-live, the following account assignments need to be cross walked to in order to update the GM ledger: GL Account, Grant, WBS Element and Functional Area.

Any converted expenditures are assumed to have been billed in the legacy system. A GM conversion Value Type will be created and all converted actuals will be assigned to this value type. This value type will be reverted to its true value after conversion to allow a distinction between converted data and post go-live data eligible for billing.

To successfully load actuals, the following developments are required:

1) Crosswalk table & GL conversion program
   a. The GL conversion program will be used to load grants and non-grant relevant actuals. Reference FIN-GL-PDD040 for further details on the conversion strategy.

2) GM Master Data
   a. All master data, including derivation rules, to support GM must be set up. These master data include those mentioned above under the budget section.

   b. Project and WBS Element must be created and released prior to conversion of actuals.

For budget and actuals, the State will be responsible for the collection, organization, and presentation of data in the format and layout provided for each conversion/upload program. The State will also be responsible for the upload of all master data into the Production environment as well as the reconciliation of data. Reference section “Reconciliation” below for strategy details.

DOTD Conversion

Since the timeline indicates that DOTD will go live October 2010 as opposed to July 2010, the conversion for the first roll out will not include data from DOTD. DOTD will continue to manage its grants the same

way it currently is until October 2010. However, mock conversions and any testing in preparation for the July 2010 conversion will include data from DOTD.

Similar to the overall conversion strategy, actuals and budget for DOTD will be converted for only active grants. The full year budget will be converted. Prior year actuals will be loaded to the prior year at a summary level using generic conversion GL accounts, while current year actuals will be loaded to the current year at a summary level using real GL Accounts. Any DOTD related grants that expire between July 2010 and October 2010 will also need to be converted for year end reporting purposes. These expired grants will be converted to various conversion grants set up in accordance to year end reporting requirements, which includes reporting by Fund and CFDA number.

Testing Environments

Prior to conversion, all conversion programs will need to be fully tested in various testing environments to ensure accuracy. Similar to the production environment, all master data will need to be loaded to each testing environment prior to testing. Mock conversion of actuals and budget for grant and non-grant relevant data will take place. In Realization, further details regarding mock conversions will be provided.

Reconciliation

Data converted in the production environment will need to be reconciled to ensure accuracy. Data should be compared using the three way reconciliation process. This process compares legacy data to the conversion/upload program spreadsheets, spreadsheets to SAP, and finally, SAP to legacy data. Any variation from the expected result needs to be communicated to the proper channel for corrective purposes.

Clean Up Effort, Collection of Data and Communication

The success of the grants conversion is dependent on several pertinent factors including the clean up effort, data collection effort, and communication. The State is responsible for the clean up effort. Agencies must clean up their data prior to conversion and this clean up effort must start at the beginning of Realization. The goal is to only charge allowable expenses to active grants. This implies that any expenditure charged against a grant that is not allowed by the sponsor will require a journal adjustment prior to conversion. Additionally, HR records (1018) must be cleaned up to ensure that only grant funded positions are charged to the grant. The key is to start the clean up effort as early as possible in order to gather and set up accurate data in the system.

During Realization, the GM team will meet with each agency that receives grant awards in order to collect the necessary data to set up in GM. The data gathered must then be organized and presented according to the layout of each conversion/upload program. Any changes to the grant award after it has been surveyed by the GM Team, such as indirect cost rate, cost sharing rate and Sponsored Classes, must be communicated to the GM Team to ensure that data set up in the system is accurately reflected.

Communication, regarding the State's migration to a new ERP system, to sponsors and grant recipients as well as to other entities the State does business with, is required. This ensures an overall understanding from all parties of the forthcoming changes within the State. The ERP Readiness Team will collaborate with each functional team and assist with the necessary communication.

Reporting

Business Intelligence (BI) provides a data warehousing functionality, a business intelligence platform, and a suite of business intelligence tools which the State can use for the reporting, analysis, and interpretation of business data. BI provides flexible reporting, analysis, and planning tools to support in evaluating and interpreting data. Additionally, BI provides enhanced reporting capabilities including filtering, sorting, analysis, calculations, exporting, and presentation. Although reports can be executed in ECC or BI, BI will be the primary reporting tool for the State. This is to mainly transfer the processing load from the transactional database (ECC) to the reporting database. As decided during Blueprint, BI will be scheduled to refresh overnight with delta loads for transactional data and full loads for master data

extracted from ECC. Because BI is updated nightly, real time reporting requirements to support daily decision making process will need to be supported by ECC.

Standard delivered GM reports include the following: Line Item Display, GM Billing Report, Master Data (Funds, Sponsors, Grants, Programs and Classes) and Budget Overview. Any reporting requirements that cannot be met using these standard reports will be customized in BI. These reporting requirements have already been identified in each blueprint session and are documented in the respective PDD FRICE-W section.

Master Data Reports - These reports display details of each sponsor object, such as Sponsors, Grants, Programs and Classes, and show how these objects are mapped to each other via the "Where-used List Derived Assignment" functionality. Similar to all reports in SAP, these reports will display information based on the selection criteria entered on the selection screen and the layout. Reports such as the grant master data index shows for each grant selected, when it was created, its current status, the fiscal year definition, the company code assignment, and the billing information.

GM Budget Overview – This report shows an overview of the current budget status per grant. Users may select specific budget statuses and display the relevant budget amounts using a drilldown format. Budget is displayed at a summary level and further broken down into External/Internal Fund, Expense/Revenue Classes, Released/Unreleased budget status, and sponsor fiscal year.

GM Line Item Report – This serves as the main report for GM activities. This report allows the user to view all posting activities on a line item basis for a selected Grant(s), Fund(s), Sponsored Program(s), Sponsored Class(es) and/or Posting Date(s). This report provides details of each document, which includes value type, GL Account, Fund, Business Area, amount, date created, time, user, and document number.

Grant Billing Reconciliation Report – This report provides information on Grant(s) billable and non-billable items and can be summarized by Grant, Sponsored Program and/or Sponsored Classes. This report only displays status of invoices generated using Resources Related Billing (RRB) and does not provide information on invoices that were manually billed.

#	Process Terminology	Description
1	BI	Business Intelligence provides a data warehousing functionality, a business intelligence platform, and a suite of business intelligence tools to use for the reporting, analysis, and interpretation of business data
2	Sponsor	An agency or institution providing financial assistance in the form of a grant.
3	Grant	Represent lower-level funding instruments used to document, control and report on the results of an agreement between a sponsor and an organization.
4	Sponsored Program	GM structure used to control and monitor transactions based on a sponsor's external programs, which may be different from an organization's own programs.
5	Sponsored Class	GM structure used to control and monitor transactions based on a sponsor's account structure, which may be different than an organization's own accounts.
6	WBS Element	Structures used to collect and monitor the actual costs of discrete long term tasks.
7	Fund	A fiscal and accounting entity with a self-balancing set of accounts which are segregated for specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Represent the lowest level of funding used for tracking, controlling and reporting on available financial resources

8	Functional Area	Cross-organization FM object used to divide organizational costs according to functional aspects, activities or programs to meet legal or internal reporting requirements
9	GM Derivation Tool	Tool to derive sponsored classes and sponsored programs, and, under certain circumstances, funds and grants. User-defined rules are created to record data assignments and perform the derivations.

To-Be Process Flows

Not Applicable

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	LTD Conversion of budget and actuals	Allows full view of grant activities, particularly for multi-year grants, and allows a comparison of budget versus actuals.	Agencies must clean up data prior to conversion.
2	State is responsible for data clean up	Start the clean up effort as early as possible in order to gather and set up accurate data in the system. Successful conversion in the testing & production environments are dependent on this data	Data clean up must be start at the beginning of Realization and continue throughout the project until cut-over.
3	Expenditures will be billed prior to conversion	All converted data are assumed to have been billed when converted into the system	Allows a clean system and distinction of unbilled vs. billed items.
4	Use BI for reporting	Transfer the processing load from the transactional database (ECC) to the reporting database.	Training on BI functionalities

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
1.	WBS Element upload utility	Spreadsheet upload utility to load WBS & release	Flat File	Use for conversion & any mass addition/changes to the WBS	Extensive details and massive amount of data required to be loaded prior to LTD actuals/budget conversion	Flat File	Up to 9999 WBS elements required per project
2.	Sponsored Class upload utility	Spreadsheet upload utility to upload classes & associated commitment Items & groups	Flat File	Use for conversion	Extensive details and massive amount of data required to be loaded prior to LTD actuals/budget conversion	Flat File	Up to 999 commitment items required per class
3.	Sponsored Program Upload Utility	Spreadsheet upload utility to upload programs & associated FC, FA, FP & groups	Flat File	Use for conversion & any mass addition/changes to the programs	Extensive details and massive amount of data required to be loaded prior to LTD actuals/budget conversion	Flat File	Up to 9999 combinations of Funds center, Functional Area, and Funded Programs per sponsored program
4.	Customer Upload Utility	Spreadsheet upload utility to upload customer	Flat File	Use for conversion	Extensive details and massive amount of data required to be loaded prior to LTD actuals/budget conversion	Flat File	
5.	Sponsor Upload Utility	Spreadsheet upload utility to upload sponsor	Flat File	Use for conversion & any mass addition/changes to the sponsor	Extensive details and massive amount of data required to be loaded prior to LTD actuals/budget conversion	Flat File	
6.	Grant Upload Utility	Spreadsheet upload utility to upload grant	Flat File	Use for conversion & any mass addition/changes	Extensive details and massive amount of data	Flat File	Needs to accommodate for entering up to 999 sponsored classes

C - Conversions		Master List of Future State Data Conversions: <Supported Process>					
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
				to the grant	required to be loaded prior to LTD actuals/budget conversion		and 9999 sponsored programs per grant as well as other pertinent info. LA Recovery's master day will need converted the same way.
7.	GM Budget Conversion/upload	Spreadsheet conversion utility to convert & upload into GM budget workbench	Flat File	Use for conversion and post go-live to support GM budget uploads	Extensive details and massive amount of data required to load into the budget workbench	Flat File	Utility to be used after conversion. Reference Enhancements table

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	GM Budget Conversion/upload	Spreadsheet conversion utility to convert & upload into GM budget workbench	Use for conversion and post go-live to support GM budget uploads	Extensive details and massive amount of data required to load into the budget workbench	Utility to be used after conversion. Reference Conversions table

W – Workflow		Master List of Future State Workflow Events: <Supported Process>	
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps		Master List of Future Gaps: <Supported Process>	
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	Role	Description	Strategy	Special Considerations
1.	None identified			

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	BI vs. ECC reporting	Transfer the processing load from the transactional database (ECC) to the	BI training for all users. ECC training for specific users requiring real time reporting

		reporting database. However, real time reporting is available in ECC	

Training Impact

Training required for all users using BI for reporting. Selective users who require real time reports will need to be trained on specific ECC reports.

Appendix

Not Applicable

10. Budget Preparation

Team:	Finance - Budget Prep
PDD Name:	Operating Budget processes
PDD Number:	FIN-BP-PDD010-Operating Budget processes
Business Process Owner:	Barry Dusse
Functional Lead:	Paul Fernandez, Pete Lafleur
Functional Consultant:	Manoj Jacob John

Executive Summary

This document describes the business process design for Budget Prep (BP), which is an SAP tool for the budget formulation process, to be implemented at the State of Louisiana (LA) as part of the implementation/migration of the Operating budget prep activities from BRASS/Excel/Access based legacy data systems. Specifically, this document will address the overall business process decisions taken by the Subject Matter Experts during the Blueprint phase, covering (a) Agency Budget preparation, (b) Review and approval process of the Office of Planning & Budgeting (OPB), (c) Publishing of the Executive Budget and House Bill 1, (d) Tracking of Amendments during the Legislative approval process, (e) Budget Retraction for Execution Control and (f) Reporting and Monitoring, all of which are activities related to the Operating Budget of the State of Louisiana.

The business process sequences of the AS-IS scenario are largely preserved in the TO-BE processes supported by the new Budget Prep tool, enabling the Agencies to commence budget preparation activities upon the mandated issuance of budgeting instructions by the OPB. A significant improvement is the automated start-up of budget prep activities, making available for all budgeting end-users in Agencies (and the OPB and all controlling agencies) the extracts of Previous Year Actual & Existing Operating Budget data from ECC modules. While current Excel Budget Request Forms (CB, BR and other forms) will be replaced by equivalent new budget layouts, the SAP account code structure, being adopted on the basis of accounting (actual) and applicable also for budgeting, will significantly impact budget layouts, of which individualized Grants budgeting would be a prime example. After budget submission by Agencies within the November deadline, OPB would initiate their multiple State, Inter-Agency, Federal & Others (SIFO) analyses, followed by approvals from the Commissioner and thereafter the Governor. Pursuant to Governor's approval, the publication of the Executive Budget would largely remain similar to the current processes, with requisite budget data supplied from standard or custom developed BI queries.

With the presentation of the Executive Budget to the Legislature, amendments approved by the various Chamber Committees will be tracked in the new Budget Prep module, similar to the AS-IS process. The Legislative staff will be provided secured online access to reports related to legislature approved data. After Legislative approval and the Governor's signature, the Operating budget data will be 'retracted' from the Budget Prep module to ECC Funds Management (FM) and Grants Management (GM) modules for budget execution and control.

Thereafter, all budget adjustments, including mid-year budget adjustments (BA7s and non-BA7s) would be performed in FM or GM directly, as real-time budget updates are required to enable hard stops in SAP when budget is exceeded. FM and GM budget adjustments include supplementing the existing budget, transferring budget between account assignments, etc. GM budget adjustments will programmatically flow into FM, where the 'entire budget' will reside in ECC. Whenever required, especially at the beginning

of the annual budget cycle, the Existing Operating Budget, which is the original budget retracted plus the periodic budget adjustments in ECC will be extracted to BI Budget Prep. For BI Reporting purposes, all actual and budget postings (including budget adjustments) will be extracted overnight on a daily basis.

Concurrent to the ERP implementation, the BRASS system used by the OPB would be replaced by the new Budget Prep tool, which is a warehouse-based solution in the Business Intelligence (BI) suite of applications of SAP, which also allows for an automated electronic 'retraction' of the budget prep data for budget control module in the ECC system. Data is also 'extracted' daily from ECC to BI system for reporting. Being a warehouse based solution, the BP module based budget formulation process is more flexible and several planning versions can be simultaneously stored separately for future reference, for example the Agencies' version, the multiple OPB versions, etc. Having consolidated budgeting and accounting data in ERP SAP systems, all Agencies and OPB would use the same common master data and tools for operating budget processes, thereby ensuring standardization and streamlining of the Operating budgeting process at the State of Louisiana.

Salient Operating Budget business process decisions taken by Subject Matter Experts during the Budgeting Blueprinting sessions include:

a) Mid-year budget adjustments (BA7s) will be done in ECC (i.e. in GM module for Grant-related and in FM module for non-Grant related budgets), and not in Budget Prep module. The existing off-line paper approval processes do not undergo any change;
b) Two extracts for Existing Operating Budget info will be enabled (specific dates will be determined by OPB analysts);
c) Online Report access will be provided to the Legislative staff to access appropriate budget data (i.e. budget data related to the Legislative approval process) with appropriate Security roles tied to budget versions / data slices;
d) Agencies to prepare budget at a level below the Program level (i.e. more detailed than the level of Program/Appropriation Units);
e) Agencies require only one Budget Version, which is the version submitted to OPB on 01st Nov;
f) Agencies to prepare Grants budgets with full details; i.e. as per master data in SAP Grants modules;
g) Agency budget version is not expected to input Decision Items (DIs);
h) Around 30-Sep each year (exact date to be determined by OPB), the Existing Operating Budget and the BR9B data may be extracted from FM module to Budget Prep for reference by Agencies for use during their budget prep phase;
i) No further extracts are needed for BR9B data to re-calculate Salary dollars;
j) The BR9B data from HR into Budget Prep layouts will be extracted as 'unchangeable data'; All adjusting entries are to be done in another Layout(s);
k) The blueprint session decision was "No splitting of Salary costs was expected in ZF09 report". (Note: While this PDD was finalized, the final decision was that Budget would get suitable reports, in line with the structure adopted by ECC-Grants Mgt in Realization);
l) Decision to include Unclassified schedule in BR9B report and indicate dates for Step/Merit (in addition to Merit increases);
m) Maintenance of Vacancies in HR, currently maintained by the Agencies (with an "X" indicator) only up to 30-Sep, is required to be maintained throughout the year as per OPB policy.

The Process impact and Organizational impact of the above-referred decisions are tabulated in Section 4.0 Key Business Process Decisions.

The diagram placed in the Section 3.0 TO-BE Process Flows depicts the overall sequence of the TO-BE Operating Budget Processes.

Information on the SAP Budget Prep tool

For details related to the Budget Preparation tool selection, between Business Intelligence – Integrated Planning (BI-IP) and Public Budget Formulation (PBF), please refer to a separate White paper Evaluation, which would compare the two toolsets against the State's budgeting business process requirements, and a final decision will be made during early Realization.

To-Be Process description

Overview of budgeting processes

The State of Louisiana has a structured annual budget cycle to ensure that the Annual Operating Budget is balanced and funds the services required by taxpayers to the greatest extent possible. The Operating Budget managed by the Office of Planning & Budgeting (OPB) has three concurrent business processes, relating to (a) Closing activities of the previous year, (b) Handling of Existing Operating Budget (especially Mid-year Budget Adjustments), and (c) Preparation of the next year's Executive Budget, for which the following four major phases are significant:

- Preparation — Budget request submission by all Agencies, OPB review/analysis and approval;
- Approval — Submission of the Executive Budget (and House Bill 1) to the Legislature, and follow-up by OPB during the enactment process by the Legislature, and subsequent establishment of the Annual Operating Budget;
- Execution — Budget execution within fiscal controls and legal spending limits of the Annual Budget;
- Monitoring — Financial and Program Performance Monitoring and Reporting.

The scope of the new ERP-based Budget process, including the budget execution process and Performance monitoring encompasses all of the above four stages. While the preparation and approval, collectively "Budget Preparation" activities, will be achieved using the Budget Prep tool in the Business Intelligence (BI) system together with the Performance Monitoring processes, the execution and control processes, referred to as "Budget Execution", will be achieved in Funds Management (FM) and Grants Management (GM) modules within SAP Enterprise Central Components (ECC) system.

To achieve these objectives and bring about related process changes, the Budget Prep Project Team conducted business process design sessions and meetings from August through December of 2008. Invitees to these workshops included budget personnel from the Office of Planning & Budgeting (OPB), Budget analysts of several major/significant State Agencies, and other business process teams. For each budget process, workshop participants identified the current AS-IS business processes, defined process improvements, and then crafted TO-BE processes based on accepted best practices. Essential related topics such as Policy impacts, Training and Organizational Readiness were concurrently discussed, as well as FRICE-W development objects (F=Forms, R=Reports, I=Interfaces, C=Conversion, E=Enhancements and W=Workflow). The workshop proceedings have been fully documented and serve as the basis for preparation of this Budget TO-BE Future Business Process Definition document.

Following are the distinct phases in the TO-BE scenario for the Annual Operating Budget preparation processes:

a. Budget Cycle Start-up processes
b. Agency Budget Preparation and Submission processes
c. Budget review and approval processes of OPB
d. Publishing of the Executive Budget
e. Legislature Amendment Tracking & Approval processes
f. Budget retraction processes for Execution Control
g. Reporting and Monitoring

A. Budget Cycle Start-up processes

The Budget Cycle Start-up processes represent activities by OPB Super-Users, together with supporting activities of the Office of Information Services (OIS), to commence the Annual Operating Budget process.

In the TO-BE scenario, many of these activities will be completed or supported by automation, eliminating manual processes currently performed (for e.g. Agency compilation of Previous Year Actual data and Existing Operating Budget data, including the data reconciliation by OPB upon Agency submission). The Budget Start-up activities would typically include:

- The issuance of Annual Budget Program Policies and Guidelines (some non-SAP processes), giving instructions applicable for the said budget year, from OPB to all Departments/Agencies. Typically, OPB issues budget instructions by the 3rd week of September each year. The ability to change this timeline is constrained by the Louisiana Budget Statutes, which requires the Governor/ OPB to issue budget instructions to all Agencies no later than 20th September annually
- Preparation of Previous Year Actual & Existing Operating Budget (EOB) and other related data, readying data for the next year's budget preparation process on the system, based on pre-agreed cut-off/deadline dates issued by OPB. As the above referenced SAP data will be electronically loaded, this will eliminate manual processing and provide the analysts of the Agencies/ Department and the OPB with more consistent and reliable information for the budget build process. These sub-processes encompass the preparation activities for Budget Cycle readiness including necessary BI extracts, execution of data marts from BI to the Planning module, data imports and planning data setups (e.g. minor changes to Budget Layouts, etc) that are required to begin the next budget year.

Based on details in the Realization phase, a full list of all start-up activities will be developed.

B. Agency Budget Request preparation and submission processes

The Agency Budget Request, which has a submission deadline to the OPB (no later than 15th November or a date determined by the Commissioner each year), commences with the receipt of Annual Budget Program Policies and Guidelines, although some complex Agencies may commence their activities by late summer. All Agencies are expected to use SAP BI web-based Budget Forms (developed in SAP, based on details in the current CB, BR and other forms, see Appendix B) and submit the budget data for the Continuation Budget as well as the Executive Budget by the deadline.

Following the Department/Agency's internal budgeting activity timeline, the Agency budget staff (which may consist of Junior and Senior Budget Analysts in the Agency and/or the field/program/policy offices) will begin to formulate detailed budget estimates by the SAP equivalent of legacy budgeted Program or Appropriation Unit in terms of Fund Centers, Grants, etc, using a variety of sources including actual accounting data, strategic/operational plans, major procurement plans, and other internal agency policy documents which drive the budget estimates. If the budget estimates are collated using SAP Budget Layouts, the Budget data Reports would provide data for review by the Agency senior management. Based on the Department's/Agency's management decisions, the Agency will enter/update the budget prep module, within the Agency Budget version, and electronically submit (save) the Agency budget version to the OPB within the November deadline. Tracking submission by Agencies, and electronic notifications, are part of the development plan. The electronic submission using the Agency Budget version will replace the current (labor intensive) process of submitting paper documents and the use of multiple excel files.

These business process changes will enhance the current process by offering greater data comparison through use of ECC account structures and a single source of previous/current budget data. This ready-access to data for the needs of all budget analysts (OPB and Departments/Agencies) will decrease time required for cumbersome efforts and eliminate the current manual efforts such as, re-keying/re-populating Actual, and re-formatting budget data in different budget forms and reports for Agency submission to OPB

Full representation of budget data to be included in the SAP BI Budget Layouts, including the structure of the Means of Financing, master data details (e.g. Grantee and Grantor grants), etc will be detailed during the Realization phase based on final decisions taken by the ECC module Teams, as it is this master data that will be utilized in the Budget Prep module to prepare budget data.

List of major data inputs for Agency Budget preparation

- Annual Budget Program Policies and Guidelines, strategic /operational plans and other Agency planning information (non-SAP data)
- Employee/Salary actual SAP data extracts from HR system (HR-ISIS or ECC-HR data)
- Performance Measures & Results from prior years (Custom solution data or BI based data)
- Maintenance of ECC master data, as necessary (Funds, Grants, Fund Center, Func. Areas, etc), with related maintenance of derivation rules, followed by BI data extracts for budget preparation

List of major data outputs of the Agency Budget preparation

- For OPB: Electronic budget data submission using BI Budget layouts (similar to CB & BR forms)
  - (note-1: the TO-BE process would be a paperless exchange of data between Agencies & OPB)
    - (note-2: the distribution of Agency budgets to the Legislature will be discussed with the Legislature during Realization phase)
- Optional for Agency/OPB: Print-out of Agency Budget Summary report only

Note: Budget Reports, as needed for Agency/Department use, will be developed in SAP BI, based on legacy AS-IS Report contents and Reports for SAP-specific data (e.g. Grants budget reports). The full list of Reports to be developed is available in the FRICE-W list handled by BI Reporting Team.

C. Budget review and approval processes of OPB

Review and analysis at the OPB commences after the November submission of the Agency Budget Requests. The review includes all activities leading up to the finalization of the Continuation Budget and the Executive Budget, including publishing of the Executive Budget. Using the new Budget Prep module, the OPB budget analyst will be able to, in general, review the Agency Budget Request Layouts at the Program/Appropriation Unit level and Budget Request Summaries at the Agency/Department level, based on definitions for each Agency with an agreed upon level of supporting detail for additional analysis (note: extent of Grants details, etc., to be elaborated during Realization). Further, the OPB analyst will be able to examine and run detailed BI or ECC reports for any related SAP budget data as needed to enable the review and analysis of one or more Agencies and/or a Department.

Multiple Versions will be facilitated to enable the review process of OPB, currently referred to as the SIFO processes, corresponding to the several significant stages of the approval process, which include:

Description of significant Stages	SAP BI Version description
OPB's Preliminary Recommendations	Barebones Budget
Preliminary Executive Budget to Agencies	Preliminary Recommendation for Agency appeal
Agencies complete Appeals (as applicable)	Agency Appeal Version (t.b.d.)
Commissioner's Review (i.e. SIFO IIc Prelim Budget)	Commissioner's Decisions
Governor's Review (i.e. Executive Budget to Legislature)	Governor's Decisions

During the review process, the OPB Budget Analysts could recommend funding for each Agency, such items as total personnel services based on established Table of Organization (TO), total operating costs, total other charges and total acquisition & major repairs. The means of financing these expenditure requests (to be detailed during the Realization phase) will break down the anticipated Revenue in terms of State Funds, Federal Funds (i.e. Grants), Inter-Agency Transfers, Fees & Self-Generated, Statutory Dedications, etc in a manner suitable to facilitate funding recommendations and direct identification of these revenue sources in the new SAP ECC-based account code structure. The multiple review of OPB recommendations, supported by the currently used Decision Item codes, are also jointly reviewed by the OPB management, Commissioner's office and the office of the Governor. These review processes will be supported by multiple Budget Versions, establishing the evolution of the Governor's Executive Budget each year. Summarized and detailed reports (covering standard and custom developed reports) of the

annual Budget data, including the multiple versions, will be available for special analysis, recalculations and what if budget analysis performed by the OPB.

Full representation of budget data to be included in the SAP BI Budget Layouts, including the structure of the Means of Financing, master data details (e.g. Grantee and Grantor grants), etc will be detailed during the Realization phase based on final decisions taken by the ECC module Teams, as it is these module-level data that will be utilized in the Budget Prep module to prepare budget data.

The OPB also consults with and uses appropriate data for their internal analyses from the State Economist and the Revenue Estimating Conference; however, there is currently no requirement to interface any such external data to process the annual budget data in the Budget Prep module.

The Budget Request process, involving the Office for Information Technology (OIT) for expenses relating to information technology components (IT-10 process), which is currently routed for approval from the Agencies through to the office of the Chief Information Officer (CIO), together with review by Division of Administration (DOA) and eventual recommendation to the OPB, is proposed to be reviewed during the Realization phase.

When expense estimates are finalized and balanced against estimated revenues, and recommendations are approved by the Commissioner's office and the Governor's office, then activities for final production of the Governor's Executive Budget are initiated for presentation to the Legislature. The end of this process is considered to be the Governor's approved Executive Budget.

List of major data inputs for OPB Budget processes

- Agency Budget Requests, submitted on-line using BI Budget layouts (similar to CB & BR forms) (note: the TO-BE process would be a paperless exchange of data between all Agencies & OPB)
- Summarized and detailed Budget reports (covering standard and custom developed reports)

List of major data outputs of the OPB Budget processes

- Data for Governor's approved Executive Budget document
- Optional: Summarized & detailed Budget Reports with Department/Agency-wise Summary

Note: Other Budget Reports, as needed for OPB, Commissioner's office and the Governor's office use, will be developed in SAP BI, based on legacy AS-IS Report contents and Reports for SAP-specific data (e.g. Grants budget reports). The full list of Reports to be developed is available in the FRICE-W list handled by BI Reporting Team.

D. Publishing of the Executive Budget

Immediately prior to the Legislative process, the OPB publishes the Governor's Executive Budget, which is a document compilation of the entire Budget for the State of Louisiana. Together with the Summary and detailed Budget data from the SAP BI Budget prep system, a wide variety of information is compiled and reviewed for accuracy and completeness for the purpose of providing the Governor with the publication data for delivery to the General Legislative Assembly as required by the statutes of the State of Louisiana.

The formal start of the budget publication process occurs when the Governor's Executive Budget and supporting documents are finalized and the process ends when the Budget is actually printed, distributed and published on the web. The publication process includes (a) the compiling and developing information, (b) multiple reviews and revisions of the presentation data and (c) publication of the Governor's Executive Budget and Supporting Documents.

With the decision to continue use of Pattern Stream publishing tool due to its easy adaptability to current and expected future Budget Prep modules, the various types of data collated for Budget publishing, and the sources for these data are:

1) Reference data from SAP BI Budget Prep system

- Data from BI Queries (similar to BRASS Queries)

- Data output from BI Queries to Excel file (similar to external Excel file)
- Data from other sources, e.g. ODS tables

2) External Non-SAP Excel file data (similar to Economic Outlook)

- Data of Excel file (Location of file to be specified)

3) External Graphs and other PDF documents

- Data of Graph file (File location to be specified)

4) Reference data from SAP BI Budget Prep system for all Departments:

- Develop Department Template with BI Queries (similar to BRASS)

The above documents are mapped into the Pattern Stream tool, using PSets (note: new PSet definitions will need to be developed for SAP BI-based query data by Finite Matters Ltd in coordination with and contracted by OPB), followed by creation of Frame-maker files. Then, a Frame-maker book, which contains all the Frame-maker files, is organized together with page numbers. Finally, a PDF file is generated from the Frame-maker Book. Thus, Pattern stream is able to consider inputs to the Budget Book from various file types, such as Excel, Word and BI Query formats, which together will be collated to form the Budget book, as is being performed currently.

The overall process for publishing, including the technical tool and involvement of the Graphics/Printing Department, is not expected to change. Similarly, there is no change to MS-Word creation of House Bill 1.

List of major data inputs for publishing processes

- Data for Governor's Executive Budget and all Supporting Documents

List of major data outputs of the OPB Budget processes

- Published document from Pattern Stream – Governor's Executive Budget Document (including document placement on the Web) and draft budget bill, in line with AS-IS process.

E. Legislative Amendment Tracking & Approval process

The Legislative review and approval is the process for the Legislature review of the Agencies Budget Request, as moderated and presented within the Governor's Executive Budget. The Legislature reviews the budget, approves amendments as considered thereby leading to a final enacted budget for the State. All the Legislative amendments will be tracked in the Budget Prep module, similar to the existing process using BSLT codes (Body Supplement Legislative Tracking codes).

The formal start of the Legislative Review process is in the spring, on a date determined by statutes, after the completion and submission of the Governor's Executive Budget. The Legislature receives the Governor's published Executive Budget, Supporting documents and the original appropriation Bill (HB1), although the format of the HB1 document is converted to Word-Perfect by the Legislative staff. The process finishes when the Legislature finalizes and submits the Appropriation Bill to the Governor for signature. While there is no impact expected to the proceedings of the Legislature, the data and report presentations will use the new ERP-SAP based data instead of the legacy system based data structure.

The Legislative Review and Approval process occurs between March and June each year. Certain Amendments to be considered by each Legislative Committee are prepared by the OPB, although these "Consider versions" of budget data are not proposed to be furnished to the Legislature. It is expected that each Committee will continue to formulate separate budget recommendations. The budget changes of the House and the Senate are also negotiated with the Governor, the Commissioner and their staff when necessary. Data related to each Legislative budget change will be maintained separately in the new Budget Prep system, and more than one version may be used in order to isolate changes for tracking. While the Legislature is not expected to be a user of the new Budget Prep system at this time, access to reports related to each Legislative Committee approved budget data is proposed to be provided for the Legislature staff. It is preferred that the Legislative staff run the necessary SAP BI reports which might aid

them in their analysis and eliminate the passing of paper-based data with the OPB. Necessary training to execute reports will be necessary for identified Legislature staff.

Upon conclusion of the Legislative process, the House and Senate would have approved a consensus Budget House Bill 1 for signature by the Governor, thereby enacting the State Operating Budget and the Spending Authority for the fiscal year.

List of major data inputs for the Legislative process

- Governor's Executive Budget, all Supporting documents and the Appropriation Bill HB1 (note: Conversion of data files to Word Perfect format is expected to be done by the Legislative staff, and not the OPB)

List of major data outputs of the Legislative process

- For OPB: BI budget reports of OPB's "consider version" (note: No access for Legislature)
- For Legislature: BI budget reports (Web) of 'approved' Legislative amendments tracked in Budget Prep, proposed to be accessed online

F. Budget Retraction process for Execution Control

The budget execution phase begins on July 1st, though the Appropriations Act is rarely approved before July 1st. Ideally, the Operating Budget detailed data should be posted from the Budget Prep module to ECC Funds Management (FM) module and the Grantee Management (GM) module, without which end-users of the State will not be able to process financial transactions in the various SAP modules such as procurement, accounting, etc. Taking into account the possibility that the Legislative approval of House Bill 1 would possibly not occur every year on 01st of July, options to deal with such a situation will be finalized in the Realization phase.

The electronic transfer/posting of the approved budget data, from the Budget Prep module to ECC-FM is achieved through the 'Retraction' process, by which the requisite data is transferred. For non-Grant related Budget data (i.e. Grant value = Not Relevant), the retraction process would populate the Budget Prep data directly into Version "0" in the FM module, including the budget data related to Grantor Grants. For further details of FM process, refer to FM PDD FIN-FM-PDD020 FM Budget Preparation Integration and Amendments.

For Grantee Grant related Budget data (i.e. Grant value ≠ Not Relevant), which typically includes budgets related to cost sharing funds in addition to external, federal and private grant funds, the Budget Prep module will make available the budget data, prepared on State's internal dimensions, within a suitable Query for data extraction or flat file. This data extraction or flat file will be executed by an SAP GM enhancement through the GM Budgeting workbench, in order to load the budget into version "0" in GM, convert the same to external dimensions (captured also as a GM enhancement) and update the FM module version "0" as well. Thereafter, FM module will contain the consolidated overall State Budget. For further details of GM process, refer to GM PDD FIN-FM-PDD030 GM Budget & Budget Control.

For details of business processes and related SAP system set-up on the ECC side that deals with Budget Execution and Control of the approved Operating Budget, especially Mid-year Budget Adjustments (i.e. BA7s and non-BA7 processes), refer to FM PDD FIN-FM-PDD020 FM Budget Preparation Integration and Amendments.

G. Reporting and Monitoring

The reporting and monitoring related to budget execution process begins on July 1st. After the budget is retracted from the budget prep module to ECC, the end-users will be able to post financial transactions consuming budget, in all SAP modules such as procurement, accounting, payroll, and human resources. Validation of budget availability will be controlled in FM & GM, based on business process decisions from Blueprint. Due to the internal integration within SAP, the results of the purchasing, accounting, controlling and human resource module activities are posted simultaneously in FM & GM on a budgetary basis of accounting. Periodically, the Actual along with the updated budget (with BA7 postings) are transferred to

the Budget Prep module, especially in relation to the preparation for the ensuing year's budget preparation cycle and activities.

While the equivalent process for the existing Agency monitoring and update of performance measure data is to be decided during the Realization phase, based on the tool to be selection, it is expected that the business processes would be integrated and streamlined to achieve effective monitoring by OPB and reporting by Agencies providing greater visibility to the expended budget amounts with the performance indicators, including reporting.

At the end of each fiscal year, the detailed and summary BI and ECC budget and actual data reports are expected to serve as effective management tools for the Office of State-wide Reporting and Accounting Policy (OSRAP) and Office of Planning & Budgeting for their fiscal year-end information requirements. The Budget Execution process ends with the fiscal year on June 30 and subsequent closing operations in the system, which does not have any direct impact for activities in the Budget Prep module.

The TO-BE process flow will improve the integration among budget, accounting, purchasing and other processes with the State and its Agencies; provide a centralized database of budgetary information, with integration to actual data that originates in accounting and human resources; provide new, state of the art technology that will empower budget analysts to make more informed decisions, with less manual effort required to obtain the necessary supporting data; and streamline the many manual processes that currently take place in budget formulation and execution. In short, the TO-BE Design will help the State of Louisiana to transform its budget processes and achieve significant process gains when compared to the existing stand-alone systems.

Information on the SAP Budget Prep tool

For details related to the Budget Preparation tool selection, between Business Intelligence – Integrated Planning (BI-IP) and Public Budget Formulation (PBF), please refer to a separate White paper Evaluation, which would compare the two toolsets against the State's budgeting business process requirements, and a final decision will be made during early Realization.

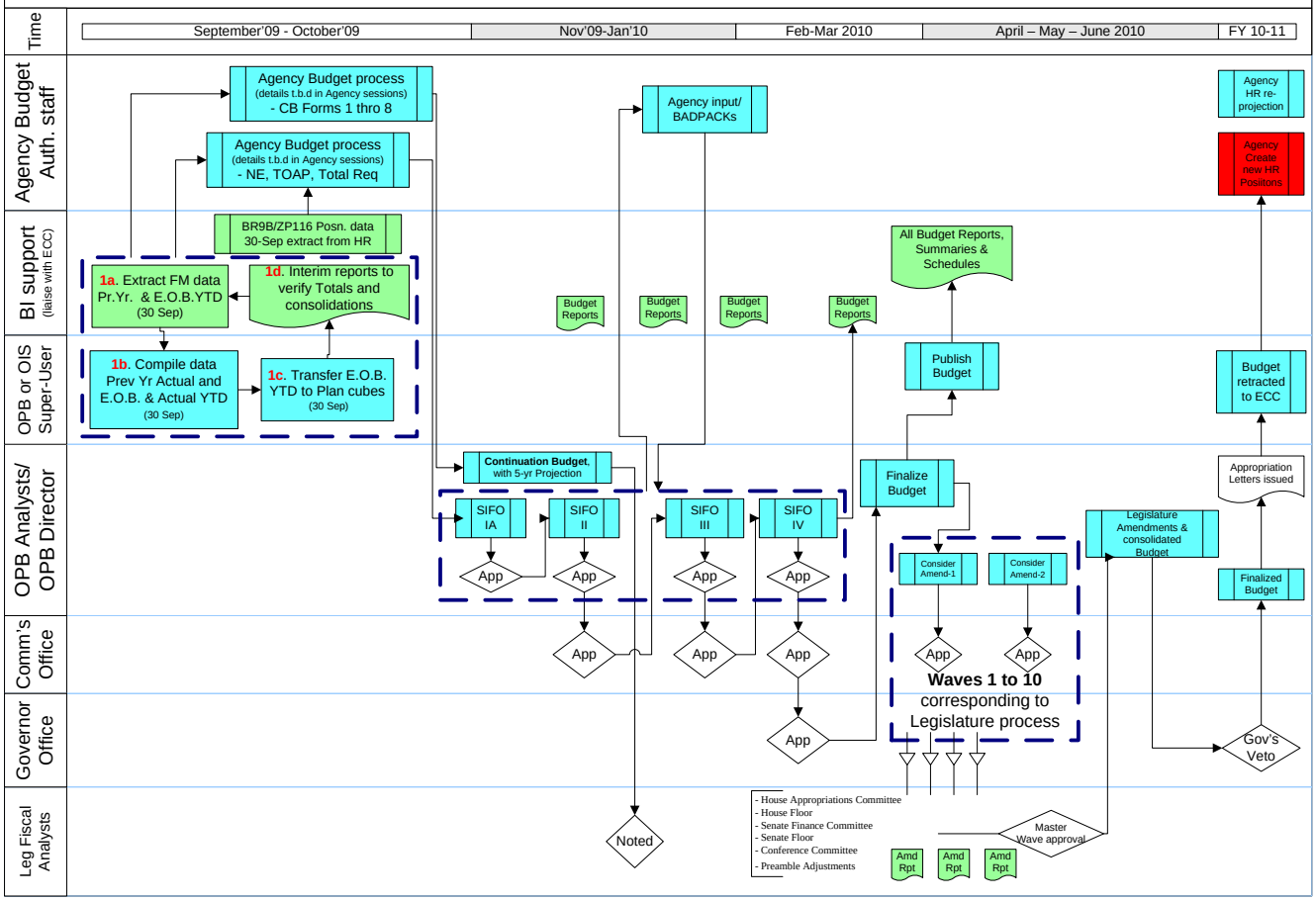
#	Process Terminology	Description
1	SAP Business Intelligence (BI)	SAP Business Intelligence (BI) enables Online Analytical Processing (OLAP), which processes information from large amounts of operative and historical data. OLAP technology enables multi-dimensional analyses from various business perspectives.
2	IP – Integrated Planning	Integrated Planning module is an SAP warehouse based solution where budgeting and planning is enabled. IP allows for users to enter and change budget/planning data.
3	Extractor	Program that transfers data from ECC source system to SAP Business Intelligence
4	Retractor	Program that returns data from SAP BI back to the ECC system. Actual data that has been extracted from the Operational system is used as reference data for generating new planning data in an application based on BI. A retractor can be used to transfer this planning data back to ECC as Budget at the beginning of the fiscal year.
5	Info cube	An Info cube describes a self-contained dataset consisting of relational tables that are created to facilitate planning and reporting in BI
6	Key Figure	Key figures are specific objects in an info cube that represent values or quantities. Key figures are contained in and updated with transactional data or interactive planning activities and some examples are actual dollars, budgeted dollars, or Full Time Equiv.
7	Characteristics	Characteristics provide classification possibilities for the dataset. Examples of Characteristics include Fund, Cost Center, Functional Area, etc. The master data includes the permitted values for a characteristic, also called characteristic values. Characteristic values are discrete names.
8	Business Explorer (BEx)	The analysis of dataset in BI is done by defining queries for Info providers using the Excel based BEx Query Designer. By selecting and combining Info objects (characteristics and key figures) or reusable structures in a query, the navigation and evaluation of data is

#	Process Terminology	Description
		facilitated in the selected Info provider.
9	Data Slices	Data slices are used to explicitly lock certain subsets of the dataset of a planning area for updates. Each data slice specifies a selection condition for characteristic values.
10	Public Budget Formulation (PBF)	This is SAP's new public sector budget formulation module that is currently being developed, which is under consideration by State of Louisiana for implementation.

To-Be Process Flows

B.08-FIN-BP-PDD010 Overview of Operating Budget processes

Note: **External Data Systems**, **BI Planning**, **Business Intelligence** **and** ECC 6.0 steps are color-coded



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Mid-year budget adjustments (BA7s) will be done in ECC (i.e. GM for Grant-related and FM	In the AS-IS process, midyear budget adjustments are entered in BRASS and AFS separately, and	Budget analysts from all Agencies/Departments will need FM & GM training to post mid-year BA7 budget

#	Decision	Process Impact	Organizational Impact
	for non-Grant related), and not in Budget Prep module. Current off-line paper approval process does not undergo any change.	often need reconciliation. In the TO-BE process, FM and GM processes will be used for mid-year BA7 budget adjustments	adjustments
2	Two EOB info extracts will be enabled (specific dates will be determined by OPB analysts)	In the AS-IS process, EOB data is manually collated by each Agency and reconciled against OPB's data. In TO-BE process, data extracts will be electronic	Electronic data extracts would relieve manual efforts of the Agencies and avoid the need for the reconciliation of data with OPB
3	Online access to appropriate budget data for Legislative staff will be by Security roles based on budget Version/Data slices	Currently, OPB furnishes Reports to the Legislative staff	Online access would reduce the paper-based Report distributions to the Legislature
4	Agencies prepare budget at a level below the Program level (more detailed than the level of Program / Appropriation Units)	Budget Layouts to facilitate data entry at Cost Center levels, which are below the Program/Appr. Unit level	Ability for Agencies to prepare budgets more detailed than the Program/ Appr. Unit level, which is the submission requirement to OPB
5	Reporting and Planning have the same BI-based security during budget build process	No need to segregate security access setup for Reporting & Planning	Planning Layouts and Reports during budget build are accessed by the same set of Users
6	Only one Budget version is needed by all Agencies, which is the version as submitted to OPB on 01-Nov	Agencies' budget data submission is stored in only one Planning version	Budget data submitted by Agencies on 01-Nov will be stored in a separate Planning version each year
7	Agencies don't need "consider" Legislative version similar to OPB; instead, Agencies will access the 'final Legislature approved' versions as Reports	Agencies do not prepare a 'consider list' similar to OPB; hence, there is no need for such a version	Agencies will have access to the Legislature approved version based Budget Reports, which tracks Amendments through the House and Senate chamber approval process
8	Agencies to prepare Grants budgets with full details; i.e. as per master data in SAP Grants modules	Budget Layouts for Agencies to facilitate budget data entry with full details of Grants (as per master data in SAP GM module)	Agencies would be able to prepare and enter detailed information for Grants related Budgets
9	Agencies' budget version is not expected to input Decision item	Budget Layouts for Agencies' data entry does not need Decision Items	Decision Items are not tracked and entered by Agencies in their Budget submission
10	Around 30-Sep each year (tbd by OPB), the E.O.B. & BR9B may be extracted from FM to Budget Prep for reference by Agencies for their budget prep	Agencies do not need to collect and summarize E.O.B. (and BR9B data). Instead, this data will be centrally made available to all Agencies	When compared to the AS-IS process, there will be significant saving of time and efforts for Agencies, as they do not have to compile and reconcile this data anymore
11	No further extracts are needed for BR9B to recalculate Salary dollars	As compared to the AS-IS process (where a second data extract was done around 01-Dec during OPB's budget process), there would be no further recalculation of Salary dollars	As the final Budget may further amend/reduce Salary related budget, no recalculation of BR9B based Salary budget would save time during the budgeting process for OPB and Agency analysts
12	BR9B data from HR into Budget Prep layouts to be extracted as 'unchangeable data'. Adjusting to be done in another Layout	Since BR9B data is unchangeable, there will not be any tampering/ changes to Position/Employee data	As compared to the AS-IS process, there will be no changes to the Position (title, etc) and existing Employee data. Adjustments, if any, would be clearly indicated in a separate Layout
13	The blueprint session decision was "No splitting of Salary	In line with the new ECC structure, the reports for Salary would be	If the Salary costs are not split, manual effort will be necessary to calculate/prorate the

#	Decision	Process Impact	Organizational Impact
	costs was expected in ZF09 report". (Note: While this PDD was finalized, the final decision was that Budget would get suitable reports, in line with the structure adopted by ECC-Grants Mgt in Realization)	changed by HCM (formerly ISIS-HR project). If the splitting of Salary costs are not done in SAP HR reports, Agencies will need to prorate the costs to the various cost objects (e.g. Grants)	budgeted salaries by the appropriate means of financing
14	Decision to include Unclassified schedule in BR9B report and indicate dates for Step/Merit (in addition to Merit increases)	BR9B report would newly include Unclassified schedule with dates for Step/Merit increases Action Item-1: Agencies to use the existing (?) HR functionality/report Action Item-2: In the TO-BE process, Agencies to provide information re: Term Pay and Overtime	Unclassified would be budgeted similar to Classified positions
15	Maintenance of Vacancies in HR, currently maintained by the Agencies (with an "X" indicator) only up to 30-Sep, is required to be maintained throughout the year as per OPB policy	Action Item-1: For desired process impact, it is necessary for Agencies to clean-out 'Ghost positions' (i.e. non-funded TO positions, e.g. 3670) Action Item-2: In the TO-BE process, Agencies to continue maintenance of Vacancies beyond date of 30-Sep	Vacancy positions will be maintained continually by the Agencies in ISIS-HR

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Due to the fact that the LaGov system will not allow any actual posting unless the Operating budget is loaded on 1st of July each year without any delay in issue of Appropriation letters, specific SAP-ECC business processes must be determined to handle possible delays after SAP ECC budget processes are initiated from the year 2011-12 onwards	There is a need to formulate a policy based on considerations of loading a percentage budget or other alternatives such as shifting the timeline of budget retraction, and present the same in the ensuing Budget Bill for the year 2009-10 or 2010-11. Options will be detailed during Realization	Barry Dusse
2	In the TO-BE scenario, as Grants have to be individually budgeted while preparing Operating Budget, all Agencies will need to create/maintain/monitor Grants budget & other Grant-specific business process. Specific Grants Administrator roles are typically recommended for this purpose	Each Agency/Department may need to create new Grants Administrator roles, besides a Central Grants Administrator	Barry Dusse
3	Based on Blueprint session participants' recommendation, as related to BI-IP/GM, following is submitted for Management approval regarding Existing Grants: o The Blueprint session Participants recommended for Management approval that any Budget adjustments related to existing Grants should not have to be approved outside their Agency's office (Department's office?), as long as It does not exceed the Managing Agency's existing approved Budget Authority and Appropriation Unit (Means of Financing), covering: (a) Adjustments between two or more Grants (b) Adjustments across Object Categories (equiv in SAP)	Recommended for Management approval for Budget adjustments related to existing Grants	Barry Dusse

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
4	Based on Blueprint session participants' recommendation, as related to BI-IP/GM, following is submitted for Management approval regarding New Grants: o The Blueprint session Participants recommended to change the current/ existing law/guideline to allow agencies to add new Grants and accept new Grants (in Grantee Mgt module), without requiring OPB/Legislative approval (BA-7), as long as the Agency does not exceed it's existing and approved Budget Authority and Appropriation Unit (Means of Finance). o The above is for Grants that do not require the State to later sustain that Program, i.e. no future obligation/future fiscal impact to the State after Grant comes to an end. This will be ensured by the Secretary of Department/ Agency or his/her Designee.	Recommended for Management approval for Budget adjustments related to New Grants	Barry Dusse

Note: *This is a preliminary list and each Department or Agency will need to review its own internal policies, procedures, desk-references, etc. to bring them in line with the changes created by the implementation of SAP.*

Identified Development Objects (FRICE-W)

Forms

No specific Form developments have been identified for this PDD. However, 2 specific text requirements have been placed below the table for development.

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	See above						

1. Long Text capture for the Operating Budget, as (a) BSLT and (b) Decision Items (DIs)
   - Including spell check for Long text
   - Long Text capture at Program submission level
2. Text justification in Agency Budget submission: The requirement is for Agency to be able to enter text justifications to support their budget request, during submission of the Agency version of the budget to OPB (as of 01-Nov each year).
   - Include Spell check functionality
   - Text capture at Program submission level

Reports

All Reporting requirements are being collated by the BI Team, but critical Report developments which were mentioned in the context of business processes in this PDD, are highlighted below:

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	For Agencies' Activity-based data	Activity	X	X	Governor's	Barry	Sample Legacy

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
	submission recently (10-Nov-2008), Performance Reports at the Activity-level may need to be developed in SAP as well. (Note: This is to be based on final decisions/ design for Activity-based Budget and related Performance data during Realization)	Reporting			new / recent budgeting mandate	Dusse	Activity-based Report to be obtained
2.	Reporting for NGOs (Non Governmental Organizations), SLP (Special Legislative Projects) - Non-OPB amendment reporting	Special Reporting	X	X	Special Reporting	Barry Dusse	Sample Legacy Reports to be obtained
3.	Several interim Budget Prep reports to be developed using SAP-BI data, which may have no equivalent legacy reports	Budget build reports		X	For Budget build	Paul Fernandez	There may be no equivalent Legacy report

Interfaces

Note: The following possible Interfaces were mentioned during Budget Prep sessions, but these are not expected to be interfaced to Budget Prep

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
~~1.~~	~~eGMS~~	~~Expenditure feed to AFS~~	~~X~~		~~To check whether to continue expenditure feed to SAP?~~	~~DOE~~	Note: Included in GM PDD FIN-GM-PDD040_ Grant Accounting
~~2.~~	~~TIPS~~	~~Expenditure break-down (not in AFS?)~~	~~X~~		~~To check whether this expenditure is needed in SAP?~~	~~DSS~~	~~Further investigation needed in Realization~~
~~3.~~	~~TYLER-MUNIS~~	~~Not operational yet? for Recovery School District~~	~~X~~		~~Check need for Interface to SAP~~	~~DOE~~	~~Further investigation needed in Realization~~
~~4.~~	~~CCAP~~	~~Expenditure to AFS~~	~~X~~		~~Check need for Interface to SAP~~	~~OFS~~	~~Further investigation needed in Realization~~

Conversions

For Operating Budget data conversion, refer separate PDD for conversion

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	See above						

Enhancements

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	During extraction to BI and IP, it is necessary to capture long text from FM for BA7s	When FM data is extracted to BI (not needed in IP), it must include the long texts captured on BA7 document	The data structures between ECC-FM and BI infocubes (viz., DataSource, InfoSource etc) needs to handle FM text during BI data extraction	Currently, BA7 text is used in monthly reports	Full details of BA7 long text captured in FM needs to be investigated for BI extraction
2.	For BA7 workflow based posting, it is required to check in FM if the MOF is equal to the Expenditures	When the BA7 is posted in FM with Workflow, the current business need is to ensure that MOF is equal to the Expenditures	Validation may be needed to ensure that the FMBB posting in FM balances the total of Rev to Expenses	Business requirement is that BA7 should balance the MOF to Expenses	The new process of BA7 posting in FM may need to be reviewed in Realization

Workflows

The following Workflow, although related to FM module, is detailed below as several detailed elements of the Workflow's requirements were discussed in multiple Budget Prep sessions.

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	**Description**	**Justification**	**Comments**
1-a	The Workflow routing for BA7 is: Agency -> Dept. -> OSRAP -> OPB -> STO (Note: STO expressed preference to be last approval in WF process)	Mid-year budget adjustments (BA7s) need approval from all these controlling agencies	To review any change in business requirements during Realization, based on the Business Process Re-Engineering initiative, specially to reduce multiple approvals
1-b	The above workflow must identify Events/Recipients for BA7 & Non BA7 postings, based on Fund Center/ Commitment Item used in the posting	This is due to the difference in approvals for BA7 and non-BA7 postings, such that no workflow 'routing' decision is necessary by the Agency personnel	Review BA7 & non-BA7 postings during Realization, in the context of SAP-based ECC-FM process
1-c	Approvals & Rejection notifications are needed for BA7s & non-BA7s	This is required so that appropriate follow-up measures are initiated by Agencies	To work out details in Realization
1-d	Check Workflow text to indicate the details of Rejection from OPB, LEG in FRICE-W object	In case of Rejection, Agencies would expect to know the reasons for the Rejection; hence the workflow text requirement for rejection	To work out details in Realization
1-e	Check for Workflow reminders	If approval is pending, then a reminder may be needed to follow-up on BA7 process	To work out details in Realization
1-f	Check FM document number in the Workflow approval process	For follow-up by Agencies, the FM document number must be referenced in the Workflow	To work out details in Realization

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	During Operating Budget Request submission, Agencies need ability to capture narrative long text explanations (with spell-check and word processing capability) – Note: at Program level Note: Refer Gap document FIN-BP-GDD010_Long_Text_ Agency_Budget	Current version of BI-based Integrated Planning does not have any delivered capability to capture long text	Since State Budget process involves long text justifications & explanations, this Gap will need to be met with custom BI solution development
2.	Ability to electronically track approvals and routing of budget Layouts Note: Refer Gap document FIN-BP-GDD010_Approval_ Tracking_Operating_Budget	Current version of BI-based Integrated Planning does not have any delivered workflow capability to track approvals and routing of budget Layouts	As this business requirement can be partly met with Versions/Locks, this matter will be further taken up during Realization, to ascertain need for any custom development
3.	Use of Performance Measures/Indicators with Budget data (reference: BRASS data and LaPAS data) Note: Refer full discussion in separate PDD, viz FIN-BP-PDD060_Performance_Measures and Gap document FIN-BP-GDD060_ Performance_Measures	Current version of BI-based Integrated Planning does not have any delivered capability to develop & maintain/monitor Performance data/indicators	Following 3 options to be explored in Realization: 1. Develop Custom Solution like LaPAS 2. Maintain LaPAS, and use BI to report 3. Investigate capabilities of other newer SAP products

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	**Role**	**Description**	**Strategy**	**Special Consideration**
1.	Agency Budget Analyst	Agency's Operating Budget Analyst who enters and handles Budget data	Security/Role-based and Versions/Data slices	None
2.	Agency Head	Agency's Operating Budget approver	Security/Role-based and Versions/Data slices	None
3.	Department Budget Analyst	Department's Operating Budget Analyst who enters and handles Budget data	Security/Role-based and Versions/Data slices	None
4.	Department Head	Department's Operating Budget Approver	Security/Role-based and Versions/Data slices	None
5.	OPB Analysts	Budget Analysts at the Office of Planning & Budgeting (OPB)	Security/Role-based and Versions/Data slices	None
6.	COE/Super-Users for Operating Budget	Administrative functions for Operating Budget	Security/Role-based and Versions/Data slices	None

Organizational Impacts

No.	Activity/Task	Key Change from AS-IS state	Organizational Work Force Impact
1.	The integration between the accounting and budget data in the LaGov system will help the Agencies and Departments with enhanced reporting and analysis	There was no system or process integration of accounting and budget data in AS-IS process	Using an integrated system will also provide enhanced reporting for a consolidated, state-wide and real-time view of Budget versus Actual
2.	Using an integrated system requires that master data be consistent and standardized across all modules, i.e. enter, maintain and manage integration of multi-module master data	The recommendation is to have a multi-modular team including budgeting experienced staff included in the OIS support system	Additional organizational impacts could arise, if and when this recommendation is adopted
3.	Standardization of master data/systems across all Agencies will streamline the State's ability to prepare/review/approve budget data at various stages	In the AS-IS process, the budget data submitted by Agencies is re-keyed by OPB analysts into BRASS	This will facilitate accurate analysis of budgets and controlling agencies will have ability to review budget data without re-entry or re-keying
4.	The Budget Prep tool will provide 24x7 access to the budget prep tool	The web-based BP tool will provide much flexibility as compared to manual Excel files submitted by Agencies and the BRASS tool used by OPB analysts	This will likely result in a better management of Budget submission timelines
5.	In the Budget Prep tool, all budget data will reside in Business Intelligence (BI). After approval, the Operating budget will be 'retracted' into ECC (including Grantor budget)	Currently, the Operating budget data comes from BRASS. After the issue of Appropriation Letters, multiple budget summary files/data are loaded into the AFS financial system. Later, Agencies 'spread' the summary budget to detailed Object/Org codes	With the preparation of detailed budget by Agencies in the Budget Prep tool, followed by 'retraction' to ECC (after Legislative approval), Agencies will *not* need to "spread" the data
6.	As the Agencies will enter/maintain budget data at the lowest/detailed level, Agencies and Departments can easily run Budget-Actual reports	Some Agencies currently maintain other extraneous systems, e.g. Excel files and/or Access databases, to compare summary budget to detailed Actual	Agencies & Departments can easily run Budget-Actual reports within FM without having to resort to other extraneous systems (e.g. Excel files or Access databases)
7.	The new Budget Prep tool will contain several Versions of the Operating budget during its development. Security roles will specify end-user's access to specific budget versions	The different Versions will be available within the BP tool, thereby enabling the history of the Budget's development to be stored	This will capture the history of the Budget's development in different Versions. Security roles will specify each End-user's access to specific budget versions
8.	The LaGov system is a new integrated financial system with several finance sub-modules (e.g., Grants, Projects) with a new account code structure	Existing ISIS HR finance data assignments will have to undergo a data transformation to align with the new ECC-based account code structure	All users, including current users of ISIS-HR, will need to learn the LaGov system terminology and new ECC account code structure
9.	Extracts of EOB information from ECC for budget development will be automated in the LaGov system	Currently, EOB data is collated separately by the Agencies and the OPB, thereby leading to the need to reconcile the information in most cases	These extracts will be executed by the operating budget COE super-user and will help maintain data consistency. It will eliminate the need for Agency data collection, re-entry, duplication and reconciliation

No.	Activity/Task	Key Change from AS-IS state	Organizational Work Force Impact
10.	In the TO-BE process, Grants will have to be individually considered when developing Operating Budgets	Currently, Grants budgets are developed / monitored differently by each Agency	This may require the creation and training of new Grant Management roles to manage Grant & Non-Grant budget data and Grantee vs. Grantor budget processes
11.	One BR-9B extract from ISIS HR will be captured into an un-changeable budget layout. Any salary-based adjustments will be captured in separate budget layouts	Currently, more than one BR-9B extracts are taken for Agency budget prep and later by OPB analysts	This has been done to eliminate reconciliation efforts between the OPB analysts and their respective agency analysts during salary analysis
12.	In the TO-BE process, Agencies will make entries into FM at the time of BA7 submission. This will trigger a workflow process that will route the submission from Agency to Department to OSRAP to OPB and to State Treasurer (in that order)	Rather than waiting for an approval on BA-7 prior to entering a budget adjustment, it will be recorded at time of submission and undergo a workflow process for Adjustment approval	As Agencies make entries into FM at the time of BA-7 submission, it will expedite the decision process
13.	A business process decision is to be made (including the determination of a percentage budget load, etc) for handling the situation in case of a possible delay for Legislative approval (or issue of Appropriation letters) for the Operating Budget (say, for a delay beyond July 14th in a certain year)	Currently, where there is a possible delay for the Legislative approval (or issue of Appropriation letters), the concerned Agencies obtain Non-Veto approval from Governor's office	Further organizational impact may arise after a business process decision is made during Realization as the SAP ECC system does not allow any system transactions without the Budget as of 01st July

Training Impacts

Potential training impacts relating, in general, to the overall budgeting process:

- All users, including current users of ISIS-HR, will need to learn the LaGov system terminology and new ECC account code structure.
- All users must be aware of the impact that Master data has on the integrated system, especially those who will be responsible for centralized master data maintenance.

Potential training impacts relating to the Operating Budget:

- Specific users will need training on Budget Prep module covering both revenue and expenses
- Specific budget users will need to receive training on Grants module – More detailed training information as it pertains to Grant and Grantee are outlined in the Grant and Grantee OIDs.
- New roles of Grants Manager / Administrator will be created, resulting in the need for training for these new roles, covering budgeting processes and functionality differences between Grantor and Grantee, budget retraction from BI-IP, and postings & procedures for Grants. More detailed training information as it pertains to Grants is outlined in the Grant and Grantee OIDs.
- Budget office personnel will require training on the new budget layouts that result from the new budget processes.
- Training may need to be created after the new processes with Performance Measures are developed and implemented.

Appendix A – Overview of Operating Budget Versions

Overview of Operating Budget: Versions-Stages					
Legacy terminology	OPB BRASS (for ref only)	Budget Prep TOBE Stages-Version #s	Budget Prep TOBE Stages-Versions Name	Funds Mgt TO-BE Version #s	Funds Mgt TO-BE Version Names
Agency Level					
To be outlined later	--	A1	Agency's Budget Development		
after Agency sessions		~~more T.B.D.~~	~~Last Year's Start data~~ ~~Agencies' submission~~		
Office of Plg & Bud					
	Stage 1 Analyst Recom	B1 or BR	Agency Budget Request Submittal (Nov-1)		
- OPB's Prelim. Recommendations (Bare-bones)		B1A	Bare Bones Budget		
- Prelim. Exec Budget to Agencies	**Stage 2** Director decision	B1B ~~B2C~~	Preliminay Recommendation for Agency Appeal		
- Agencies complete Appeals/BADPACKs (Budget Agency Decision Packages)		B1C ~~B2E~~	~~BADPACKS / Target Dollars~~ Agency Appeal Version		
Commissioner Review					
SIFO IIC - Prelim. Budget Recomm	**Stage 3** Comm decision	C1A ~~C1C~~	Commissioner's Decisions		
Governor Review					
- Executive Budget published/presented to Legislature	**Stage 4**	D1A	Governor's Decisions		
		EB1 ~~D4~~	Executive Budget submitted to Legislature	ORG	Frozen earlier version
Legislative Session: Appropriation process *(each has a Considered process List)*					
Cons List/Wave before House Appropriations Committee		CA ~~1, CA2, CA3~~	Consider version for House Appropriation Committee	C	Check data for Comm reject
House Appropriations Committee	APP	LA ~~1, LA2, LA3~~	LEG version for House Appropriation Committee	L	
Cons List/Wave before House Ways & Means Committee		CW ~~1, CW2, CW3~~		C	Only for HB2, not for HB1
House Ways & Means Committee	W&M	LW ~~1, LW2, LW3~~		L	Only for HB2, not for HB1
Cons List/Wave before House Floor		CH ~~1, CH2, CH3~~	Consider version for House Floor	C	
House Floor	HF	LH ~~1, LH2, LH3~~	LEG version for House Floor	L	
Cons List/Wave before Senate Finance Committee		CS ~~1, CS2, CS3~~	Consider version for Senate Finance Committee	C	
Senate Finance Committee	FIN	LS ~~1, LS2, LS3~~	LEG version for Senate Finance Committee	L	
Cons List/Wave before Senate Rev & Fisc Committee		CR ~~1, CR2, CR3~~		C	Only for HB2, not for HB1
Senate Revenue & Fiscal Affairs Committee	R&F	LR ~~1, LR2, LR3~~		L	Only for HB2, not for HB1
Cons List/Wave before Senate Floor		CF ~~1, CF2, CF3~~	Consider version for Senate Floor	C	
Senate Floor	SF	LF ~~1, LF2, LF3~~	LEG version for Senate Floor	L	
Cons List/Wave before Conference Committee		CC ~~1, CC2, CC3~~	Consider version for Conference Committee		
Conference Committee	CC	LC ~~1, LC2, LC3~~	LEG version for Conference Committee		
Preamble Adjustments	??	PRE / ~~LP1~~	Preamble adjustments		Is this "C" or "L" ?
Governor's Veto	VTO	LG1	Governor's Vetoes		
Legislative Veto Override	OVR	LV1	LEG Veto Overrides (to be re-considered?)		
Net Amendments for Session	NET	Not reqd?			Only for HB2, not for HB1
Issue of Appropriation Letters to all Agencies	???	FIN ~~ZO1~~	Op Bud Final Appropriation Retraction to ECC-FM (Note: Similar to AFS load)	ADP	Final Budget approved by the Legislature
FM Versions *(incl BA-7 Budget Adjustments)*					
				'0'	Operative or Current Version

Appendix B – List of legacy CB & BR Forms

Legacy Form	Form Name	Web	BEx	Layout name	Planning Functions	Remarks for Data interfaces
CB-4	**Non-Recurring** Adjustment	Layout for Agency	same for OPB?	Retain same as Legacy?	None	None
CB-5	**Inflation** Adjustment	Layout for Agency	same for OPB?	Retain same as Legacy?	General Inflation factor, percent to be applied on some codes (Travel, Op.Svcs, Supplies & Prof Svcs)	None
CB-6	**Compulsory** Adjustment	Layout for Agency	same for OPB?	Retain same as Legacy?	Personnel cost to be split by State, IAT and Federal) (Funds in SAP?)	ZP116 data
CB-7	**Workload** Adjustments	Layout for Agency	same for OPB?	Retain same as Legacy?	Personnel cost to be split by State, IAT and Federal) (Funds in SAP?)	ZP116 data
CB-8	**Other** Adjustments	Layout for Agency	same for OPB?	Retain same as Legacy?	None	None
CB-2	Program Summary	Report for Agency, OPB, LEGIS (Note: All as authorized by OPB)	None	Report Name?	N. A.	E.O.B. data (as of date?)

Legacy Form	Form Name	Web	BEx	Layout name	Planning Functions	Data interfaces	Remarks
BR-1	Program Summary of MOF	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	
BR-2	Program Summary of Expenditures	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	
BR-6	MOF itemized other than Gen Fund	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	1) Check IA break-up 2) Grants in IAT?
BR-6a	MOF detail	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.	E.O.B. data (as of date?) & 1-year projection	1) Check IA break-up 2) Grants in IAT?
BR-6b	MOF detail (Text justification)	Layout for Agency		Retain same as Legacy?	N. A.	E.O.B. data (as of date?) & 1-year projection	1) Check Program (Fund Ctr) level for text justification
BR-6s	MOF by Expenditure Category	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	None	

Legacy Form	Form Name	Web	BEx	Layout name	Planning Functions	Data interfaces	Remarks
BR-7	Revenue Itemized	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	1) Check IA break-up 2) Grants in IAT?
BR-8	Expenditures by Object	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	
BR-9	Salaries Expenditure breakout	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	ZP116 report? Prev Yr Actual & E.O.B. data (as of date?)	
BR-9e (details)		Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.	ZP116 report? Prev Yr Actual & E.O.B. data (as of date?)	1) Check for Hours data
BR-10	Other Compensation breakout	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.	ZP116 report? Prev Yr Actual & E.O.B. data (as of date?)	1) Check Hourly Rate of Pay 2) Check No of Hours Employ
BR-12	Related Benefits breakout	Layout for Agency		Retain same as Legacy?	UAL% +Normal Cost% = Acturial Rate%	ZP116 report?	1) Check with Agencies
BR-13	Board Member Compensation	Layout for Agency		Retain same as Legacy?	N. A.	ZP116 report? Prev Yr Actual & E.O.B. data (as of date?)	1) Check Program (Fund Ctr) level for text justification
BR-14	Travel Cost breakout	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	ISIS HR data? Prev Yr Actual & E.O.B. data (as of date?)	1) Check cross-mapping from ISIS-HR codes to ECC GLs
BR-14a	Travel Cost details	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.	ISIS HR data? Prev Yr Actual & E.O.B. data (as of date?)	1) Check cross-mapping from ISIS-HR codes to ECC GLs

Legacy Form	Form Name	Web	BEx	Layout name	Planning Functions	Data interfaces	Remarks
BR-14b	Travel Mileage details	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.	ISIS HR data? Prev Yr Actual & E.O.B. data (as of date?)	1) Check Program (Fund Ctr) level for text justification 2) Check cross-mapping from ISIS-HR codes to ECC GLs

Legacy Form	Form Name	Web	BEx	Layout name	Planning Functions	Data interfaces	Remarks
BR-15	Operating Services breakout	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	
BR-15a thro k	Operating Services breakout	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	1) Check IAT breakdown with Agencies
BR-16	Supplies breakout	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	
BR-16a thro d	Supplies breakout	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	1) Check Program (Fund Ctr) level for text justification
BR-17	Professional Services breakout	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	
BR-17a	Professional Services breakout	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	1) Check Contract data import from CFMS/SAP-MM
BR-18	Other Charges breakout	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	
BR-18b	Other Charges details	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	1) Check columns by 1200, 1201, 1233, 1248, etc (Revenue Org -> SAP ?)
BR-19	IAT Expenditures	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	1) Check IAT breakdown with Agencies

Legacy Form	Form Name	Web	BEx	Layout name	Planning Functions	Data interfaces	Remarks
BR-19a	IAT Agreement details	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	1) Check Program (Fund Ctr) level for text justification 2) Check IAT breakdown with Agencies
BR-19b	IAT Agreement	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.		1) Check Signatures of Sending and Recipient Agencies (PDF attachment to Fund Ctr)
BR-20	Acquisitions	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	1) Check IAT breakdown with Agencies
BR-20a	Acquisition details	Layout for Agency	same for OPB?	Retain same as Legacy?	N. A.		1) Check Program (Fund Ctr) level for text justification 2) Check Priority #, Qty 3) Tie-in IT10 to this Form
BR-20b	Acquisition Auto details	Layout for Agency		Retain same as Legacy?	N. A.		1) Check Program (Fund Ctr) level for text justification 2) Check all Logistics data
BR-20bx	Acquisition Auto details	Layout for Agency		Retain same as Legacy?	N. A.		1) Check all Logistics data
BR-21	Major Repairs	Report for Agency, OPB, LEGIS (As authorized by OPB)	None	Report Name?	N. A.	Prev Yr Actual & E.O.B. data (as of date?)	1) Check IAT breakdown with Agencies
BR-21a	Major Repairs details	Layout for Agency		Retain same as Legacy?	N. A.		1) Check Program (Fund Ctr) level for text justification

State of Louisiana - Budget Request Forms

Form	Description	Type	Complexity
N/E - New and/or Expanded Service (As Required)			
NE-DS	N/E -Department Summary	Summary	Average
NE-0	N/E - Agency Title Page	Title	Simple
NE-AS	N/E - Agency Summary	Summary	Average
NE-A	N/E - Program Level	Detail	Average
NE-B	N/E - Explanation of Need/Strategies & Objective	Narrative	Average
NE-C	N/E - Line Item Explanation	Narrative	Simple
CB -Continuation Budget			
CB-0	CB- Title Page	Title	Average
CB-1	CB- Agency Summary	Summary	Average
CB-2	CB - Program Level Summary	Summary	Average
CB-4	CB - Non-Recurring Adjustment	Detail	Average
CB-5	CB - Inflation Adjustment	Detail	Average
CB-6	CB - Compulsory Adjustment	Detail	Average
CB/BR9B	CB - ISIS-HUMAN RESOURCES (HR) ZP116 REPORT		
CB-7	CB - Workload Adjustment	Detail	Average
CB-8	CB - Other Adjustment	Detail	Average
CB/BR20A	CB - Detail of Acquisitions Requested	Detail	Average
CB/BR21A	CB - Detail of Major Repairs Requested	Detail	Average

State of Louisiana - Budget Request Forms

Form	Description	Type	Complexity
T/OAP's - Technical and Other Adjustment Packages			
T/OAP-0	T/OAP's -Title Page	Title	
T/OAP-1	T/OAP's -Category/Object of Expendiure/Source of Funding of Adjustment	Detail	Average
T/OAP-2	T/OAP's -Justification and Description of Adjustment	Text	Simple
Childrens Budget			
CHILD-DT	Childrens Budget Request Department Title Page	Title	Simple
CHILD-DS	Childrens Budget Departmental Summary	Summary	Average
CHILD-DC	Childrens Budget Departmental Line Item Summary	Summary	Average
CHILD-AS	Childrens Budget Service - Agency Summary	Summary	Average
CHILD-AC	Childrens Budget Service - Agency Line Item Summary	Summary	Average
	Program Level Forms (As Required)		
CHILD-1	Childrens Budget - Detail Program	Detail	Average
CHILD-2	Childrens Budget - Narrative	Narrative	Simple
	Include N/E - New and/or Expanded Service (As Required)		
Discretionary/Non-			
DN-0	Discretionary/Non-Discretionary By Activity	Summary	Average
DN-Combine Activities	Recap of Discretionary/Non Discretionary Costs by Activity	Summary	Average
DN-Discretionary Activities	DiscretionaryActivities	Detail	Average
DN-Non-Discretionary Activities	Non-Discretionary Activities	Detail	Average

State of Louisiana - Budget Request Forms

Form	Description	Type	Complexity
Information Technology			
Form IT-0	Department Report of the funding Plans for IT-10's	Detail	Average
Sunset Review			
SR-0	Sunset Review Title Page	Title	Simple
SR-Review Form	Legislatively Authorized Activities currently Unfunded	Detail	Average
Total Request Summary			
TR-0	Total Request Summary Package	Title	Simple
TR-SUMM1	Total Request - Revenue Summary	Summary	Complex
TR-SUMM2	Total Request - Expenditure Summary	Summary	Complex
TR-SALARY	Total Request for Salaries	Detail	
Workforce Development			
WFC-1	Workforce Development Budget Request Program and Funding Overview	Summary	Average
WFC-2	Workforce Development Budget Request Revenues and Expenditures	Detail	Average
WFC-3	Workforce Development Budget Request Performance Review	Detail	Average

Notes	
$^{M\&F}$	Means of Finance is not supported in AFS. Agencies have different elelements and reports to obtain Means of Finance from AFS.
^{BA7}	BA7's- Budget Adjustment can be a reconciing issue if they are in transit, there may need to be mulitiple updates to the Exisiting Operating Budget
^{P}	In general, the level of summarization in AFS may differ from that which is the agency is reporting.
^{H}	This forms requires multiple prior year reporting

Team:	Finance - Budget Prep
PDD Name:	Capital Outlay Budget (FPC & Agencies)
PDD Number:	FIN-BP-PDD020-Capital Outlay Budget (FPC & Agencies)
Business Process Owner:	John Davis
Functional Lead:	John Hodnett
Functional Consultant:	Manoj Jacob John

Executive Summary

This document describes the business process design for the Budget Prep module (BP module), which is an SAP tool for the budget formulation process, to be implemented at the State of Louisiana (LA) as part of the implementation/migration of capital budget prep activities from Excel/Access/BDS/AFS based legacy systems. Specifically, this document will address the overall business process decisions taken together with Subject Matter Experts (SMEs) during the Blueprint phase, covering the preparation of House Bill No. 2 (HB2) and all related activities up to the capital budget available for spending control.

In the AS-IS process for State of LA, the Capital Budget is consolidated for approval by the Legislature, based on Capital Outlay Requests submitted by State Agencies and Non-state Entities through e-CORTS (with respective requisite approvals), which is analyzed, prioritized and processed on excel/databases by Facilities Planning & Control (FPC) into HB2 for approval by the Legislature. The HB2 currently includes a summary of the DOTD Highway Program (Note: Details of DOTD Highway Program are covered in a separate PDD FIN-BP-PDD030) as well as the line items of capital projects of Admin Agencies. After Legislative approval, the 'Enacted' HB2 data including Net Amendments is loaded, at the start of the fiscal year, into the Budget Development System (BDS) that is interfaced to the State's financial system, AFS for spending control and STARS system for project management, followed by similar processes upon subsequent monthly approvals by the State Bond Commission.

In the TO-BE process with the Budget Prep functionality and ECC modules, namely Project Systems (PS) and Funds Management (FM), the Capital Budget process would commence with the submission of the Capital Outlay Requests (CORs) by Agencies using Budget Prep Layouts with appropriate approvals, followed by the analysis, prioritization and consolidation processes by FPC using the Budget Prep module to prepare the HB2 for Legislative approval. Unlike AS-IS, all amendments (including external) approved by the Legislature are proposed to be tracked for TO-BE, based on information update processes through Legislative proceedings, which are to be set up similar to the current House Bill No.1 process. After Legislative approval, the Capital Budget data will be 'retracted' in a lump sum, i.e. by capital funds, from the Budget Prep module to ECC at the start of fiscal year as non-consumable budget. Thereafter, based on project-specific approvals by the State Bond Commission or other approved funding, FPC would initiate transfer from non-consumable budget to consumable budget for specific projects and/or project phases with an approval routing involving Office of Statewide Reporting & Accounting Policy (OSRAP) and State Treasurers Office (STO).

Concurrent with the ERP implementation, AFS/BDS systems and other ancillary data files would be replaced by ECC modules and the new Budget Prep tool, which is a warehouse-based solution in the Business Intelligence (BI) suite of applications of SAP, which also allows for an automated electronic 'retraction' of the budget prep data for budget control module in the ECC system. Data is also 'extracted' daily from ECC to BI system for reporting. Being a warehouse based solution, BP module based budget

formulation process is more flexible and several planning versions can be simultaneously stored separately for future reference, for example the Agencies' version, the Departments' version as separate from FPC's versions. Having consolidated all capital budget data in the Budget Prep tool, all data related to HB2 can use the same common master data and tools for capital budget formulation process, ensuring standardization and streamlining of the capital budgeting process at State of LA.

Salient capital budgeting business process decisions taken by SMEs during the Blueprinting sessions include:

a) To set up separate Budget Prep versions for reference and use in future years, for example separate single versions for Agencies and approvals by Departments, Board, (and Legislature for Non-State projects);
b) To track the Request #, saved upon submission by Agencies, and assign this Request # to the Schedule # to facilitate 'sunrise-to-sunset tracking' of projects, from COR submission by Agencies through to project execution and close-out;
c) For Non-state projects, the CORs from Non-state Entities will be routed through the Legislature for review/ approval/ recommendation, prior to the start of FPC process, as per the existing regulation R.S. Title 39: 101 B. (1) (a);
d) The amendments 'approved' by the Legislature will be tracked; and
e) To 'retract' capital budget data, after legislative approval of HB2, from the Budget Prep module as non-consumable 'lump sum' budget by capital funds to ECC, such that the total retracted amount does not exceed the aggregate of 'enacted cash' & 'cash line of credit capacity' (CLOC capacity).

The process overview placed in the Section 3.0 TO-BE Process Flows outlines the sequence of State of Louisiana's TO-BE Capital Outlay budgeting processes facilitated by FPC.

To-Be Process description

Summary of Business Process Improvements, their Impact and Benefits

In terms of the statutes laid down by the State for Capital Outlay Budget development, each requesting State Agency and Non-state Entity must submit a Capital Outlay Request (reference: R.S. Title 39: Part III, Sub-parts A & B) to the FPC before 01-Nov each year; the regulation also requires that any project (or components thereof) included in a Capital Outlay Act, which is not funded through a cash or non-cash line of credit as approved by the State Bond Commission, shall not be considered in any subsequent year, unless a new request is made by the said Agency. FPC under Division of Administration (DOA) is mandated to prepare the Capital Outlay Budget and the Governor is required to submit the proposed Capital Outlay HB2 to the Legislature for approval, no later than the eighth day of the regular annual session. Thereafter, the Legislature enacts the Capital Outlay HB2 into law, including the specific appropriation of funds.

In accordance with the statutes, the TO-BE process will require each Agency to use a BP-module based COR each year, including re-submission of projects or components that were not funded previously. All changes by the Agency will be captured in a single separate budget version. Upon saving the request, a continuous system-generated sequential Request # will be generated, which can be used subsequently for reference and for reports. The Agency COR submission is expected to include the means of financing in SAP account code for the proposed new funding, and for projects that are re-submitted, prior funding plus proposed new funding must equal the estimate of project costs.

As per procedure, CORs submitted by Agencies are to be approved appropriately; by their corresponding Departments in some cases, and in the case of Dept-19 by the Board of Regents. These approvals will be tracked separately. For Non-state projects, the CORs submitted by the Non-state Entities will be routed through the Legislature for their review/ approval/recommendation, prior to the start of FPC process, as per the existing regulation R.S. Title 39: 101 B. (1) (a), although this process is currently not supported by the e-CORTS system within the current AS-IS process.

Pursuant to the submission of CORs by the Agencies and their approval, the FPC analysis and review process will be facilitated in the Budget Prep module, commencing with the manual determination of 'new' versus 'supplementary' by FPC, followed by a manual assignment of Schedule #s for supplementary projects, including the Request # corresponding to the first year in which the project was funded. For the new projects, the expectation is for a functionality to automatically assign Schedule #s in the specified format (NN-AGY-FYA-Request #). Following this, FPC will rank and prioritize the State and Non-state projects and recommend for inclusion in HB2, together with cash and non-cash line of credit for the projects based on available/approved funds. These preparatory processes by FPC would then be consolidated as the data to be presented as "HB2 Original", which is presented by the Governor to the Legislature for approval and enactment.

The HB2 will need to be consolidated, formatted and delivered electronically to the Legislature in WordPerfect format, based on a recent change indicated to the existing file furnished in Word format. There is, however, no requirement to publish HB2 from or by the FPC.

Throughout the Legislative process, various amendments are proposed in various Legislative committees and in the TO-BE process all 'approved' amendments to HB2 are planned to be tracked in the Budget Prep module, although no process exists currently. With a proposed tracking process and Legislature information update process, as outlined for House Bill No. 1 amendments, all changes made to Capital Outlay Bill appropriations through the Legislative process are expected to be updated.

After Legislative approval, the Capital Budget data will be 'retracted' in a lump sum, i.e. by capital funds, from the Budget Prep module to ECC at the start of Fiscal year as non-consumable budget. Thereafter, detailed Project and work breakdown structures (WBS) elements are created in the ECC Project Systems module by FPC (reference PDD for Project Structures, FI-PS-PDD-Project Structures-DOTD, FPC) to progress with detailed capital project processes, together with project-specific monthly approvals by the State Bond Commission (or other funding approvals) and FPC transfers (initiated in the FM module) from non-consumable budget to consumable budget to specific projects and/or project phases, with approvals from the Office of Statewide Reporting & Accounting Policy (OSRAP) and State Treasurers Office (STO).

The process flow overview of the TO-BE Capital Outlay Budget development process leading up to HB2 is placed for reference at Section 3.0 TO-BE Process Flows as per attached file name "Capital Budget Process Overview – FPC".

No other extraneous data sources are required to be interfaced for use in the preparation of HB2.

Besides making available all data related to the Capital Outlay Budget development and HB2 in a central repository, the Budget Prep module as compared to the various Excel files and Access databases, the TO-BE process is expected to improve the data integration between Actual and Budget and facilitate the tracking from submission of CORs through to project execution and close out. These are expected to be significant improvements to the current processes that utilize Excel-based Capital Budget development and subsequent tracking of projects in BDS and AFS legacy systems that are being replaced. Further, with the retention of several Prep versions for future reference, the ability for analysis and reporting will be greatly enhanced, including streamlining the many manual processes that currently take place in the Capital Budget formulation and execution.

#	Process Terminology	Description
1	SAP Business Intelligence (BI)	SAP Business Intelligence (BI) enables Online Analytical Processing (OLAP), which processes information from large amounts of operative and historical data. OLAP technology enables multi-dimensional analyses from various business perspectives.
2	IP – Integrated Planning	Integrated Planning module is a SAP warehouse based solution where budgeting and planning is enabled. IP allows for users to enter and change budget/planning data.
3	Extractor	Program that transfers data from ECC source system to SAP Business Intelligence
4	Retractor	Program that returns data from SAP BI back to the ECC system. Actual data that has

#	Process Terminology	Description
		been extracted from the Operational system is used as reference data for generating new planning data in an application based on BI. A retractor can be used to transfer this planning data back to ECC as Budget at the beginning of the fiscal year.
5	Info cube	An Info cube describes a self-contained dataset consisting of relational tables that are created to facilitate planning and reporting in BI
6	Key Figure	Key figures are specific objects in an info cube that represent values or quantities. Key figures are contained in and updated with transactional data or interactive planning activities and some examples are actual dollars, budgeted dollars, or FTE.
7	Characteristics	Characteristics provide classification possibilities for the dataset. Examples of Characteristics include Fund, Cost Center, Functional Area, etc. The master data includes the permitted values for a characteristic, also called characteristic values. Characteristic values are discrete names.
8	Business Explorer (BEX)	The analysis of dataset in BI is done by defining queries for Info providers using the Excel based Bex Query Designer. By selecting and combining Info objects (characteristics and key figures) or reusable structures in a query, the navigation and evaluation of data is facilitated in the selected Info provider.
9	Data Slices	Data slices are used, to explicitly lock certain subsets of the dataset of a planning area for updates. Each data slice specifies a selection condition for characteristic values.

To-Be Process Flows

	FPC Capital Projects Budget data in House Bill 2				
#	InfoCube	Process overview	BI Back-end & IP Front-end	Version	Remarks
ECORTS cube	Agencies submit Capital Outlay Request forms (equivalent to ECORTS forms)	1. All relevant fields of ECORTS (or any new version of its modified form), incorporating the new SAP account codes for "M.o.Financing" 2. MOF, Ranking & Text on separate tabs 3. Agency submission recorded/tracked 4. Agency "Save" to generate a Request #, a continuous sequential number for each "Save"	- BI back-end based on the Data Matrix of ECORTS - Generate a Sequential number for Save - IP front-end based on ECORTS Form - Custom develop "Approval tracking" - Data Marts to move data - Report to list Request # by Agency	Agency version A1	To discuss M.o.F. in Blueprint session Check: Finer FPC Agency break-down
ECORTS cube	Department reviews Capital Outlay Request forms	1. All relevant fields of ECORTS (or any new version of its modified form), incorporating the new SAP account codes for "M.o.Financing" 2. MOF, Ranking & Text on separate tabs 3. Dept submission to FPC recorded/tracked 4. Dept "Save" to record in same Request #, all Dept data changes in a separate version	- Reqts quite similar to above	Dept version A2	To discuss M.o.F. in Blueprint session Discuss Dept rank in Agency session
ECORTS cube	For Dept 19, Board reviews Capital Outlay Request forms	1. All relevant fields of ECORTS (or any new version of its modified form), incorporating the new SAP account codes for "M.o.Financing" 2. MOF, Ranking & Text on separate tabs 3. Board submission to FPC recorded/tracked 4. Board "Save" to record in same Request #, all Dept data changes in a separate version	- Reqts quite similar to above	Board version A3	To discuss M.o.F. in Blueprint session Any type of Board ranking of projects?
ECORTS cube	For Non-State projects (36 & 50), Legislature reviews Capital Outlay Request forms	1. All relevant fields of ECORTS (or any new version of its modified form), incorporating the new SAP account codes for "M.o.Financing" 2. MOF, Ranking & Text on separate tabs 3. LEG submission to FPC recorded/tracked 4. LEG "Save" to record in same Request #, all Dept data changes in a separate version	- Reqts quite similar to above	LEG version A4	To discuss M.o.F. in Blueprint session Any type of LEG ranking of projects? Also Letter of Support with Recomm. To incorporate Approval/Disapproval Recommendations?
HB2 cube	Consolidation for House Bill 2 Note: "Projects with funding" to bypass the "Bond cube"	1. Manually Assign equiv of Schedule #, during/after the prep for House Bill 2 (NN-AGY-FYA-Request #) 2. FPC ranking process & prioritization, St./N-St. 3. Allocation of CLOC, NCLOC, etc to projects 4. Re-appearance in HB2 for Projects "not yet funded" (NN-AGY-FYA-Request #) 5. HB2 consolidation of next FY for all Projects, based on CLOC, NCLOC, etc - in SAP acct code 6. HB2 Reports and publishing process	- BI back-end based on, but not limited to, the Data Matrix of structure similar to "2008 Original HB2 Final Original for BDS load" - Request # embedded in Schedule # - IP front-end based on BEx layouts - Data Marts to move data - Check HB2 publishing and	FPC versions Different versions for each iteration	To discuss M.o.F. in Blueprint session Also "Year" of session vs "Plan Year" Outline of Ranking Outline of Funding Discuss need to have separate # Copy function from 1 Req # to another Review Data Matrix with Process Owners to decide Planning Functions - Pattern Stream or any other? - Word Perfect HB2 output for LEG
FM cube	Retraction from IP to FM, and subsequent processes, related to PS Capital projects & FM	1. Rules for inclusion in Retraction Query by Capital Fund (NN-AGY-FYA-Request #), including Process (and Data Mart) to move to FM cube for retraction 2. Retraction process - access/security - error handling, etc 3. FM Process after retraction by Capital Funds 4. Create PS Project # with reference of Schedule # (NN-AGY-FYA-Request #) in PS Master data 5. Reconciliation report for Retraction process 6. BI reports to tie PS Project # based "Actual" to Schedule # based Budget data	- BI cube is SAP-delivered Std cube - BI Retraction Query development - Reconciliation Reports - Report to list Request # by Agency	Retract Final version (to number later)	To discuss Consumable & Non-consumable Budget types in FM Responsibility - Capital Outlay Budget grp or Project Fiscal group? Create Funded Programs, in coordination with PS projects Discuss impact of PS Project # and Schedule # Discuss impact of PS Project # and Schedule #, and adding more funds to existing project

Key Business Process Decisions

As part of the Capital budget build process, the following major design decisions were taken by the SMEs during the Blueprint sessions:

#	Decision	Process Impact	Organizational Impact
1	Agency submission version of Capital Outlay Request (COR) to include MOF in SAP account code format for proposed new funding. This was re-confirmed in the Agency Blueprint session as well	This is in line with AS-IS process, though not system-imposed. The MOF in SAP codes will ensure completeness	While many Agencies may know the entire MOF details in SAP account codes, some others may not know – this may cause issues for any system-imposed Validation checks

#	Decision	Process Impact	Organizational Impact
2	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)	This is in line with AS-IS process, though not system-imposed. The MOF in SAP codes would ensure completeness	While many Agencies may know the entire MOF details in SAP account codes, some others may not know – this may cause issues for any system-imposed Validation checks
3	Each project's Schedule# shall include CO Request # corresponding to the first year the project is funded	This is in line with AS-IS manual process, which would continue as manual for supplementary projects and automated for new projects	The partial automation of the process will help SMEs in their Schedule numbering process and subsequent tracking of projects
4	Schedule # will be manually assigned by FPC	This is in line with AS-IS manual process, although the business intent is to assign Schedule numbers as early in the process as possible	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
5	Schedule # to include the Budget Fiscal Year (i.e. SAP plan year) together with the Request #, and not year of the Legislative session	This is a change from AS-IS process, which was recommended by SMEs in the Blueprint session	Users need to be trained to understand this business process change – this needs to be included in FPC User training
6	Alpha designation (next to year) in the Schedule #, is not needed	This is a change from AS-IS process, which was recommended by SMEs in the Blueprint session	Users need to be trained to understand this business process change – this needs to be included in the FPC User training
7	Retraction to take place after approval of HB2 in lump sum by 'Capital Fund' as non-consumable budget – this total retracted amount is not to exceed Enacted Cash plus CLOC capacity	The TO-BE process is largely similar to AS-IS process with loading 'Enrolled' HB2 file into BDS, and through to AFS.	The lump-sum non-consumable budget retraction from Budget Prep to FM will facilitate better management of the budget by FPC
8	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	The TO-BE process is largely similar to AS-IS process as each funding approval is received from Bond Commission or other sources, BDS documents are posted to projects, with approval from OSRAP & STO	As this will be managed by FPC Fiscal , it is expected to bring about more data & process integration
9	No requirement to capture 10 or 20 year forecasts	Currently, there is no AS-IS process	As there is no AS-IS process, no impact is anticipated
10	Tracking "proposed" amendments not required, instead Amendments "approved" by the Legislature will be tracked	Currently, there is no AS-IS process for HB2. "Proposed" amendments, being many and may not be approved, and hence "approved" amendments are planned to be tracked, similar to HB1	This would be an process improvement in terms of information update for Legislative approval process tracking, although FPC may need to ensure sufficient contacts at the Legislature to ensure communication
11	The tracking of HB2 amendments is to done similar to tracking & process as proposed for HB1 amendments	Currently, there is no AS-IS process for HB2. Therefore the proposal is to setup a process similar to the process for HB1	Currently, there is no AS-IS process for HB2. Hence, FPC may need to work out a business process of information update similar to HB1 by OPB
12	All revisions to Capital Outlay Requests (CORs) by Agencies to be captured in a single version	This is similar to the AS-IS process where all Agency changes are captured in one Version	Training will be needed for end-users in Agencies to prepare/revise Capital Outlay Requests using the new system
13	Departmental revisions/review/ approvals of CORs to be captured in a single version	This is similar to the AS-IS process where all Department changes are captured in one Version	Training will be needed for end-users in Depts to prepare/revise Capital Outlay Requests using the new system

#	Decision	Process Impact	Organizational Impact
14	FPC has no publishing requirements for HB2, beyond sending it to the Legislature in Word Perfect format	Currently for HB2, there is no publishing requirement in the AS-IS process. The recent Legislative requirement is for them to receive in WordPerfect format	There is no impact related to publishing. The Word Perfect format will impose additional effort for FPC, although this will be addressed with custom enhancement

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Similar to the changes proposed for Operating Budget, due to the fact that the new LaGov ECC system will not allow any actual posting unless the Budget is loaded on 1st of July each year (without any delay), there could be a need to formulate a policy based on considerations of loading a percentage budget or other alternatives such as shifting the timeline of budget retraction, and present the same in the ensuing Budget Bill for the year 2009-10 or 2010-11, to bring about change with effect for the budget for 2011-12 to be prepared using SAP Budget Prep module	Similar to Operating Budget, it is necessary to find out if Capital Budget data load into ECC is critical as of 1st July each year. If it is critical, then a revision, similar to the one proposed for Operating Budget load, will be necessary.	To be determined after the detailed discussion with Capital Budget SMEs from FPC, DOTD, etc
2	Given the changes in business process to empower FPC to prepare/control the Capital Outlay budget prep for all Agencies, including the Military and other Admin Agencies, there may be a potential need for policy change relating to the Military and other Admin Agencies, when finalized during the Realization phase.	Empowering of FPC to manage the Capital Outlay Budget prep of Military and other Admin Agencies	John Davis/Capital Budget

Identified Development Objects (FRICE-W)

Forms

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	Long text for HB2 Legislative tracking	Long text requirement for Legislative tracking of HB2 Amendments of Capital Budget (using BSLT as for HB1)		X	Business requirement	John Hodnett	use BSLT as for HB1

Reports

All Reporting requirements are being collated by the BI Team, but critical Report developments which were mentioned in the context of business processes in this PDD, are highlighted below:

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	Agencies to have a report to capture agency submission and what is approved in HB2, approved funding and prior funding by Schedule #	Report to compare Budget vs. Actual		X	Operation report	FPC Capital Budget	Sample report to be obtained

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
2.	Schedule of Expenditure and Federal Awards (SEFA)	Specific reporting	X	X	Mandatory	FPC Capital Budget	Sample report to be obtained
3.	3G01 Quarterly Progress Report	Quarterly report, also sent to Legislature	X	X	Mandatory	FPC	Sample report indicates ECC data

Interfaces

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

Conversions

For Capital Budget conversion, refer to separate PDD for conversion

C – Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	See above						

Enhancements

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Validation during manual assignment of Schedule #	When manually assigning schedule # for supplemental projects, ensure that schedule is populated by user, before HB2 Bill is prepared	There is no standard validation for any manual entry of Schedule #; hence this would be a custom development	This validation would provide basis for other HB2 linked processes	To also check if the Layout could facilitate this check
2.	Auto-generate Schedule #s	For new projects auto-generation of Schedule #, after funding is final in HB2 bill (Cash funded projects)	Schedule # process is a FPC custom process, hence the need for custom development	Since there are many 'new' Schedule #s every year, this will help to reduce errors	Need to clearly set rules to determine 'funding'
3.	Indicator for 'Null' projects	An indicator for 'Null' projects is needed to track Null projects, through the Retraction and in FM	The indicator, which is setup in BI-IP needs to be further tracked in FM, through Retraction process	Further investigation during Realization	Note Retraction impact, if this is to be reflected in ECC-FM & BI-IP
4.	FRICE-W object development for LEG approval of Non-state project	Need to check if FRICE-W development is needed to simplify the Legislative approval process	Simplify approval process with minimum steps	Simplify approval process with minimum steps	Will Legislature amend MOF?
5.	WordPerfect file output for HB2 (without non-	As specified by Legislature, WordPerfect file document output is	BI data output to be produced as a Word Perfect file	Recent Legislative requirement change	To explore BI options

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
	system updates)	required for HB2			

Workflows

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	After Retraction of lumpsum Capital Budget (FPC), approval is needed from OSRAP/STO to move non-consumable budget to consumable budget in FM	Since the budget transfer, from lump sum non-consumable budget to consumable budget for each project needs two levels of approval, this Workflow is needed	This Workflow is to be developed in FM

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Approval tracking and validations from Agency to Dept and FPC	There is no such in-built tracking functionality in BI-IP	Need to research options in BI-IP Gap document: FIN-BP-GDD020_Approval Tracking_FPC_Capital

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Agency Capital Budget Analyst	Prepares Capital Outlay Request		
2.	Dept Capital Budget approver	Approves Capital Outlay Request		
3.	Board Capital Budget approver	Approves Capital Outlay Request		
4.	Legislative Capital Budget approver	Approves Capital Outlay Request		
5.	FPC Analyst	Reviews Capital Outlay Request		
6.	FPC Approver	Approves Capital Outlay Request		
7.	FPC Super-user	For complex Capital Budget prep functions, including Retractions		

Organizational Impacts

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Legislative Amendment	No such business process exists for	There will be the need for FPC to develop a

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
	tracking	HB2 during the Legislative process	business process and contact persons at the Legislature to enable the Amendment tracking information to be shared with FPC
2.	The Schedule # will "miss" a year, although data in the new system will show for next year	With the business decision to change the Schedule number to include the Budget year, instead of the Legislative session year, upon cut-over to SAP, the Schedule numbers will "miss" a year. However, the data will be available in the new system in the next year.	Users need to be trained to understand this business process change – this will need to be included in the FPC training to User
3.	Non-State project CORs routed for Legislature approval	Legislature to approve/recommend, adhering to existing regulations. In the TO-BE process, Legislative approval must occurs before FPC handles the CORs	For Non-State projects, this will be a new procedure that does not exist with current/AS-IS Capital Outlay Request processing. Hence, there would be an organizational impact for Legislature
4.	Posting non-consumable budget to consumable will take place in FM at ~~a~~ project phase level. This process will be initiated by FPC with approvals from OSRAP and STO	There was a similar AS-IS process when the BDS document was routed for approval. Key change is non-consumable lump sum budget to consumable project budget transfer	This new way of handling budget movements may require a resource alignment and training to perform duties
5.	Process changes needed for Non-State projects during Legislative process	Additional process changes, to be determined, needed for Non-State projects during Legislative process	Organizational impacts may arise from the discussions pertaining to process changes needed for Non-State projects
6.	Procedures for closing out a project and financial obligation for the State	AS-IS Close out procedures are to be obtained/analyzed in Realization	Organizational impacts may arise for FPC, in the context of data conversion, after Project Closeout procedures are finalized, to ensure that there is no/ minimal financial obligations for State

Training Impacts

- 2-3 End-users need to need to be trained on the business change in Schedule numbers that include the Budget year, instead of the Legislative session year, after cut-over to SAP.
- Specific 2-3 FPC End-users will need training on the new process for posting of non-consumable budget to consumable in FM, by routing the approval through OSRAP and STO.
- All Agency users will need training on the new process for submitting/making revisions to CORs. Specific Department and Board of Regent users will need training for approval of CORs.
- Some users at the Legislature will require training with respect to CORs for Non-State projects, as these will be routed through the Legislature for review/approval/recommendation, prior to FPC commencing any action on these CORs.
- After discussions pertaining to process changes needed for Non-State projects during Legislative process have occurred and decisions are made in Realization, it may be necessary to assess the training needed for the process changes.
- After the close-out procedures are developed for existing projects, including "open" contracts, it may be necessary to create training to carry out these changes/decisions for data conversion.
- End-users will require training on how to obtain reports from BI.

Appendix – Sample Legacy eCORTS form

CAPITAL OUTLAY REQUEST
FISCAL YEAR 2008 - 2009

http://www.state.la.us/ecorts/

Project ID 533154
Project Level Agency
SABINE RIVER
07-813 - Sabine River Authority Park Improvement Program

Project — Page 1

Title: Sabine River Authority Park Improvement Program

Location: Toledo Bend

Priority

- [ ] Emergency Project
- [x] Current Project Requirements
- [ ] Anticipated Program Needs

State IDs

Local/Agency	1	of	3
Department		of	
Management Board		of	

Applicant

Agency	813 SABINE RIVER	Schedule	07-813	Department	07 DOTD
Parish	SABINE			Senate District	31
				House District	24
				Site Code	N/A

Local/Agency

User	Sabine River Authori	Address	15091 Texas Highway
Contact	James W. Pratt		
Phone Number	318-256-4112		
Fax	318-256-4179	City/State/Zip	Many LA 71449
E-Mail	jpratt@dotd.louisiana.gove		

Department

User
Contact
Phone Number

Management Board

User
Contact
Phone Number

Cost Estimates

	Local/Agency	Department	Management Board	FPC
Land/Building Acq.	0			
Planning 10%	352,500			
Construction	3,525,000			
Hazardous Materials	0			
Subtotal	3,877,500			
Misc./Contingency	352,500			
Equipment	0			
Total	4,230,000			

Time Estimates

Planning (months)	6			
Construction (months)	12			

If planning has begun, when will it be completed?

CAPITAL OUTLAY REQUEST

FISCAL YEAR 2008 - 2009

http://www.state.la.us/ecorts/

Project ID 533154
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SABINE RIVER
07-813 - Sabine River Authority Park Improvement Program

Prior Funding

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FPC Project No. Assigned to Prior Funding: N/A

Sub-project No.

Authorized Means of Financing	Amount	Year	Act#	Priority		
Reappropriated	332,411	2004	24	0	Bond ☐	Credit ☐
Reappropriated	105,048	2006	28	0	Bond ☐	Credit ☐
Fees & Self-gen	1,234,347	1995	24	0	Bond ☐	Credit ☐
	0	0		0	Bond ☐	Credit ☐
	0	0		0	Bond ☐	Credit ☐
Total	$1,671,806					

Proposed New Funding

☐ This project does not require funding in Year 1

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
State Funds	1,000,000	1,100,000	1,100,000	1,030,000	0	$4,230,000
IAT	0	0	0	0	0	$0
*Local Funds	0	0	0	0	0	$0
*Reimbursement Bonds	0	0	0	0	0	$0
*Fees/Self-Gen. Rev.	0	0	0	0	0	$0
*Revenue Bonds	0	0	0	0	0	$0
**Statutory Dedications	0	0	0	0	0	$0
Federal Funds	0	0	0	0	0	$0
Total	$1,000,000	$1,100,000	$1,100,000	$1,030,000	$0	$4,230,000

*Describe specific source of funds: GO Bonds

**Type of Statutory Dedication:

What fiscal year (FY) was the project or program first submitted for consideration? 1995

Agency Impact Statement

I hereby certify that this project has been reviewed, approved, and integrated into our department's long range strategic plan and five year budget. The impact of this project's operating budget has been approved.

Name: James W. Pratt Title: Executive Director Date: 9/20/2007

Comments

Year 1 - Priority 2 - $1,000,000 Year 2-4 - Priority 5 - $3,230,000 SRA operates 4 full service recreation parks that offer a variety of amenities to tourists visiting Toledo Bend Reservoir. Construction began on these facilities in the late 1960's and they were in operation in the early 1970's. The amenities such as recreational vehicle pads, shelters, bathhouses, cabins, pavilions, and restrooms are in desperate need of remodeling/rennovation. The infrastructure such as electricial transformers at these facilities are outdated and it is very difficult to find replacement parts. The roads are in need of overlay, and additional amenities such as telephone service and sewer service are needed.

CAPITAL OUTLAY REQUEST

FISCAL YEAR 2008 - 2009

http://www.state.la.us/ecorts/

Project ID 533154
Project Level Agency
SABINE RIVER
07-813 - Sabine River Authority Park Improvement Program

Demonstration of Need — Page 4

Title	Sabine River Authority Park Improvement Program
Description	Rennovate, Remodel, and add additional amenities to 4 full service recreation parks.
Location	Toledo Bend
Project Type	Recreation
Facility Type	Misc.
Program / Service Desc.	Improved Parksite facilities for tourists
Present Empl.	30
Future Empl.	0
Citizens Served	150,000
Daily Users	500
Describe the long range strategic plan (5-Yr) for the program	By the year 2014 improve the economic conditions of West Central Louisiana by 10% in lake area hotel/motel tax collections and to strengthen SRA's financial ability to service debt obligations, support existing and implement new program

Purpose (Check all that apply)

- [x] Expand Existing Pgm
- [ ] Relocate Existing Pgm
- [x] Add New Pgm
- [x] Attract Business
- [ ] Other
- [ ] Changes in Mission
- [ ] Changes in Existing
- [ ] Changes in Population
- [x] Generate Employment
- [ ] Address Actual
- [ ] Changes in Standards
- [x] Promote Economic Dev
- [ ] Address Code Violations

Applicable Guidelines / Standards

Publications, regulatory agencies' guidelines for the program	Park criteria of the Department of Tourism and Recreation
Minimum or mandatory requirements for above-listed program	The applicable standard of law of affected agencies and associations will be met as a minmum by the planned program

What alternatives were considered? (check all that apply)

- [x] Maintaining Status Quo
- [x] Use Existing Space
- [ ] New Space
- [ ] Less Space
- [x] Renovations of Existing Space
- [ ] Expansions of Similar Program Elsewhere

How was the best option determined (Studies, Etc.)? Planning by Sabine River Authority based on similar amenities

Were feasibility studies or needs assessment reports prepared other than this application? [ ] Yes

Preparer's Name N/A Phone

List socioeconomic and environmental affects of project

Project will enhance the environment and socioeconomic impacts of the area by promoting economic development and tourism expansion.

Identify and describe other similar facilities in your area and evaluate their capabilities to meet needs

North Toledo Bend State Park and South Toledo Bend State Park

Request Endorsed By: Senator [ ] Rep. [ ] Endorser's Name:

CAPITAL OUTLAY REQUEST

FISCAL YEAR 2008 - 2009

http://www.state.la.us/ecorts/

Project ID 533154
Project Level Agency
SABINE RIVER
07-813 - Sabine River Authority Park Improvement Program

Facility Requirements

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Prepared By: James W. Pratt
Date Prepared: 10/11/2006

Space Requirements: ☐ New Space ☐ Existing Space ☑ No Space

Type of Space	Number of Occupants	Type of Occupants	NA/Per	Net Area
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0

Total Net Area		Burden Factor		Total Gross Area		
0	X	1.00	=	0	Total Net Area	0
					Burden Area	0

Employees	2	Contract Employees	0	Temporary Employees	0
Visitors / Clients	0	Students / Assistants	60	Others	0

Describe additional program requirements (parking, Utilities Tie-In, Location, Shipping / Receiving, Public Access, Site Amenities): N/A

What will happen with the existing facility (demolition, remodeled, other program) and funding if needed? N/A

Renovation / Addition

Describe the condition of the building and previous renovations: All buildings located in the recreational areas are 30+ years old and are in poor condition. The recreational rv pads and interior road are in poor condition.

Describe the extent of the proposed renovation / addition: Most buildings and rv pad will be updated/remodeled. Additional boat lanes will be marked and existing boat lanes marked better.

Describe the location of occupants during renovation and required funding: N/A

What amount of the construction budget addresses modifications required to meet the "Americans with Disabilities Act Accessibility Guidelines (ADAAG)"?

Hazardous Materials

What hazardous materials are addressed in the construction budget?
☐ Underground Storage Tanks ☐ PCB's ☐ Lead Paint ☐ Asbestos Other

Enter the date if site has been surveyed for underground storage tanks.

Provide contact information if the facility's asbestos management plan was consulted for abatement requirements.
Contact Name Phone

Roof

What is the current age, condition, and type of the existing roof and anticipated date of replacements?

Age of Roof (yrs)	30	Condition	poor
Replacement Date		Type	composition

Describe roof penetrations, equipment, etc. N/A

CAPITAL OUTLAY REQUEST

FISCAL YEAR 2008 - 2009

http://www.state.la.us/ecorts/

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SABINE RIVER
07-813 - Sabine River Authority Park Improvement Program

Construction Cost (cont.) — Page 6

Source of Data: James W. Pratt — Date Prepared: 10/11/2006

List special cost affecting factors considered (unfinished warehouse space, extraordinary HVAC, etc.).

Cost of Construction Calculation (Provide COST/S.F. for Roofing Projects)

Type of Space	Net Area	Cost/S.F.	Area Cost
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
Burden Area	0	0	0
Total / Average / Total	0	0	0

Additional Line Item Expenses (Parking, Utility Tie-In, Security System, etc.)

Item	Quantity	Unit Cost	Total
San Miguel Improvements	1	750,000	750,000
Oakridge Improvements	1	325,000	325,000
Cow Bayou Improvements	1	200,000	200,000
Converse Improvements	1	300,000	300,000
Cypress Bend Improvements	1	480,000	480,000
Pendleton Improvements	1	250,000	250,000
Pleasure Point Improvements	1	1,400,000	1,400,000
Cypress Bend Complex	1	525,000	525,000
	0	0	0
	0	0	0
Subtotal of Additional Line Item Expenses			4,230,000
Total Construction Cost			4,230,000

Equipment Costs

Item	Item Costs
	0
	0
	0
	0
	0
Total Equipment Costs	0

Check this box if this program is for renovation or relocation of an existing program and the use of existing equipment discontinued. ☐

If so, explain?

If this project is a current year request, attach an itemized breakdown with unit costs and an estimated useful life of the equipment with final submission to Facility Planning.

CAPITAL OUTLAY REQUEST

FISCAL YEAR 2008 - 2009

http://www.state.la.us/ecorts/

Project ID 533154
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SABINE RIVER
07-813 - Sabine River Authority Park Improvement Program

Operation Budget (Expenditures)

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(Should match submittals BR-1 and BR-2 to Office of Planning and Budget)	Existing Operating Budget Current Year Budgeted	Annual Projected Increase (Decrease) After Project Completion
Salaries	2,077,878	0
Other Compensation	229,900	0
Related Benefits	609,240	0
Travel	17,719	0
Operating Services	698,426	20,000
Supplies	250,000	15,000
Professional Services	166,724	0
Other Services	1,425,377	0
Debt Services	0	0
Interagency Funds	218,097	0
Acquisitions	444,000	0
Major Repairs	371,000	225,000
Unallocated	0	0
Total Expenditures	6,508,361	260,000
Total Positions	60	60

Operation Budget (Financing)

State General Fund (Direct)	1,000,000	0
State General Fund by:		
Interagency Transfer	0	0
Fees and Self-Generated Rev.	5,508,361	260,000
Statutory Dedications	0	0
Interim Emergency Board	0	0
Federal Funds	0	0
Total Financing	6,508,361	260,000

Balance

Excess / Deficiency of Expenditures Over Financing (should = 0)	0	0

Operating Budget (Summary)

	Year 1	Year 2	Year 3	Year 4	Year 5
State Gen. Fund (Direct)	1,000,000	0	0	0	0
Interagency Transfer	0	0	0	0	0
Fees/Self-Gen. Revenue	5,508,361	0	0	0	0
Statutory Dedications	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0
Federal Funds	0	0	0	0	0
Total Means of Financing	6,508,361	0	0	0	0

Comments

Team:	Finance - Budget Prep
PDD Name:	Capital Outlay Budget (DOTD)
PDD Number:	FIN-BP-PDD030-Capital Outlay Budget (DOTD)
Business Process Owner:	Mike Schiro, Robin Romeo
Functional Lead:	John Hodnett, John Oglesby
Functional Consultant:	Manoj Jacob John

Executive Summary

This document describes the business process design for the Budget Prep module (BP module), which is an SAP tool for the budget formulation process, to be implemented at the State of Louisiana (LA) as part of the implementation/migration of Department of Transportation & Development (DOTD) Highway Program capital budget related activities from the existing Legacy LETS/Excel based legacy data systems. Specifically, this document will address the overall business process decisions taken together with Subject Matter Experts (SMEs) during the Blueprint phase, covering the preparation of Highway Program appropriation in House Bill No. 2 (HB2) and the related activities up to the capital budget available for Highway Program spending control.

In the AS-IS process at DOTD, the Highway Program capital budget is developed by the Planning group for inclusion in the HB2, although this is submitted by DOTD Budget as a Capital Outlay Request through eCORTS. Briefly, the process is initiated by overall planning of the Budget Partition for the ensuing Budget year as finalized by DOTD Executive Management and the Planning group. The Planning group further breaks down the Budget Partition from the Category levels to the respective Sub-Category level. Following this, the Highway Program Engineer would communicate the amounts by Sub-Category to the Program/Project Managers, who would then allocate available budget to their respective projects, taking into account geographical distribution, condition survey, progress of construction and such project criteria. This project-wise budget allocation is entered into LETS by the Planning group, after which a snapshot of LETS data is taken and reconciled against the Budget Partition in the preparation and consolidation of the Highway Program budget together with a proposed list of highway priority projects for the Legislature.

Pursuant to DOTD submission of an eCORTS-based Capital Outlay Request for the Highway program, this appropriation is included (without any project details) by FPC in HB2 for enactment by the Legislature (Note: Details of FPC preparation for HB2 approval are covered in a separate PDD), together with the other line items of capital projects from DOTD. After Legislative approval, the enacted HB2 amount is loaded, at the start of each fiscal year, into the Budget Development System (BDS) and interfaced to State's financial system (AFS), for spending control and other DOTD legacy systems for project tracking and management.

Pending details to be worked out in Realization for the proposed legacy LETS replacement by the Business Intelligence (BI) system as BI-LETS (note: decision taken towards the end of the Blueprint phase) in the TO-BE business process within SAP, the Highway Program capital budget development will use the Budget Prep module and ECC 6.0 modules, mainly Project Systems (PS) and Funds Management (FM). The Highway Program Capital Budget process would commence with the creation of the PS project master data at Stage 1 or 2 of the Highway Program, when the project is identified as part of the Highway Priority Program. These PS master data will be available for use and reference in the BI system for BI-LETS as well as Budget Prep. While BI-LETS would facilitate the ongoing business

processes related to letting, project scheduling, and other activities of the Planning group, the Budget Prep module will facilitate the annual development of a 4-year capital budget for the Highway Program, including the yearly appropriation to be included in HB2.

After Legislative approval, the Capital Budget data will be 'retracted' by FPC in a lump sum, i.e. by DOTD Capital funds, from the BP module to ECC at the start of Fiscal year as non-consumable budget. Thereafter, the DOTD Project Finance group would initiate specific project (or project phase) transfers from the non-consumable budget to consumable budget, based on specified operational guidelines.

Concurrent with ERP implementation, AFS/BDS/LETS/TOPS legacy systems and other ancillary data files would be replaced by ECC modules, the Budget Prep tool and the BI suite of applications of SAP, which would allow for an automated electronic 'retraction' of the budget prep data to the FM budget control module in ECC. Data is also 'extracted' daily from ECC to the BI system for reporting. Being a warehouse based solution, the BP module-based budget formulation process is more flexible and several planning versions can be simultaneously stored separately for future reference. Having consolidated all Highway Program capital budget data in the Budget Prep and also the BI tool, all the highway projects' data that form part of HB2 can use the same common master data and tools for the budget formulation process as well as subsequent construction phases until project close-out, ensuring standardization and streamlining of the Highway Program Capital budgeting process at DOTD.

Salient Highway Program related capital budget business process decisions taken by SMEs during the Blueprint sessions include:

a) To replace the aging LETS system suitably with SAP BI system functionality, including the development of all legacy LETS reports from BI reporting;
b) To create Project Systems-based project master data for highway priority projects during Stage 1 or 2 of the Highway Program and make available for reference to other systems;
c) Data from the existing TAND system need not be considered for inclusion in BI; this data may instead be considered for Agile Assets;
d) The BI system will not develop any 'new' Highway Needs Database; instead, DOTD will use their existing various sources of information which collectively provide the highway needs;
e) After the enactment of HB2, the DOTD Highway Program Capital Budget is to be retracted as a lump sum non-consumable budget by FPC Budget (on behalf of DOTD Budget), as part of the overall Capital Outlay appropriations segregated by Capital funds; and
f) Project Finance section to initiate approval to move the lump sum budget to individual projects, subject to detailed criteria.

The Process overview placed in the Section 3.0 TO-BE Process Flows outlines the sequence of DOTD's TO-BE Highway Program capital budgeting processes.

To-Be Process description

Summary of Business Process Improvements, their Impact and Benefits

In terms of revised statutes Title 39: Part III, Sub-part A 101 A. (2) of the State, projects to be funded by and programs for the expenditure of funds from the Transportation Trust Fund are to be governed by the Highway Priority Program in accordance with Article VII/Section-27 of the Constitution of Louisiana. The regulation empowers DOTD to independently develop budgets and manage Highway projects.

In the TO-BE process, DOTD Highway projects, when adopted into the Highway Priority Program (i.e. in Stage 1 or 2), will be created as project master data (with project's phase-wise details and Federal project #s, where applicable) in the ECC-Project Systems module (reference PDD for Project Structures, FI-PS-PDD-Project Structures-DOTD, FPC). These composite project master data references will be available as reference project master data for use and reference in the BI system that replaces LETS, the Budget Prep module, the TRNS.PORT system and any other existing Legacy system that would continue to exist.

Notwithstanding the BI system processes that replace LETS processes to facilitate the ongoing business activities related to letting, project scheduling, and other activities of DOTD Planning, the Budget Prep module would facilitate the annual highway program budget development beginning with a snapshot of data imported into the Highway Capital Budget/Planning info-cube (detailed/bottom-up build) as well as the top-down allocation of the overall Budget Partition. The Planning group further breaks down the Budget Partition from Category levels to the respective Sub-Category level. Following this, the Highway Program Engineer would communicate the Sub-Category amounts to the Program/Project Managers, who would then allocate the available budget to their respective projects, taking into account geographical distribution, condition survey, progress of construction and such other project criteria. This finalized project-wise budget allocation is entered into BI-LETS by the Planning group, after which a snapshot of BI-LETS data is taken and reconciled against the Budget Partition in the preparation and consolidation of the Highway Program budget together with a proposed list of highway priority projects for the Legislature. It is noted that provision needs to be made for line item entries in the Budget Partition as well as possibly the inclusion of a list of maintenance projects, besides options to capture Demos & Federal Earmarks that are also included in the Budget Partition. The Highway Priority program is to be submitted to the Legislature in the form of 3 main BI reports (note: There is no publishing requirement), namely (a) List of projects by Parish, (b) List of projects by Categories/Sub-categories, and (c) List of projects by Functional Classification.

After Legislative approval, the Highway Program Capital Budget data will be 'retracted' in a lump sum, i.e. by Capital funds, from the BP module to ECC at the start of Fiscal year as non-consumable budget by FPC Budget. Thereafter, together with the periodic Pre-Construction authorization of Federal Funds, DOTD Project Finance will initiate transfers in the FM module from non-consumable budget to consumable budget for specific projects and/or project phases as follows:

- 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 contracts, Right-of-Way approval emails by Planning Group & Authorization by Highway Program Engineering Group;
- No system-based approval routing is needed for the above budget process.

The process flow overview of the TO-BE Highway Capital Budget development process leading up to budget retraction to ECC is placed for reference at Section 3.0 TO-BE Process Flows as per attached file name "Capital Budget Process Overview (DOTD)".

At this stage, with the decision to replace LETS and other systems with the BI system functionality, no other extraneous data is necessary to be interfaced in the preparation of DOTD Highway Capital budget. Also refer to the Gap definition document created with reference to the legacy LETS replacement by BI

Besides making available all data related to the Highway Program Budget development and subsequent project execution data in a central repository (BP module as compared to the various Excel files and Access databases), the TO-BE process is expected to improve the data integration between Actual and Budget and facilitate the project tracking from creation of projects to capture initial costs of Environmental clearance through to project execution and close out. These are expected to be significant improvements to the Excel-based Capital Budget development and subsequent tracking of projects in the BDS and AFS legacy systems. Further, with the retention of several Prep versions for future reference, the ability for analysis and reporting will be greatly enhanced, in addition to streamlining the many manual processes that currently take place for the Highway Capital Budget formulation.

#	Process Terminology	Description
1	SAP Business Intelligence (BI)	SAP Business Intelligence (BI) enables Online Analytical Processing (OLAP), which processes information from large amounts of operative and historical data. OLAP technology enables multi-dimensional analyses from various business perspectives.

#	Process Terminology	Description
2	IP – Integrated Planning	Integrated Planning module is an SAP warehouse based solution where budgeting/ planning is enabled. IP allows for users to enter and change budget/planning data.
3	Extractor	Program that transfers data from ECC source system to SAP Business Intelligence
4	Retractor	Program that returns data from SAP BI back to the ECC system. Actual data that has been extracted from the Operational system is used as reference data for generating new planning data in an application based on BI. A retractor can be used to transfer this planning data back to ECC as Budget at the beginning of the fiscal year.
5	Info cube	An Info cube describes a self-contained dataset consisting of relational tables that are created to facilitate planning and reporting in BI
6	Key Figure	Key figures are specific objects in an info cube that represent values or quantities. Key figures are contained in and updated with transactional data or interactive planning activities and some examples are actual dollars, budgeted dollars, or Full Time Equivalent
7	Characteristics	Characteristics provide classification possibilities for the dataset. Examples of Characteristics include Fund, Cost Center, Functional Area, etc. The master data includes the permitted values for a characteristic, also called characteristic values. Characteristic values are discrete names.
8	Business Explorer (BEx)	The analysis of dataset in BI is done by defining queries for Info providers using the Excel based BEx Query Designer. By selecting and combining Info objects (characteristics and key figures) or reusable structures in a query, the navigation and evaluation of data is facilitated in the selected Info provider.
9	Data Slices	Data slices are used to explicitly lock certain subsets of the dataset of a planning area for updates. Each data slice specifies a selection condition for characteristic values.

To-Be Process Flows

DOTD without LETS

	DOTD Highway Capital Project Budget data in House Bill 2				
#	InfoCube	Process overview	BI Back-end & IP Front-end	Version	Remarks
LETS	Continue all business processes in LETS, including process for HB2 submission and consolidation	1. Budget Partition (from Robin to Mary) by Category		n.a.	To discuss M.o.F. in Blueprint session
		2. Budget Partition (from Mary to Program Managers) by Sub-Category			
		3. Program Managers submit allocations of Budget to Highway projects			Need for Project-wise funding in detail
		4. Feed related Hwy project data to other Main-frame Engineering applications, including GIS			
		5. Project Budget allocations, submitted by Pgm Mgrs, entered into LETS			
Cube for LETS	Capture of LETS snapshot: - Initially: for House Bill 2 - Year-round: after Letting meetings	1. For HB2, LETS snapshot taken after Project Budget allocations, into ~~HB2~~ / Highway Program "version"	- BI back-end based on Data Matrix of LETS system - Check need for IP front-end BEx layouts - Data Marts to move data	Hwy Pgm \version and Yearly version	Need to map M.o.F. details
		2. For year-round process, LETS snapshot taken after each Letting meeting, into Yearly Version			
Other Project data	Follow-up other business processes (or TRNS.PORT data)	1. Tie-up SAP-PS Project # to Control Section, etc		n.a.	
		2. Feed related Hwy project data to other Main-frame Engineering applications			
Cube for Other Project data	Update from TOPS data to Cube	1. Ensure validation for all data, together with SAP-PS based Project#	- BI back-end based on Data Matrix of TOPS system - Check need for IP front-end BEx layouts - Data Marts to move data	Only 1 Version	Need to map M.o.F. details
		2. Error correction process initiated for invalid data			
STIP	STIP submissions created every _ years (covering 4 years of data) and Periodic STIP run files	1. STIP submission data, every _ years		n.a.	Need to map M.o.F. details
		2. Periodic STIP run files (data different from LETS)			
Cube for STIP	Update to STIP Cube: - STIP submissions (every 4 years) - Periodic STIP run files	1. STIP submission data, every _ years, captured into STIP submission version	- BI back-end based on Data Matrix of LETS system - Check need for IP front-end BEx layouts - Data Marts to move data	STIP submit version and Yearly version	Need to map M.o.F. details
		2. Periodic STIP run files captured into Yearly Version			
		3. Provision for comparison with future project-wise Federal Aid / Initial Construction authorizations			
DOTD Hwy cube	DOTD Capital Highway projects data, as included in House Bill 2 and as per Letting process (thro' the year)	1. LETS snapshot periodically from LETS cube	- BI back-end based on, but not limited to, the Data Matrix of structure as a sub-set of LETS data with Financial information - IP front-end based on BEx layouts - Data Marts to move data	Any interim Versions as related to HB2 version	For HB2 & after each Letting meeting
		2. Tie with list of Highway Pgm projects			Listing by Parish, Categories, etc
		3. Tie Funding against list of Highway Pgm projects			To discuss mapping of M.o.F. details
		4. Management Reports based on Highway ProgamHB2 data			
		5. Data consolidation of Highway Program to one line as needed for HB2 consolidation in FPC cube			Review consolidation process to decide on Planning Functions
		6. Data Mart to move Hwy Program project summary to FPC/FM cube, incl. possible auto-creation of ECORTS entry for Highway program			
??	Initial Construction & Non-Construction Authorizations for Federal Aid ????	1. Identify specific Project # with Fed Aid allocation by FHWA	To finalize details after FHWA session		Need to map M.o.F. details
		2. Finalize exact Fed Aid for each Project #			System entry for Fed Aid?
		~~3. Monthly consolidation for Retraction~~			Consolidation Rules
		4. Process (Data Mart) to move to FM Budget cube			Data selection criteria
FM cube	Retraction from BI-IP to FM, and subsequent processes, related to PS Capital projects & FM	1. Rules for inclusion in Retraction Query, ~~based Monthly~~ with PS Project #	- BI cube is SAP-delivered Std cube - BI Retraction Query to be developed - Reconciliation Reports - Report to list by Project #	Retract Final version (to number later)	To discuss if Retraction to change based on Construction Authorization
		2. Retraction process - access/security - error handling, etc			Responsibility: Planning, Budgeting, Project Finance group or COE?
		3. Reconciliation report for Retraction process			New Funded Programs corresponding to elaborate WBSes within PS projects
		4. FM processes after retraction - move Budget to Projects			
		5. BI reports to tie PS Project# based "Actual" to Budget data			

DOTD without LETS

	DOTD Highway Capital Project Budget data in House Bill 2				
#	InfoCube	Process overview	BI Back-end & IP Front-end	Version	Remarks
LETS in BI	Commence previously LETS-based business processes in BI system	**Note**: Initially, all AS-IS Engineering processes of LETS must be mapped to BI in Realization, including the Highway Letting & Scheduling process	BI structure to be determined in Realization - BI back-end based on Data Matrix of LETS - Check need for any front-end? - Data Marts to move data		Check the need for for in-bound and out-bound Interfaces after finalizing TO-BE processes in BI
STIP from BI	STIP submissions created every 2 years or as specified (covering 4yr projections of data) and Periodic STIP run files	1. STIP submission data, every 2 years (or as specified)	BI structure to be determined in Realization - BI back-end based on Data Matrix of LETS/STIP - Check need for any front-end? - Data Marts to move data	STIP submit version and Yearly version	Need to map M.o.F. details
		2. Periodic STIP run files (data different from LETS) in separate version?			
		3. Periodic data transfers from STIP cube to Hwy Program cube, if needed			
		4. Provision for comparison with future project-wise Federal Aid / Initial Construction authorizations			
PS Actual cube	Continuous Update of Master data from PS module to PS actual cube, including data from Legacy TOPS (expected to be in PS module, as standard or custom)	**Note**: Initially, all PS processes, including any customizations, are to be mapped to BI standard and/or enhanced/custom cubes	BI structure to be determined in Realization - BI back-end based on PS customizations		
LETS in BI	Business processes in BI system, especially process related to HB2 data submission and consolidation for Highway Program	1. Budget Partition (from Robin to Mary) by Category			Check M.o.F. in Blueprint session - Front-end entry tool
		2. Budget Partition (from Mary to Program Managers) by Sub-Category			Front-end entry tool?
		3. Program Managers submit allocations of Budget to Highway projects			Need for Project-wise funding in detail
		4. Project Budget allocations, submitted by Pgm Mgrs, entered into BI (similar to LETS update)			Front-end entry tool?
		5. Periodic out-bound data related to Hwy projects to other Legacy or Main-frame Engineering applications, if any, including GIS			Check out-bound Interface details to several existing Legacy applications
Planning Cube for Hwy Pgm Budget	Capture BI-LETS data snapshot (to consolidate & submit for HB2) - Initially: for House Bill 2 - Year-round: after Letting meetings	1. For HB2, BI-LETS snapshot taken after Project Budget allocations, into ~~HB2~~ Highway Program "planning version"	- BI back-end based on Data Matrix of Hwy Pgm - Check need for IP front-end BEx layouts - Data Marts to move data	Hwy Pgm version and Yearly version	Need to map M.o.F. details
		2. For year-round process, BI-LETS snapshot taken after each Letting meeting, into Yearly Planning Version			
Other Project data	Follow-up other business processes (and/or data updates to TRNS.PORT)	1. Tie-up SAP-PS Project # to Control Section, etc		n.a.	
		2. Periodic out-bound data related to Hwy project data to other existing Legacy Main-frame Engineering applications, if any			Check out-bound Interface details to several existing Legacy applications
~~Cube for Other Project data~~	~~Update from TOPS data to Cube (Not required anymore)~~	~~1. Ensure validation for all data, together with SAP-PS based Project#~~	~~- BI back-end based on Data Matrix of TOPS system~~ ~~- Check need for IP front-end BEx layouts~~ ~~- Data Marts to move data~~	~~Only 1 Version~~	~~Need to map M.o.F. details~~
		~~2. Error correction process initiated for invalid data~~			
Planning Cube for Hwy Pgm Budget	DOTD Capital Highway projects data, as included in House Bill 2 and as per Letting process (thro' the year)	1. LETS snapshot periodically from BI-LETS cube	- BI back-end based on, but not limited to, the Data Matrix of structure as a sub-set of LETS data with Financial information - IP front-end based on BEx layouts - Data Marts to move data	Any interim Planning Versions as related to HB2 data for Hwy Pgm	For HB2 & after each Letting meeting
		2. Tie-back to list of Highway Pgm projects			Listing by Parish, Categories, etc
		3. Tie-back Funding against list of Highway Pgm projects			To discuss mapping of M.o.F. details
		4. Management Reports based on Highway Progam & HB2			
		5. Data consolidation of Highway Program to one line as needed for HB2 consolidation in FPC cube			Review consolidation process to decide on Planning Functions
		6. Data Mart to move Hwy Program project summary to FPC/FM cube, incl. possible auto-creation of ECORTS entry for Hwy Pgm			Need to check on FRICE-W object
TBD	Initial Construction & Non-Construction Authorizations for Federal Aid (after retraction of annual Hwy Pgm budget)	1. Identify specific Project # with Fed Aid allocation by FHWA	After FHWA structure in ECC is finalized, the corresponding structure in BI to be worked out in Realization		Need to map M.o.F. details
		2. Finalize exact Fed Aid for each Project #			System entry for Fed Aid?
		~~3. Monthly consolidation for Retraction~~			Consolidation Rules
		4. Process (Data Mart) to move to FM Budget cube			Data selection criteria
FM cube	Retraction from BI-IP to FM, and subsequent processes, related to PS capital projects & FM	1. Rules for inclusion in Retraction Query, ~~based Monthly~~ with PS Project #	- BI cube is SAP-delivered Std cube - BI Retraction Query to be developed - Reconciliation Reports - Report to list by Project #	Retract Final version (to number later)	To discuss if Retraction to change based on Construction Authorization
		2. Retraction process - access/security - error handling, etc			Responsibility: FPC Budget
		3. Reconciliation report for Retraction process			New Funded Programs corresponding to elaborate WBSes within PS projects
		4. FM processes after retraction - move Budget to Projects			
		5. BI reports to tie PS Project# based "Actual" to Budget data			

Key Business Process Decisions

As part of the Capital budget build process, the following major design decisions were taken by the SMEs during the Blueprint sessions:

#	Decision	Process Impact	Organizational Impact
1	For DOTD, it has been proposed to replace LETS with equivalent functionality built in the BI system using custom cubes	The aging LETS system that supports DOTD Scheduling and other project engineering activities, is proposed to be replaced by equivalent functionality in BI	After detailed design in Realization, the organizational impact needs to be ascertained
2	Project Systems-based Project numbers to be created in Stage 1 or 2 (of the Highway Program) and made available for reference	Legacy TOPS based project numbering as well as the tool are being replaced. This SAP project numbering is expected to change the entire DOTD project data in	Adequate and repeated training will be necessary for DOTD staff that handles project data, and/or interface with other Legacy systems that may continue to

#	Decision	Process Impact	Organizational Impact
	to other systems, eg. TRNSPORT	several existing systems	exist, including the new TRNS.PORT
3	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)	Highway Program budget data time-frame, which uses 4-years for STIP projections and 7-years for Budget Partition (last year) is proposed to be developed over 4 years	No significant impact due to the change from AS-IS to TO-BE, due to the change in budgeting time-frame. Also refer Gap definition document in Sec 7.
4	After HB2 enactment, Highway Program Capital Budget is to be retracted as a lump-sum non-consumable budget - this will be handled by FPC Budget, together with retraction of other HB2 data	Currently, the AS-IS process involves a summary lump-sum entry into BDS, and through to AFS. Subsequently, DOTD finance systems, through the Daily Journal system (DAJR) will post line items, which are checked against the lump-sum budget	The lump-sum non-consumable budget retraction from Budget Prep to FM will facilitate DOTD to better manage the budget, especially during the 4th quarter
5	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 contracts, Right-of-Way approval emails (Planning group) and Authorization by Highway Program Engineering Group – No system-based approval routing is needed for above budget process	As this will be managed by DOTD Project Finance, which also handles the Federal Aid Pre-Construction Authorization, this is expected to bring about more data & process integration.
6	Data from existing TAND system need not be considered for inclusion in BI; this data may be instead considered in Agile Assets	No change in process, as the TAND data which is related to Road condition is more in line with the data in Agile Assets	Reference is drawn to the changes in the reference PDD for Agile Assets, LA-PDD-MD003 LRS & Asset Master data
7	The BI system will not develop any 'new' Highway Needs database; instead, DOTD will use their existing various sources of information which collectively provide the highway needs;	In terms of 'highways needs' information, since data comes from various different sources, the SMEs decision is not to effect any change to the existing process	Since there is no change to existing processes, no particular Org impact is anticipated

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Similar to the changes proposed for Operating Budget, due to the fact that the new LaGov ECC system will not allow any actual posting unless the Budget is loaded on 1st of July each year (without any delay), there could be a need to formulate a policy based on considerations of loading a percentage budget or other alternatives such as shifting the timeline of budget retraction, and present the same in the ensuing Budget Bill for the year 2009-10 or 2010-11, to bring about change with effect for the budget for 2011-12 to be prepared using SAP Budget Prep module	Similar to Operating Budget, it is necessary to find out if Capital Budget data load into ECC is critical as of 1st July each year. If it is critical, then a revision, similar to the one proposed for Operating Budget load, will be necessary.	To be determined after the detailed discussion with Capital Budget SMEs from FPC, DOTD, etc

Identified Development Objects (FRICE-W)

Forms

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

Reports

All Reporting requirements are being collated by the BI Team, but critical Report developments which were mentioned in the context of business processes in this PDD, are highlighted below:

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Check Quarterly Reports for LETS data	Quarterly Reporting	X	X	Quarterly reporting	Robin Romeo	Sample report to be obtained
2.	Reporting by political district : a. Congressional b. Legislative (federal/state)	Specific reporting	X	X	Mandatory	Robin Romeo	Sample report to be obtained
3.	List of projects by Parish	Specific reporting	X	X	Mandatory	Robin Romeo	
4.	List of projects by Categories/ Sub-categories	Specific reporting	X	X	Mandatory	Robin Romeo	
5.	List of projects by Functional Classification	Specific reporting	X	X	Mandatory	Robin Romeo	

Interfaces

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		**X**	**X**			

Conversions

For Capital Budget conversion, refer to separate PDD for conversion FIN-BP-PDD050

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	See above						

Enhancements

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Potential to roll up DOTD	As the DOTD Hwy Program is required to	Since the Capital Outlay Request is to	Currently, collection of Hwy Program data and	This automation, or an effort

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
	highway project data into an eCorts submission	submit, per legal requirement, a Capital Outlay Request (COR) for the Hwy Program, this enhancement is proposed to automate that process	be custom developed, the roll-up of entire Hwy Pgm data into the COR would be a custom development	summarizing the data into COR is tedious and time consuming	closer to this, would greatly improve COR submission for the Hwy Pgm

Workflows

W – Workflow		Master List of Future State Workflow Events: <Supported Process>	
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps		Master List of Future Gaps: <Supported Process>	
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	Develop LETS functionality in BI system Refer Gap definition document FIN-BP-GDD030_LETS_ functionality_in_BI_system_(BI-LETS)	There is no such Letting functionality in BI or ECC	The expectation is to develop custom cubes with interactive front-end tools accessible to end-users

Security & Enterprise Role Definitions

Aside from the Budget roles for Highway Program from DOTD Planning, there may be several roles to be developed when LETS functionality is developed in BI, which have not been considered in this PDD, as the detailed design for BI-based LETS would be in Realization phase.

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	Role	Description	Strategy	Special Consideration
1.	Hwy Program Budget Analyst	Hwy Program Budget Analyst who enters/ handles Budget data	This role will need access to the BI-LETS	None
2.	Hwy Program Budget Approver	Hwy Program Budget Analyst who approves the Budget data	This role will need access to the BI-LETS	None
3.	Reports for Hwy Program Budget	Any end-user in DOTD/Planning who accesses the Highway Program reports	General BI reporting access (t.b.d.)	None

Organizational Impact

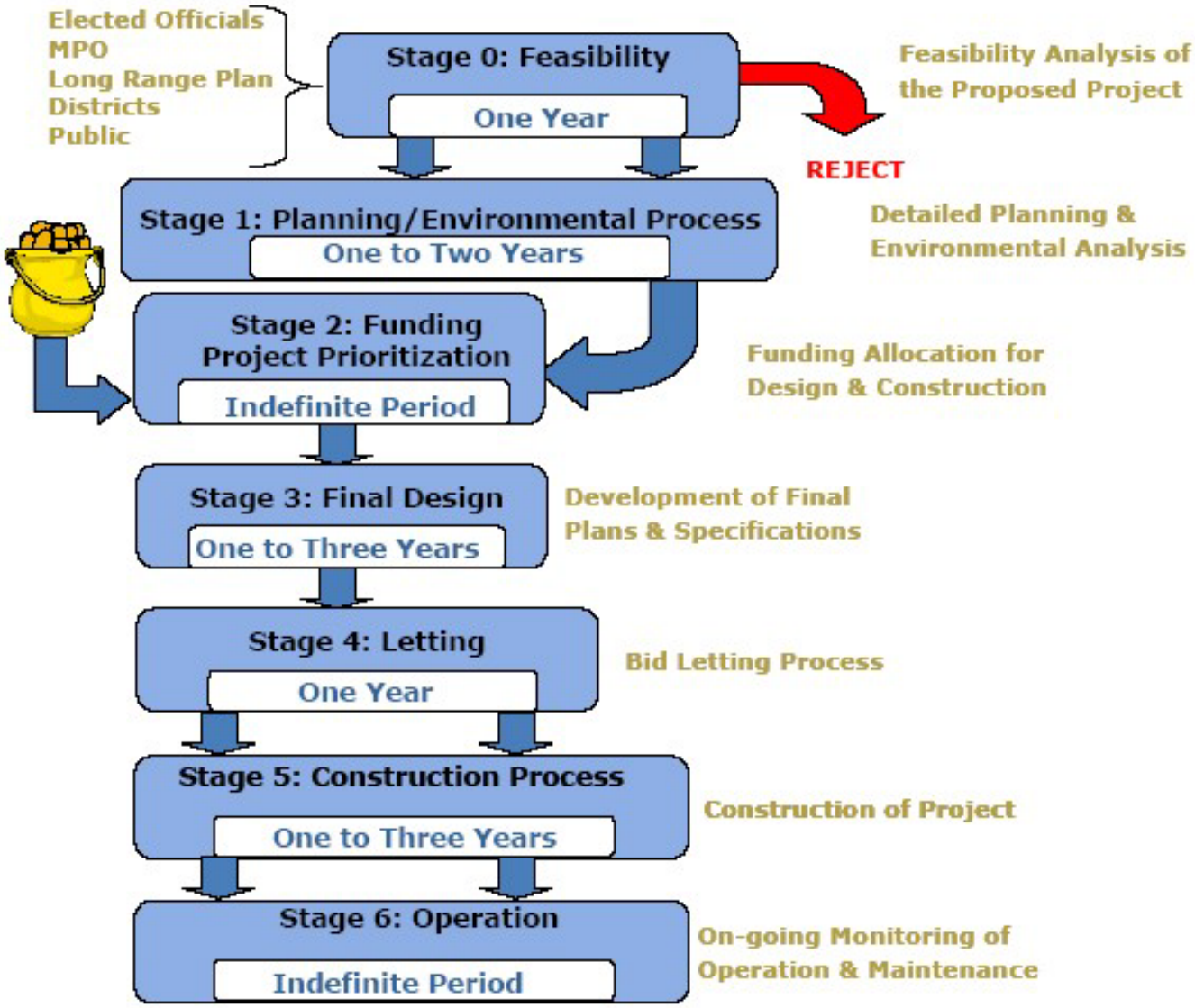
No.	Activity/Task	Key Change from As-Is state	Organizational Work Force Impact
1.	Posting of a non-consumable budget to consumable will take place in FM	There was no similar or equivalent process in	This new way of handling budget movements may require a role within DOTD Project Finance section

No.	Activity/Task	Key Change from As-Is state	Organizational Work Force Impact
	at the project phase level.	the AS-IS process	to perform duties
2.	In the context of moving non-consumable to consumable budget, further organizational impacts may arise for DOTD after the exact roles of the currently constituted Project Finance Committee and/or Project Delivery Steering Committee are determined	Currently, there is a Project Committee and/or Project Delivery Finance Steering Committee.	Although the exact role for Project Committee and/or Project Delivery Finance Steering Committee in the approval process is yet to be determined, currently, it is not expected that they would have system access to perform any transactions or approvals.
3.	For DOTD, it has been proposed to replace LETS with equivalent functionality built in the BI system using custom cubes	The aging LETS system is proposed to be replaced with BI	While this detailed design will be determined in Realization, additional organizational impact may arise from this change.
4.	Cash management tool that DOTD currently utilizes is to be further investigated	Possible change from DOTD AS-IS Cash Management tool	After a TO-BE solution is determined in Realization, further Organizational impacts may need to be ascertained
5.	Need to investigate the current data disconnect between Scheduling and Federal Aid	Details to be obtained in Realization	Organizational impacts may arise for DOTD if a change in business process is initiated in Realization.
6.	Investigate procedures for closing out a project and financial obligation for DOTD and the State	AS-IS Close out procedures are to be obtained/analyzed in Realization	Organizational impacts may arise for DOTD, in the context of Data conversion, after Project Closeout procedures are finalized, to ensure that there is no/minimal financial obligations for DOTD and the State

Training Impacts

- 3-4 DOTD super-users will require training on BI since it will replace LETS, including possibly super-user Query development access
- After Workflow is developed, 2-3 DOTD Project Finance end-users will need to receive training for the new process of FM budget postings from non-consumable to consumable budget.
- After new cash management processes are outlined for DOTD, it may be necessary to create training to address changes/decisions (Users to be estimated in Realization).
- After the current data disconnect between Scheduling and Federal aid for DOTD is investigated and process changes are determined, it may be necessary to create training to address changes/decisions (Users to be estimated in Realization).
- Once the procedures for closing out a DOTD project are determined, it may be necessary to create training to address changes/decisions (Users to be estimated in Realization).

Appendix A: DOTD Highway Program project development Lifecycle



Appendix B: Legacy reference docs for the DOTD Highway program capital budget process

LETS Data screens

```
Session A - [24 x 80]
File Edit View Communication Actions Window Help
                    PROJECT LETTING INFO - Screen 1                    LETS11
 RECORD DISPLAYED                                          Mode  INQUIRE
PROJECT NO    247 02 0028 Logmile    0.00 to  0.01 Route  LA   56   Parish  55
Assoc Proj                L-Assoc        to
District      02             Length     .01    Urban            MPO: N/A

Proj Name     LA 56 DRAINAGE
Type Impvmt   DRAINAGE                              Code: 99
Remarks       LET W/247-03-14                     Sponsor
                                                     St Rep Dist
                                                     St Sen Dist
**********STIP***********                             NEEDS Sect  01
Init Dte    2005 Group:      Scope          MISC1
Priority       Fin Src  FED                MISC2            Fed Aid Sys   STP
Pgm Phase:                                 MISC3            Fedl P-Cent    80
 PGM      FY    AUTH DATE                  Stage
 Engr                                      State FY   2009
 R/W                                       Fed   FY   2008
 Util
 Const   2008                    LETTING DATE         SEP 2008 METRIC(E,M) E
 REMOVE(a,c,g,l,x,space)         LETTING COST         $677,049 No Print: LET

F1 HELP    F2 SELECT    F3 END     F4 ADD PROJECT    F5
F7 BACK    F8 NEXT      F9 NOTES EXIST F10 PRINT F11 S                    R
MA     a                                                                 015
This document was sent to the printer
Document name: 'Session A - [24 x 80]'
Printer name: '\\H00001MS032\85_004_X7750_PS'
Time sent: 5:19:03 PM 10/7/2008
Total pages: 1
```

```
Session A - [24 x 80]
File Edit View Communication Actions Window Help
                    PROJECT LETTING INFO - Screen 2                    LETS12
 PREVIOUS RECORD DISPLAYED                                 Mode  INQUIRE
PROJECT NO    247 02 0028    LA 56 DRAINAGE
       Current Status: Proposed Code:      Reason                Team Members
Environ            CL                                     MGR: BRANTON, JENNIFER
Survey                                                   SURV:
P-Plans   2008 01  COMP                                  ENVI:
R/W Map                                                  ROAD: NILFOROUSHAN, MEH
F-Plans   2008 06  COMP                                  BRDG:
R/W Clr            N/A                                   R/W :
Util Clr           N/A                                   UTIL:
Delivery  2008 06  COMP                                  DIST:
PS & E    2008 08  COMP                                  PLAN:
Letting   2008 09
Costs(x1000) Category: Sub-Cat:  Const cost  Let cost    Fund:       Permits
Engr            OE      DR         1    $500      $500 STCASH      CG N/A
R/W             PR      NI         2              $177 STP<200K   COE N/A
Util                               3 _______  ________            CZM N/A
Budget      $500 Orig Est               $500      $677            CLB N/A
Parcels to Acq       Parcels Acqd       Relocatees       RR: N - N/A       BR
Num Utilities        Agree Executed     Loc List Out     Fed Rev N Env Doc  EE
ROAD Consult         BRIDGE Consult     Designer DISTRICT 02      WQC NOT REQ
F1 HELP   F2 SELECT   F3 END      F4 MOVE PROPOSED   F5 UPDATE    F6 NEXT PROPOSED
F7 BACK   F8 NEXT     F9 NOTES EXIST F11 SCREEN 1 F12 NEXT LET F13 BRIDGE RECORD
MA     a                                                                 03/015
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Budget Partition

THIS IS NOT AN ACCOUNTING DOCUMENT. IT IS TO BE USED FOR PROGRAMMING PURPOSES ONLY.

BUDGET PARTITION FY 08-09 (June 27, 2008)

CATEGORY	SUB-CATEGORY	LETTINGS						CONTINGENCY/CONSTRUCTION ENGINEERING				ENGR, R/W, UTIL										GRAND TOTAL	SURPLUS FUNDS
		FED FUNDS	STATE FUNDS	TIMED FUNDS	BONDS	TOLLS / LOCAL	SUB-TOTAL	FED FUNDS	STATE FUNDS	TIMED	SUB-TOTAL	FEDERAL FUNDS					STATE FUNDS	TIMED FUNDS	BONDS	TOLLS / LOC	SUB-TOTAL		
												ENGR	R/W	UTIL	IND.	SUB-TOT FEDERAL							
PRESERVATION	NON-INTERSTATE (PAVEMENT)	64.8	21.2				86.0	5.2	1.7		6.9				6.3	6.3	0.8				7.1	100.0	90.0
	NON-INTERSTATE (PAVEMENT NFA)		30.6				30.6		2.4		2.4											33.0	24.0
	CONTRACT MAINTENANCE (ROAD)		7.5				7.5		0.6		0.6											8.1	△
	INTERSTATE (PAVEMENT)	18.0	2.0				20.0	1.4	0.2		1.6				1.7	1.7					1.7	23.3	
	BRIDGE (ON SYSTEM)*	100.0	25.0				125.0	8.0	2.0		10.0	1.7	3.5	2.0	11.5	18.7	1.8				20.5	155.5	25.3
	BRIDGE (OFF SYSTEM)	10.4				2.6	13.0	0.8	0.2		1.0	1.4			1.3	2.7				0.4	3.0	17.0	10.0
	SUB-TOTAL	193.2	86.3			2.6	282.1	15.4	7.1		22.5	3.1	3.5	2.0	20.8	29.5	2.6			0.4	32.4	337.0	
OPERATIONS	ITS (regular)	8.2	2.0				10.2	0.8	0.2		0.9	0.8			1.0	1.8	0.2				2.0	13.0	
	TRAFFIC CONTROL DEVICES	9.4	2.3				11.7	0.7	0.2		0.9				1.0	1.0	0.4				1.4	14.0	
	ROADWAY FLOODING		3.7				3.7		0.3		0.3											4.0	
	WEIGH STATIONS	1.8	0.2				2.0	0.2			0.2				0.2	0.2					0.2	2.4	
	REST AREAS	5.9	1.5				7.4	0.5	0.1		0.6				0.6	0.6					0.6	8.6	
	MOVABLE BRIDGE PM		11.6				11.6		0.9		0.9											12.5	5.5
	INTERSTATE LIGHTING	1.8	0.2				2.0	0.2			0.2	0.1			0.2	0.3					0.3	2.5	
	FERRIES		3.5				3.5		0.3		0.3											3.8	
	TSM		3.8				3.8		0.3		0.3											4.1	
	SUB-TOTAL	27.1	28.8				55.9	2.2	2.3		4.5	0.8			3.0	3.9	0.6				4.2	64.6	
SAFETY	HWY. PROGRAM	18.3	4.6				22.9	1.4	0.4		1.8	0.5	2.0	1.0	2.3	5.8	0.9				6.7	31.4	15.0
	LOCAL ROAD SAFETY	2.7				0.1	2.8	0.2			0.2	0.1				0.1				0.0	0.1	3.1	
	SAFE RDS. TO SCHOOLS											1.2			0.1	1.3	0.3				1.6	1.6	
	RR CROSSING UPGRADES	7.7	0.9				8.6	0.6	0.1		0.7	0.1			0.8	0.9					0.9	10.2	
	SUB-TOTAL	28.7	5.5				34.3	2.2	0.5		2.7	1.9	2.0	1.0	3.3	8.2	1.2				9.4	46.4	
CAPACITY	REGULAR PROGRAM	43.1	10.8				53.9	3.4	0.9		4.3	2.1	6.0	2.0	5.7	15.8	3.5				19.3	77.5	49.0□
	CORRIDOR UPGRADE	15.2	3.8				19.0	1.2	6.3		7.5	2.0	0.8	0.1	1.9	4.8	0.7				5.5	32.0	205.0○
	SUB-TOTAL	58.3	14.6				72.9	4.6	7.2		11.8	1.5	6.8	2.1	7.6	20.5	4.2				24.7	109.5	
MISC.	FED ENHANCEMENT PROJECTS	6.4				1.6	8.0	0.6			0.6	0.2				0.2	0.1			0.1	0.4	9.0	
	RECREATIONAL TRAILS	1.4				0.3	1.7	0.1			0.1											1.8	
	URBAN SYSTEMS, CMAQ	30.4	3.8			3.8	38.0	2.4	0.6		3.0	1.5	2.2	0.5		4.2	0.2			0.9	5.3	46.3	
	FED EARMARKS (DEMO,...)	180.0	4.5		35.0	3.5	225.0	14.4	3.6		18.0	4.0	5.0	2.6	20.6	32.2	1.5			1.5	35.1	278.1	
	TIMED PROGRAM			11.6			11.6			0.9	0.9											12.5	
	STATE BONDS																		14.0		14.0	14.0	
	TOLLS, LOCAL, OTHER	2.4	0.6				3.0	0.2			0.2		3.0		0.6	3.6	1.8				5.4	8.8	5.0
	DEBT SERVICE, REIMB. IBRD, IBC SWER FUND,																6.7				6.7	6.7	
	PLANNING, TRAINING, RESEARCH											14.0				14.0					14.0	14.0	
	SUB-TOTAL	220.6	8.9	11.6	35.0	9.2	287.3	17.7	4.2	0.9	22.8	19.7	10.2	3.1	21.2	54.2	10.3		14.0	2.4	80.9	390.9	
	GRAND TOTAL	527.9	144.1	11.6	35.0	11.8	732.6	42.1	21.3	0.9	64.3	27.0	22.5	8.2	55.9	116.3	18.9		14.0	2.8	151.8	948.4	428.1

REGULAR FEDERAL: $ 450.7
FEDERAL DEMO FUNDS: $ 226.6
TOTAL FEDERAL: $ 676.3

TTF: $ 111.9 Match
$ 6.7 SERVICE, REIMB. IBRD.
$ 65.6 St. funded const
$184.2 total

BONDS: $ - const.
$6 chv, $4 util, $4 engr
$14 total

TIMED: $ 12.5 const.
$ - util. (eng:$chv=90)
$ 12.5

TOLLS: $ -
LOCAL: $ 14.3
$ 14.6

NOTE: State Funded construction projects include $5 million for non-interstate pavement, $33 million for preservation (NFA routes), $7.5 million for contract maintenance, $3.8 million for TSM, $11.6 million for moveable bridges, 1 million for ferries, & $5 million for roadway flooding.

*Includes $3 million preventive maintenance

○Over a 2 year period

△Included in the $90 million for Pavement preservation non-interstate

□Includes $20 million surplus from 07-08 and $10 million surplus from 08-09

$ 1 million in state cash included for engineering under Capacity Program

☆Allocation is within regular budget partition (construction, contigency, engineering, ROW)

proposed Budget partitionJune 27, 2008.xls

Re-Cap Report

FY 2008-09 Program Recap Sheet as of September 22, 2008 (costs in million dollars)

			REGULAR PROGRAM						SURPLUS					
CATEGORY	SUB-CATEGORY	PROGRAM MANAGER	TARGET	LET TO DATE	% OF TARGET LET	REMAINING ON LETTING SCHEDULE	TOTAL IF ALL REMAINING ARE LET	% OF TARGET IF ALL REMAINING LET	TARGET	LET TO DATE	% OF TARGET LET	REMAINING ON LETTING SCHEDULE	TOTAL IF ALL REMAINING ARE LET	% OF TARGET IF ALL REMAINING LET
PRESERVATION	NON-INTERSTATE (PAVEMENT) (see note 3)	CHENEVERT	86.8	32.6	37.5%	50.4	83.0	95.6%	114.0	10.5	9.2%	99.2	109.7	96.2%
	NON-INTERSTATE (PAVEMENT)(NFA) (see note 3)	CHENEVERT	33.6	7.1	21.1%	20.1	27.2	81.0%						
	CONTRACT MAINTENANCE(ROAD)	BROADBENT	7.5	2.9	38.7%	5.2	8.1	108.0%						
	INTERSTATE (PAVEMENT)	CHENEVERT	20.0	2.2	11.0%	19.6	21.8	109.0%				20.5		
	BRIDGE (ON SYSTEM) (see note 4)	MUMPHREY	169.4	3.1	1.8%	200.7	203.8	120.3%	23.7		0.0%	7.2	7.2	30.4%
	BRIDGE PREVENTIVE MAINTENANCE (see note 4)	TULLIER	4.5	0.0	0.0%	4.8	4.8	106.7%	1.6		0.0%	1.6	1.6	100.0%
	PARISH OFF-SYSTEM BRIDGES	PENTEK	13.0	2.3	17.7%	13.8	16.1	123.8%	10.0		0.0%	3.4	3.4	34.0%
			334.9	50.2	15.0%	314.6	364.8	108.9%	149.3	10.5	7.0%	131.9	121.9	95.4%
OPERATIONS	ITS & MAP (see note 10)	GLASCOCK	10.2	0.0	0.0%	10.3	10.3	101.4%						
	TRAFFIC CONTROL DEVICES(see note 5)	ALLAIN	19.8	6.2	31.3%	10.1	16.3	82.3%						
	ROADWAY DRAINAGE	LEE	3.7	0.0	0.0%	4.0	4.0	108.1%						
	WEIGH STATIONS (see note 6)	U. GUARISCO	5.4	5.0	92.6%	0.1	5.1	94.4%						
	REST AREAS	FLETCHER	7.4	0.0	0.0%	0.0	0.0	0.0%						
	INTERSTATE LIGHTING	DOUGLAS	2.0	0.0	0.0%	0.6	0.6	30.0%						
	FERRIES		3.5	0.0	0.0%	2.5	2.5	71.4%						
	MOVABLE BRIDGE REHAB	G. GAUTREAU	11.6	0.0	0.0%	1.6	1.6	13.8%	5.5		0.0%	5.4	5.4	98.2%
	TSM (see note 7)	DRAKE	6.8	0.0	0.0%	3.6	3.6	52.9%						
			70.4	11.2	15.9%	32.8	44.0	62.6%	5.5	0.0	0.0%	5.4	5.4	98.2%
SAFETY	REGULAR PROGRAM (see note 8)	K. SIBILLE	31.1	0.5	1.6%	32.1	32.6	105.0%	15.0		0.0%		0.0	0.0%
	LOCAL ROADS (LRSP)	MONAGHAN	2.8	0.0		0.0	0.0							
	SAFE ROUTES TO SCHOOLS (SR2S)	PARSONS	0.0	0.0		0.0	0.0							
	RR CROSSINGS	SHREWSBERRY	8.6	0.3	3.5%	8.3	8.6	100.0%						
			42.5	0.8	1.9%	40.4	41.2	97.1%	15.0	0.0	0.0%	0.0	0.0	0.0%
CAPACITY	REGULAR PROGRAM & CORRIDOR (see note 9)	WINCHESTER	123.4	71.1	57.6%	63.3	134.4	108.9%	161.5	44.5	27.6%	5.7	50.2	31.1%
	TOTAL DISCRETIONARY (REGULAR) PROGRAM		571.1	133.3	23.3%	451.1	584.4	102.3%	331.3	55.0	16.6%	143.0	177.5	59.8%
MISC.	TIMED	GRICE	11.6	0.0	0.0%	0.0	0.0	0.0%						
	ENHANCEMENT PROJECTS	HORTON	8.0	0.9	11.3%	0.8	1.7	21.3%						
	URBAN SYSTEM & CMAQ	RIGGS/SHOLMIRE	38.0	13.2	34.7%	67.2	80.4	211.6%						
	FED EARMARKS(DEMO) (see note 2)	C. GAUTREAU	114.8	0.0	0.0%	114.8	114.8	100.0%						
	OTHER (see note 1)	N/A	155.6	12.0	7.7%	143.6	155.6	100.0%	5.0		0.0%	5.0	5.0	100.0%
	TOTAL NONDISCRETIONARY (MISC.) PROGRAM		328.0	26.1	8.0%	326.4	352.5	107.5%	5.0	0.0	0.0%	5.0	5.0	100.0%
	TOAL PROGRAM		899.1	159.4	17.7%	777.5	936.9	104.2%	336.3	55.0	16.4%	148.0	182.5	60.4%

FY 09 aug RECAP 09-22-08.xls

1. " Other" category includes projects funded from sources outside the normal funding allocation, such as bonds, tolls, local, emergency, etc. and $ 0.2 million of railroad work associated with construction jobs. The target will be adjusted during the year to coincide with the actual amount of these type funds which are made available.
2. DEMO adjusted during the year to coincide with available funds.
3. Preservation Non-Interstate Pavement target increased $0.85 million (olay) because May 2008 bids for S.P. 845-18-0011 were rejected. Preservation Non-Interstate Pavement (NFA) target increased $3.0 million due to delayed projects from FY 07-08.
4. $3.0 million moved from Preservation Bridge to Bridge Preventive Maintenance. Bridge Preventive Maintenance increased $1.5 million from FY 07-08 since was first year of Program and not enough projects were ready. Preservation Bridge target also increased $47.4 million due to the delay of the LA 66 Bridges project (S.P. 251-02-0034) from FY 07-08 and the rejection of the June 2008 bid for the Bayou Lafourche (LaRose) project (S.P. 064-05-0070).
5. Operations Traffic Control Devices target increased $8.1 million due to delayed projects (450-12-0030, 455-01-0048, and 450-08-0051) from FY 07-08.
6. Operations Weigh Stations target increased $3.4 million (FY 07-08 target) because June 2008 bids for S.P. 697-11-0015 were rejected.
7. Operations TSM target increased $3.0 million for S.P. 001-09-0084 which was delayed from FY 07-08.
8. Safety target increased a total of $8.15 million for S.P. 031-09-0028 and S.P. 853-10-0016 which were delayed from FY 07-08.
9. Capacity target increased $50.5 million due to delayed projects from FY 07-08. Capacity surplus includes $30M for 450-10-0108, $15.5M for 450-15-0100, $6M for 022-06-0039, $100M for 454-02-0025, and $10M for program.
10. ITS allowed to combine FY 06-07, FY 07-08 and FY 08-09 budget partition ($29,100,000) to cover what is let/scheduled for FY 06-07, FY 07-08, and FY 08-09 ($29,220,426). Projects LET or to be LET from FY 06-07 to FY 08-09 are: 737-92-0035, 737-99-0882, 737-99-0799, 737-36-0013, and 737-99-0545. Therefore will only show scheduled to let $9.845 million out of $10.2 million this FY, because rest of target covers FY 06-07 and FY 07-08. 737-99-0914 had to be moved to FY 08-09.

Team:	Finance - Budget Prep
PDD Name:	Conversion of Operating Budget
PDD Number:	FIN-BP-PDD040-Conversion of Operating Budget
Business Process Owner:	Barry Dusse
Functional Lead:	Paul Fernandez, Pete LaFleur
Functional Consultant:	Manoj Jacob John

Executive Summary

In general, FRICE objects are covered in the respective Process Design Documents (PDDs). Due to differences in the approach and details of budget prep data conversion, between House Bill No.1 (HB1) Operating Budget and House Bill No. 2 (HB2) Capital Budgets, including DOTD Highway Program, this document outlines the considerations for Operating Budget data conversion, involving details from the BRASS budget system and the State financial system, AFS.

With ECC Go-live on July-2010 (for all Agencies, except DOTD which is scheduled for Oct-2010), the Operating Budget will need to be loaded to commence business operations in SAP. Hence, the overall approach for the Operating budget prep data conversion, as discussed during Blueprint sessions, would be to load the detailed line item budget approved for the year 2010-11 into ECC modules, Funds Mgt (FM) and Grantee Mgt (GM). For this purpose, each of the ECC modules would have the necessary master data created in the respective modules (for e.g. Funds in FM, Grants in GM, Cost Centers in CO) with detailed data conversion decisions taken at a module level (e.g. Grants decisions taken on the basis of GM module considerations). The ECC budget load would be in two parts: (1) Into Funds Mgt module for budget data of all non-Grant funds loaded (including Grantor budget data) and (2) Grant Fund budget would be loaded directly into the Grantee module, pursuant to which the GM Budget Workbench converts the budget into Sponsor dimensions and pushes the data into FM, to form the consolidated budget. After the ECC budget load, the budget data is extracted to Business Intelligence (BI) reporting cubes, from which the budget data will be transferred, when required, to the Budget Prep module.

While details of the ECC budget load will be covered in ECC documentation, this PDD outlines the data conversion approach and decisions made by SMEs during the Budget Prep Conversion Blueprint session for the other budget prep data related to the Operating Budget for 2010-11, which needs to be converted from BRASS, AFS and other Excel/databases directly to the Budget Prep module.

It is also significant to note the substantial SME involvement in the data conversion efforts, the details of which will be covered in Data conversion strategy documents and Conversion specifications.

To-Be Process description

Pursuant to Go-live on Sept 2010, the SAP based Budget Prep module is scheduled to be used online for Operating budget preparation process from the fiscal year **2011-12** onwards. Hence, the Operating budget data conversion described in this document is based on the following assumptions:

- All Agencies: ECC (FM & GM) Go-Live on July-2010 and Budget Prep Go-live (Sept 2010)
- DOTD: ECC (FM & GM) Go-Live on Oct-2010 and Budget Prep Go-live (Sept 2010)
- All necessary finance/budget master data would have been created prior to Budget Prep Go-live
- Go-live of the legacy ISIS-HR project with new ECC finance account codes by July-2010.

In terms of the overall data conversion approach, Operating budget data conversion will take into account and be directly dependent on the following, as discussed during Blueprint:

1. Setup of all related master data in the ECC modules in terms of SAP accounting code elements;
2. Setup of cross-walk tables in ECC to map from the Legacy codes to SAP accounting codes; and
3. Transformation of all finance & budget data assignments to HR/Personnel data, from the current legacy ISIS-HR codes to the new ECC account codes (including for Grants & Projects).

The above-mentioned data setup, is not only required for the detailed line item and summary, budget and actual data conversion to ECC modules (i.e. Funds Management and Grants Management) for the year, but also for all data related to 2010-11 Budget, which is developed based on legacy account codes, for e.g. the entire HB1 data for the year 2010-11, as approved by the Legislature.

Based on Blueprint discussions for the Operating budget data conversion during Go-live, the two main components of budget data to be converted are:

- Data to ECC modules (Funds Management & Grantee Management), consisting of life-to-date Grants budget & actual data (Note: this will be covered in ECC conversion); and
- Data to Budget Prep module, viz. other related data for HB1 as approved by Legislature for 2010-11 and any historical data of the previous year 2009-10 (Note: this is covered in this PDD).

Given that the Blueprint session was based on the above, the recommendations and decisions by SMEs were:

1. The Agency requirement is to have one year of 'historical' Actual data in Budget Prep, which would imply that:
   a. The data conversion referred to is the historical Actual for the full year 2009-10;
   b. The expected conversion is from AFS Actual data to BI/Budget Prep module, which implies that AFS data may have to be broken down by Agencies, on an off-line basis, to reflect details by Org level and detailed Object level data, as maintained by Agencies;
   c. The expected data is only for the full 'year-end' data for revenue and expense codes, but not a line-item conversion throughout the year; and
   d. The conversion data must be transformed to 'means of financing' per SAP codes, before uploading to BI/Budget Prep

   Note: *Any historical conversion of data are decided together with other considerations such as effort for historical conversion, archiving strategy for legacy system data and frequency/ease of access by the requisite users (end-users, administrators, tech team, etc). Hence, this matter will be discussed further in Realization.*

2. As specified by Agency SMEs, the business need is also to convert 'final' Operating Budget, viz., final E.O.B (amended final budget) for the previous year 2009-10.

   Note*: With further discussion within the Budget Prep team during the finalization of this Conversion PDD, it was decided that the final Operating Budget, viz., final EOB for previous year 2009-10 was NOT required to be converted.*

3. There is no conversion requirement for Decision Item (DI) codes and Body Supplementary Legislative Tracking (BSLT) codes, for 2010-11 Budget from BRASS to Budget Prep module
4. The information related to Table of Organization is to be identified at the Fund Center and Grant level by the Agencies, from the original/summary data available from BRASS, the details of which will be decided during Realization phase, based on the Position information from ISIS-HR.

SME involvement in data conversion: As was discussed during the Data conversion blueprint sessions, data cleansing & conversion assistance is needed from SMEs, for example the cleansing of conversion data. Therefore, commitment is needed from the OPB for budget data mapping, data manipulation and

realignment during data conversion. These details will be covered later in Strategy documents as well as in Specification documents for each Conversion.

Conversion Mapping (Z-tables in ECC) for Actual data & Budget data: Budget Prep module will access ECC Conversion mapping tables during conversion data loads. Hence, there is the need to reconcile conversion mapping by Fund, Function, Business Area, etc., for data load with the help of SMEs.

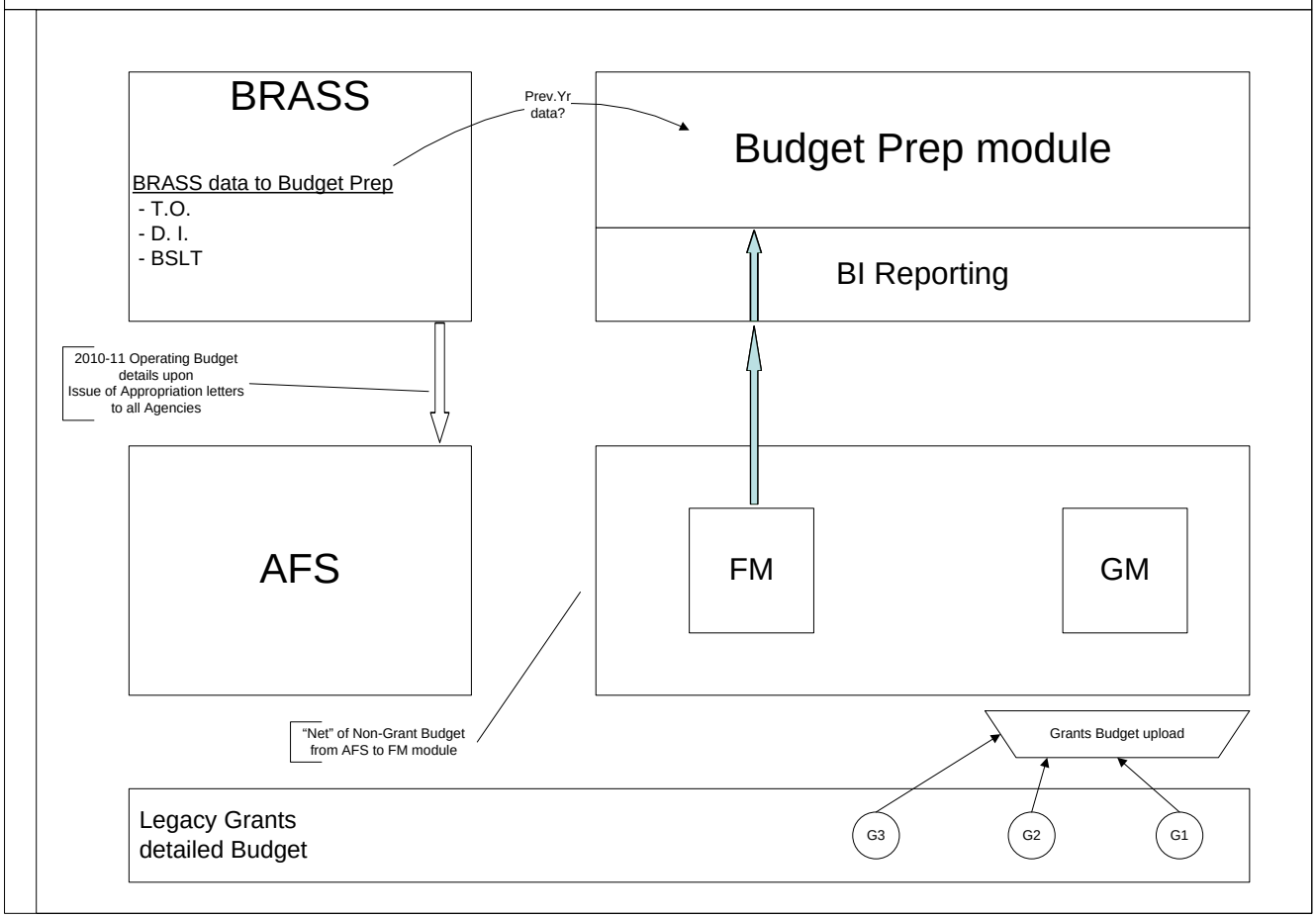
While exact implementation timeline decisions will be made by Project Management by end of Blueprint, the above data conversion approach has the benefit of converting budget data and immediately making it available to users in ECC, without the need for any additional step such as retraction from Budget Prep to the various ECC modules, together with direct involvement, reconciliation and participation of SMEs.

#	Process Terminology	Description
1	SAP Business Intelligence (BI)	SAP Business Intelligence (BI) enables Online Analytical Processing (OLAP), which processes information from large amounts of operative and historical data. OLAP technology enables multi-dimensional analyses from various business perspectives.
2	IP – Integrated Planning	Integrated Planning module is a SAP warehouse based solution where budgeting and planning is enabled. IP allows for users to enter and change budget/planning data.
3	Extractor	Program that transfers data from ECC source system to SAP Business Intelligence
4	Retractor	Program that returns data from SAP BI back to the ECC system. Actual data that has been extracted from the Operational system is used as reference data for generating new planning data in an application based on BI. A retractor can be used to transfer this planning data back to ECC as Budget at the beginning of the fiscal year.
5	Info cube	An Info cube describes a self-contained dataset consisting of relational tables that are created to facilitate planning and reporting in BI
6	Key Figure	Key figures are specific objects in an info cube that represent values or quantities. Key figures are contained in and updated with transactional data or interactive planning activities and some examples are actual dollars, budgeted dollars, or FTE.
7	Characteristics	Characteristics provide classification possibilities for the dataset. Examples of Characteristics include Fund, Cost Center, Functional Area, etc. The master data includes the permitted values for a characteristic, also called characteristic values. Characteristic values are discrete names.
8	Business Explorer (BEx)	The analysis of dataset in BI is done by defining queries for Info providers using the Excel based BEx Query Designer. By selecting and combining Info objects (characteristics and key figures) or reusable structures in a query, the navigation and evaluation of data is facilitated in the selected Info provider.
9	Data Slices	Data slices are used, to explicitly lock certain subsets of the dataset of a planning area for updates. Each data slice specifies a selection condition for characteristic values.

To-Be Process Flows

An overview diagram for the data conversion of the Operating Budget is placed below to clearly depict the data conversion to Budget Prep as distinctly separate from the ECC data conversion (FM & GM).

FI-BP-009 – **Operating Budget Data Conversion: Overview**
Note: The details shown below are generic and would change subject to Go-Live Date decisions



Key Business Process Decisions

As part of the Conversion of the Operating budget data, the following major design decisions were taken by the SMEs during the Blueprint sessions:

#	Decision	Process Impact	Organizational Impact
1	The Agency requirement is to have one year of 'historical' Actual data in Budget Prep	In terms of conversion process, the impact is as follows: a) The data conversion referred to is the historical Actual for the full year 2009-10; b) The expected conversion is from AFS Actual data to BI/Budget Prep module, which implies that AFS data	Besides the additional conversion effort for SMEs to convert the previous year 2009-10, any historical conversion of data are decided together with other considerations such as effort for historical conversion, archiving strategy for legacy system data and frequency/ ease of access by the requisite users

#	Decision	Process Impact	Organizational Impact
		may have to be broken down by Agencies, on an off-line basis, to reflect details by Org level and detailed Object level data, as maintained by Agencies; c) The expected data is only for the full 'year-end' data for revenue and expense codes, but not a line-item conversion throughout the year; and d) The conversion data must be transformed to 'means of financing' per SAP codes, before uploading to BI/Budget Prep	(end-users, administrators, tech team, etc). Hence, this matter will be discussed further in Realization.
2	As specified by Agency SMEs, the business need is also to convert 'final' Operating Budget, viz., final E.O.B (amended final budget) for the previous year 2009-10 Note-b: With further discussion within the Budget Prep team during the finalization of this Conversion PDD, it was decided that the final Operating Budget, viz., final EOB for previous year 2009-10 was NOT required to be converted.	In terms of conversion process, the impact is as follows: a. The data conversion referred to is historical Budget for the full year 2009-10; and b. The conversion data must be transformed to 'means of financing' as per SAP codes	It was decided NOT to convert
3	There is no conversion requirement for Decision Item (DI) codes and Body Supplementary Legislative Tracking (BSLT) codes, for 2010-11 Budget from BRASS to Budget Prep module	DI codes & BSLT codes in SAP were going to be re-numbered anyways. Hence, the decision not to convert does not have any process impact	No known impact at this stage
4	The information related to Table of Organization is to be identified at the Fund Center and Grant level by the Agencies, from the original/summary data available from BRASS, the details of which will be decided during Realization phase, based on the Position information from ISIS-HR.	Reference to previous year TO from BRASS needs to be facilitated for the Budgeting in future years. While data can easily be populated in BI, the process linkage with Position info from ISIS-HR transformed data needs to further investigated	Further Organization impact may follow depending on the finalization of TO and Position information from ISIS-HR during Realization
5	During ECC budget load upon Go-live, if 'spreading' of the Budget is to be done in FM (note: this decision will be taken by FM with respect to the conversion process), then: - Utility/Program will be needed to upload detailed budget spread from an Excel file (similar to the AS-IS EB/RB program) - It is also be necessary to temporarily disable the Workflow for approval of budget transfers, as part of Go-live budget load activities.	The specific process impact is at the time of data conversion, which will be handled by the Project team members and this has no further process impact to end-users, after Go-Live.	No known impact at this stage

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified		

Identified Development Objects (FRICE-W)

Forms

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	**None identified**		**X**	**X**			

Reports

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

Interfaces

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

Conversions

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
1.	Actual 2009-10 data from AFS to Budget Prep	This data is required to prepare 2011-12 Budget	AFS	BI/Budget Prep module	Agencies need this data to build 2011-12 budget, and OPB needs to report	a) Download AFS data b) Agencies to add details of Org and Object codes, as maintained by Agencies c) Cross-walk to SAP	Further decision to be taken based on sample conversion with ECC cross-walks during Realization
2.	Table of Organization (TO)	Budgeting and Monitoring	From BRASS, with breakdown from Agencies	BI/Budget Prep ECC-HR?	OPB needs to report this data in Budget docs and maintain Positions throughout the year	a) Download BRASS data b) Agencies to break down TOs by Fund Center and Grant (SAP codes)	Discuss with ISIS-HR, to reflect this data on ECC side

Enhancements

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	None identified				

Workflows

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	**Description**	**Justification**	**Comments**
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	**Role**	**Description**	**Strategy**	**Special Consideration**
1.	Data Conversion Role for OPB	System-role setup to be used at the time of data conversion for OPB	No unique security challenges expected	None

Organizational Impacts

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Operating Budget data conversion	Not applicable	Appropriate Subject Matter Experts from OPB and the Agencies are to take data ownership for portions of the Operating Budget Conversion process

Training Impacts

No specific conversion-related Training impacts have been identified in this PDD for conversion of Operating Budgets. However, all Training impacts which have been covered in the Business Process PDDs, namely FIN-BP-PDD010_Operating_Budget_processes.doc would apply in this context as well.

Appendix A

Not applicable

Team:	Finance - Budget Prep
PDD Name:	Conversion of Capital Budgets
PDD Number:	FIN-BP-PDD050-Conversion of Capital Budgets
Business Process Owner:	John Davis, Robin Romeo
Functional Lead:	John Hodnett, John Oglesby
Functional Consultant:	Manoj Jacob John

Executive Summary

In general, FRICE objects are covered in the respective Process Design Documents (PDDs). Due to the differences in the approach and details of Budget Prep data conversion, between House Bill No.1 (HB1) Operating Budget and House Bill No. 2 (HB2) Capital Budgets (including DOTD Highway Program), this document outlines the considerations for 2010-11 Capital Budget data conversion, covering the data from Facilities Planning & Control (FPC), Dept of Transportation & Development (DOTD), etc. Differences in the data conversion approach for FPC projects & DOTD projects will be highlighted wherever necessary.

Specifically, this document will address the overall approach for Budget Prep data conversion, as discussed during Blueprint sessions, including:

(a) HB2, with details from the final "Enrolled" spreadsheet of FPC (as of beginning of year 2010-11), except DOTD Highway program lump sum amount in HB2; and

(b) Details of DOTD Highway program (Note: which aggregates to the DOTD Highway program lump sum amount in HB2), including details from the Budget Partition together with LETS system data.

Pending detailed Business Intelligence (BI) design in Realization for the replacement of DOTD LETS and other related systems, this document outlines the Highway Program data conversion approach and decisions made by SMEs during the Budget Prep conversion Blueprint session. It is also significant to note the substantial SME involvement in the data conversion efforts, details of which will be covered in Data Conversion Strategy documents and Conversion Specifications.

Open Issues identified during the Blueprint session are recorded in a separate document, the Action Item Tracker, so that they can be appropriately tracked during Realization until resolved.

To-Be Process description

Pursuant to Go-live in Sept 2010, the SAP based Budget Prep module is scheduled to be used online for the capital budget preparation process from the fiscal year 2011-12 onwards. Hence, the capital budget data conversion described in this document is based on the following assumptions:

- FPC projects: ECC (PS & FM) Go-Live in July-2010 and Budget Prep Go-live (Sept 2010)
- DOTD projects: ECC (PS & FM) Go-Live in Oct-2010 and Budget Prep Go-live (Sept 2010)
- All necessary PS master data for projects would have been created prior to Budget Prep Go-live
- LETS, TOPS and any other budget data related DOTD systems identified to be replaced also Go-live within the BI system by Sept 2010
- Other Training and organizational impact assumptions have not been elaborated, as these are not directly related to capital budget data conversion.

In terms of the overall data conversion approach, budget data conversion will take into account and be dependent on the following aspects discussed during Blueprint, such as:

1. Setup of all related master data in the ECC modules – for e.g. suitable SAP accounting elements (such as Business Areas or Cost Centers/Fund Centers, etc) - to represent the 'finer break-down of FPC agencies' that are currently not setup in AFS or ISIS (as they are treated as 'non-accounting entities' in AFS & ISIS);
2. Setup of cross-walk tables in ECC to map from all Legacy codes to SAP accounting codes.

The above-mentioned data setup is not only required for the detailed line item and summary, budget and actual data conversion to ECC modules (for e.g. Project Systems & Funds Management) for the year, but also for all data related to the legacy-based 2010-11 budget, for e.g. the entire HB2 data for the year 2010-11, as approved by the Legislature, including the details of the Highway program.

A. HB2 data conversion, with details from the final "Enrolled" spreadsheet of FPC (as of beginning of year 2010-11), except DOTD Highway program lump sum in HB2

Based on Blueprint discussions for capital budget data conversion upon Go-live, the two main components of data to be converted are:

- Data to ECC modules (Project Systems & Funds Management), consisting of life-to-date capital project budget & actual data (Note: this will be covered in ECC conversion); and
- Data to Budget Prep module, and other related data to BI system, consisting of HB2 data as approved by the Legislature for 2010-11 (Note: this is covered in this PDD).

Given that Blueprint sessions were based on the above assumptions, the recommendations and decisions by SMEs were as follows:

1. The Enrolled HB2 file is to be used for data conversion to the Budget Prep module

   Note: The required data is expected to contain the entire data approved by the Legislature for the year 2010-11, including:
   a. Details of 'means of financing of each project' to be in SAP account code structure
   b. For projects funded in previous years, previous plus current 'means of financing' (i.e. Revenues) should equal the total estimated project costs; and
   c. Data related to Legislative amendments during the approval of budget 2010-11.

2. For conversion at the time of Go-live, the lump-sum Capital Budget amount to be loaded in the Funds Management module for FPC projects, is the sum of:

   - Enacted Cash amounts for various approved projects from HB2, and
   - Cash Line of Credit "Capacity" as specified in HB2.

   Note: This is in accordance with the process decisions that the capital budget was to be retracted as a lump sum, by capital funds, into the Funds Management module, whereas the budget that was drawn-up with project details would be available for reference in the Budget Prep module.

3. As specified by the SMEs, there is a business need to retain Capital Outlay Request data, which was specified as the Request data from BDS from the year 2002.

   Note: All historical conversion of data, beyond the previously closed year's data, is typically converted to the BI system, and is contingent upon the review of other considerations such as effort for historical conversion, archiving strategy for legacy system data and frequency and ease of access by the requisite users (end-users, administrators, tech team). The State is researching its archive options.

B. Details of DOTD Highway program (note: this aggregates to the DOTD Highway program lump sum amount in HB2), including details from Budget Partition and LETS system data

Based on Blueprint discussions for highway program budget data conversion upon Go-live, the main components of data to be converted are:

- Conversion to ECC modules (Project Systems & Funds Mgt), consisting of life-to-date capital project budget & actual data (Note: will be covered in ECC conversion);
- Data to the BI system (custom developed cubes to replace DOTD systems), consisting of data from LETS, TOPS and other related legacy main-frame applications and their components that are decided to be replaced and housed in BI (Note: will be covered in BI conversion);
- Data to the Budget Prep module, consisting of the list and details of the Highway program data as presented to the Legislature for 2010-11 (Note: this is covered in this PDD).

Given that Blueprint Validation sessions were based on the above assumptions, the decisions by SMEs were as follows:

1. For the Highway Program budget conversion at Go-live, the lump-sum amount to be loaded in FM will be the 'enacted amounts' finalized in the approved HB2 for year 2010-11.

   Note: This is in accordance with the process decision that the capital budget was to be retracted as a lump sum, by capital funds, into the Funds Management module, whereas the budget that was drawn-up with highway project details would be available for reference in the Budget Prep module.

2. For budget data conversion of the Highway program with project details into the Budget Prep module, the data snapshot presented to the Legislature is to be taken/preserved from LETS.

   Note: This data conversion is expected to aggregate to the total Highway program budget (as approved by the Legislature for 2010-11) including project details, which implies:
   a. Details of 'means of financing of each project' to be in SAP account code structure
   b. Values correspond to the Highway Priority Program Project list, essentially with reference to the Budget Partition for 2010-11
   c. The remaining gap, with regard to Budget Partition, may be captured as line items
   d. The list for Maintenance may also be included in the Budget data for conversion.

3. As specified by SMEs, there is a business need to capture historical TOPS system data for all previous years into the BI system.

   Note: All historical conversion of data, beyond the previously closed year's data, is typically converted to the BI system, and is contingent upon the review of other considerations such as effort for historical conversion, archiving strategy for legacy system data and frequency and ease of access by the requisite users (end-users, administrators, tech team). The State is researching its archive options.

SME involvement in data conversion: As was discussed during the Data conversion blueprint sessions, data cleansing & conversion assistance is needed from SMEs, for example, the closing of projects. Therefore, FPC & DOTD should participate for budget data mapping, data manipulation and realignment during data conversion. These details will be covered later in Strategy documents as well as in Specification documents for each Conversion activity.

Conversion Mapping (Z-tables in ECC) for Actual data & Budget data: The Budget Prep module will access ECC Conversion mapping tables during conversion data loads. Hence, there is the need to reconcile conversion mapping by Fund, Function, Business Area, etc., for data load.

While exact implementation timeline decisions will be made by Project Management by end of Blueprint, the above data conversion approach has the benefit of converting budget data and immediately making it available to users in ECC, based on the direct involvement, reconciliation and participation of SMEs.

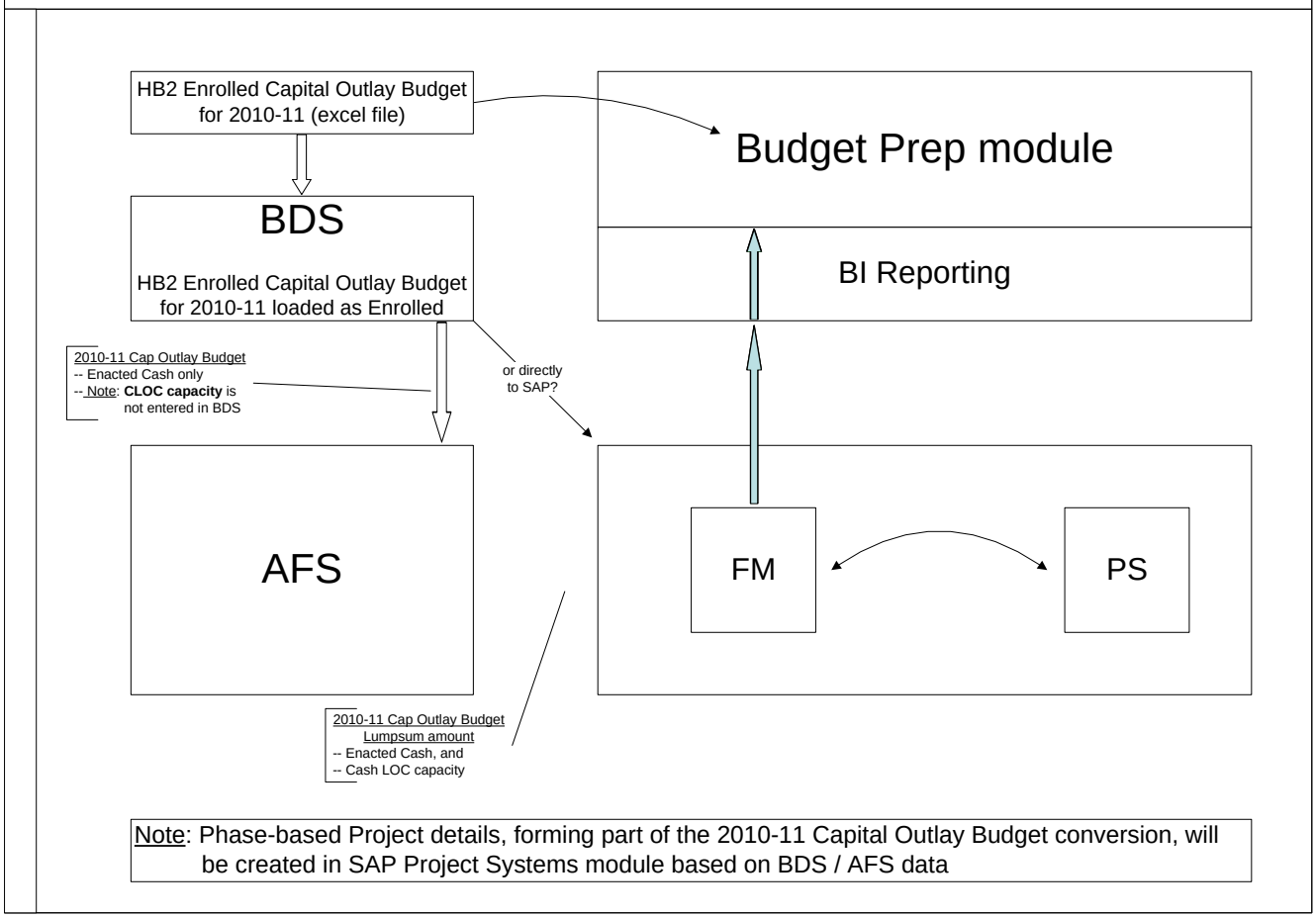
#	Process Terminology	Description
1	SAP Business Intelligence (BI)	SAP Business Intelligence (BI) enables Online Analytical Processing (OLAP), which processes information from large amounts of operative and historical data. OLAP technology enables multi-dimensional analyses from various business perspectives.
2	IP – Integrated Planning	Integrated Planning module is a SAP warehouse based solution where budgeting and planning is enabled. IP allows for users to enter and change budget/planning data.
3	Extractor	Program that transfers data from ECC source system to SAP Business Intelligence
4	Retractor	Program that returns data from SAP BI back to the ECC system. Actual data that has been extracted from the Operational system is used as reference data for generating new planning data in an application based on BI. A retractor can be used to transfer this planning data back to ECC as Budget at the beginning of the fiscal year.
5	Info cube	An Info cube describes a self-contained dataset consisting of relational tables that are created to facilitate planning and reporting in BI
6	Key Figure	Key figures are specific objects in an info cube that represent values or quantities. Key figures are contained in and updated with transactional data or interactive planning activities and some examples are actual dollars, budgeted dollars, or FTE.
7	Characteristics	Characteristics provide classification possibilities for the dataset. Examples of Characteristics include Fund, Cost Center, Functional Area, etc. The master data includes the permitted values for a characteristic, also called characteristic values. Characteristic values are discrete names.
8	Business Explorer (BEx)	The analysis of a dataset in BI is done by defining queries for Info providers using the Excel based BEx Query Designer. By selecting and combining Info objects (characteristics and key figures) or reusable structures in a query, the navigation and evaluation of data is facilitated in the selected Info provider.
9	Data Slices	Data slices are used to explicitly lock certain subsets of the dataset of a planning area for updates. Each data slice specifies a selection condition for characteristic values.

To-Be Process Flows

Two overview diagrams, one for FPC projects and the other for DOTD Highway program projects, are placed below to clearly depict the data conversion to Budget Prep as distinctly separate from the ECC data conversion (FM & PS).

For FPC projects

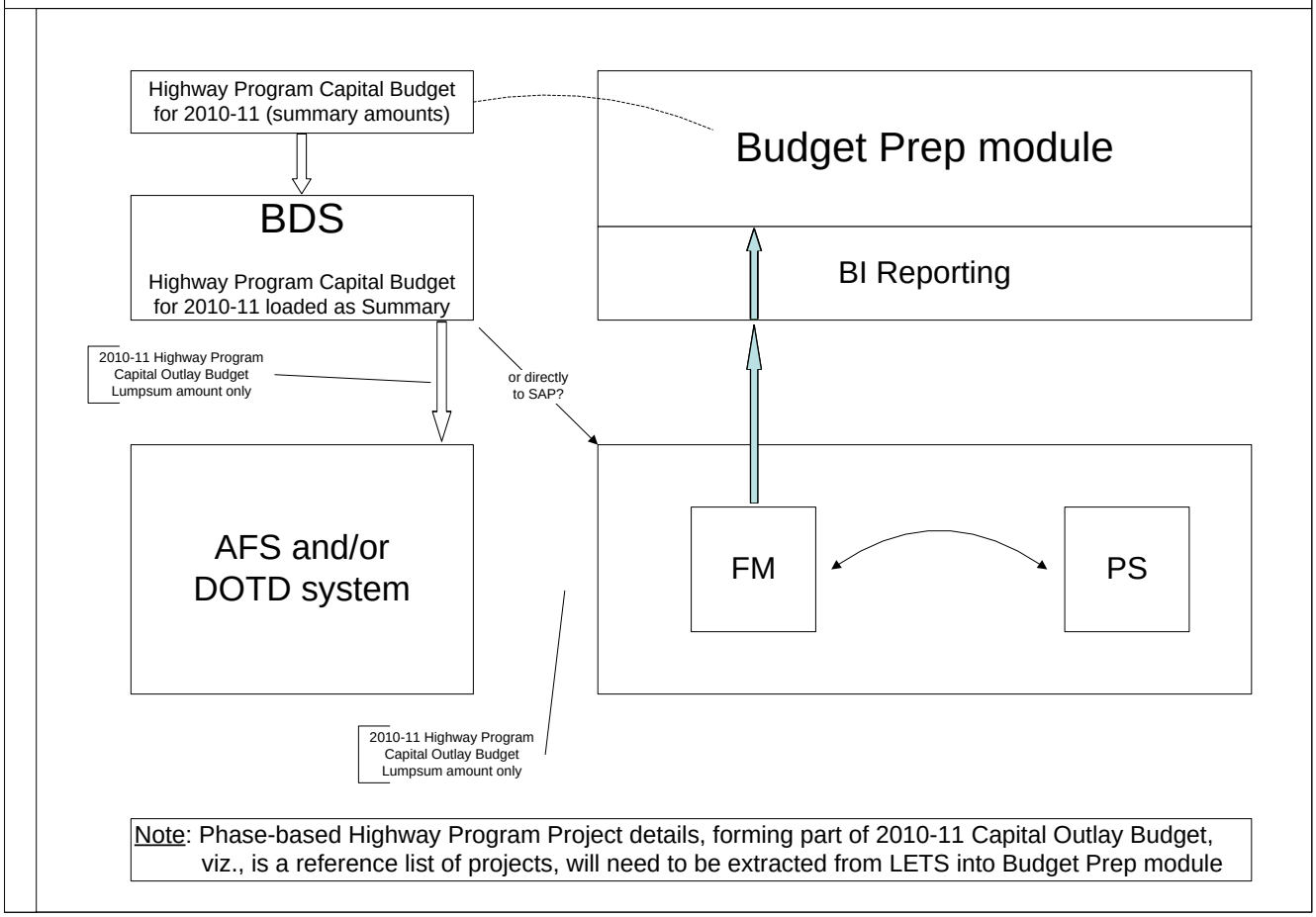
PDD0035 – **Conversion of Capital Outlay Budget Data: FPC Projects**
Note: The details shown below are generic and would change subject to Go-Live Date decisions



Note: Phase-based Project details, forming part of the 2010-11 Capital Outlay Budget conversion, will be created in SAP Project Systems module based on BDS / AFS data

For DOTD Highway program projects

PDD0035 – **Conversion of Capital Budget for DOTD Highway Program**
Note: The details shown below are generic and would change subject to Go-Live Date decisions



Key Business Process Decisions

As part of the Conversion of the Capital budget data for FPC and DOTD projects, the following major design decisions were taken by the SMEs during the Blueprint sessions:

#	Decision	Process Impact	Organizational Impact
1	The Enrolled HB2 file is to be used for data conversion to Budget Prep module	For the conversion process, this would mean there is no need to access BDS for data conversion	There is no impact to the Organization, as the "Enrolled HB2 file" is used to load the data in BDS, as part of the legacy process
2	For conversion at the time of Go-live, the lump-sum Capital Budget amount to be loaded in the Funds Management module for FPC projects, is the sum of: ☐ Enacted Cash amounts for various approved projects from HB2, and ☐ Cash Line of Credit "Capacity" as	This is in line with the TO-BE process decisions made for the annual capital budget retraction Currently in the AS-IS process there is no system-based limit imposed for the budget amounts that can be	There is no Organizational impact, as this is similar to existing processes, whereby 'Endorsed HB2 file' is loaded into BDS for subsequent processing in the AFS interface. Currently in the AS-IS process there is

#	Decision	Process Impact	Organizational Impact
	specified in HB2	processed by the State Bond Commission	no system-based limit imposed for the budget amounts that can be processed by the State Bond Commission annually
3	As specified by the SMEs, there is a business need to retain Capital Outlay Request data, which was specified as the Request data from BDS from the year 2002.	Although historical data is typically converted to BI, the process impact to the concerned users (end-users, administrators, tech team) would be in terms of frequency and ease of access. Hence, this may need to be reviewed together with other related considerations, such as effort for historical conversion, archiving strategy for legacy system data, etc	The organizational impact would arise depending on the decision made, either in favor of BI or Legacy, based on other related considerations, such as effort for historical conversion, archiving strategy for legacy system data, etc
4	For the Highway Program budget data conversion at Go-live, the lump-sum amount to be loaded in FM will be the 'enacted amounts' finalized in the approved HB2 for 2010-11	This is in line with the TO-BE process decisions made for the annual capital budget retraction	There is no Organizational impact, as this is similar to existing processes, whereby the Highway Program autonomously manages the appropriation approved in HB2 for the Highway program for the given year
5	For budget data conversion of the Highway program with project details into Budget Prep module, the data snapshot presented to the Legislature is to be taken/preserved from LETS	It may be necessary to freeze LETS data and take a snapshot of the list of projects, as presented to Legislature, in the process of data conversion	Since the DOTD highway program list could be presented to Legislature in March 2010, there will be the need to freeze the LETS data as of that date when the Highway program list is compiled
6	As specified by SMEs, there is a business need to capture historical TOPS system data for all previous years into the BI system	Although historical data is typically converted to BI, the process impact to the concerned users (end-users, administrators, tech team) would be in terms of frequency and ease of access. Hence, this may need to be reviewed together with other related considerations, such as effort for historical conversion, archiving strategy for legacy system data, etc	The organizational impact would arise depending on the decision made, either in favor of BI or Legacy, based on other related considerations, such as effort for historical conversion, archiving strategy for legacy system data, etc

Statute, Regulation, Policy, and Procedural Impacts

No specific Statute/Regulation/Policy amendments were identified during Blueprint sessions and in the context of this Conversion PDD. However, it is noted that Preservation of Records and Records Retention (RS 44: 36, 39, 401-427, RS 48: 201) would need adherence, and would be reviewed during Realization phase.

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	See above		

Note: *This is a preliminary list and each Department or Agency will need to review its own internal policies, procedures, desk references, etc. to bring them in line with the changes created by the implementation of SAP.*

Identified Development Objects (FRICE-W)

Forms

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	**Form Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	**None identified**		**X**	**X**			

Reports

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	**Report Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

Interfaces

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	**Interface Name**	**Purpose**	**As-Is**	**To-Be**	**Justification**	**Contact Person**	**Comments**
1.	None identified		X	X			

Conversions

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	**Type of Data**	**Use**	**Source**	**Destination**	**Justification**	**Approach**	**Comments**
1.	Enrolled HB2 for year 2010-11	Reference data in Budget Prep module	Enrolled HB2 Excel file	BI Budget Prep Capital Budget cubes	Reference data in Budget Prep module	Excel file load into Budget Prep cubes	
2.	DOTD Highway Program data	Reference data in Budget Prep module	BI-LETS infocube (from data snapshot presented to the Legislature taken/preserved from legacy LETS)	BI Budget Prep Capital Budget cubes	Reference data in Budget Prep module	Excel file load into BI-LETS cubes, followed by Datamart into Budget Prep cubes	This assumes initial conversion of legacy LETS data to BI-LETS, followed by movement of data to Budget Prep cubes

Note: *Conversion requirements for LETS and TOPS data will be reviewed during Realization phase*

Enhancements

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	None identified				

Workflows

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	**Description**	**Justification**	**Comments**
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	**Role**	**Description**	**Strategy**	**Special Consideration**
1.	Data Conversion role for FPC	System-role setup to be used at the time of data conversion for FPC	No unique security challenges expected	None
2.	Data Conversion role for DOTD Hwy Program budget	System role setup to be used at the time of data conversion for DOTD Hwy Program budget data	No unique security challenges expected	None

Organizational Impacts

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	FPC data conversion	Not applicable	Appropriate Subject Matter Experts from FPC would be involved in the Conversion process
2.	DOTD data conversion	Not applicable	Appropriate Subject Matter Experts from DOTD would be involved in the Conversion process

Training Impacts

No specific conversion-related Training impacts have been identified in this PDD for conversion of Capital Budgets for FPC & DOTD. However, all Training impacts which have been covered in the Business Process PDDs, namely FIN-BP-PDD020_CapOutlay_Budget_process(FPC).doc and FIN-BP-PDD030_CapOutlay_Budget_process(DOTD).doc would apply in this context as well.

Appendix

Not applicable

Team:	Finance - Budget Prep
PDD Name:	Performance Measures
PDD Number:	FIN-BP-PDD060-Performance Measures
Business Process Owner:	Barry Dusse
Functional Lead:	Will Kelly, Paul Fernandez
Functional Consultant:	Manoj Jacob John

Executive Summary

This document describes the approach for Performance Measures which needs to be implemented at the State of Louisiana, together with the Budget Prep module used for the budget formulation process. The approach takes into consideration the legacy performance monitoring tool, namely LaPAS (Louisiana Performance Accountability System), and the performance data used in BRASS budget system by budget analysts of the Office of Planning & Budgeting (OPB). Specifically, this document will address the overall process decisions taken together with Subject Matter Experts (SMEs) during Blueprint sessions, covering Performance Measures and changes needed thereto, the tool to be used for quarterly reporting of Performance Measures by Agencies and the implementation options being considered in Realization.

In the AS-IS process, together with the copy of previous year LaPAS data to current year, OPB analysts review and prepare the new/revised objectives/activities/programs of each Agency to set performance targets for the budget fiscal year. These performance indicators are included in the Executive Budget presentation. Following the approval of the Operating Budget for the year, the targets for the budget year and any revisions to the performance standards are entered in the existing Performance Monitoring tool namely LaPAS. For each quarter and the year-end, Agencies update their quarterly performance actual data using the LaPAS web-based tool. Currently, LaPAS has limited web-links on the State's website to the LaTRAC information system maintained by the Division of Administration for the State's citizens.

The Blueprint sessions focused, among other things, on the changes needed to the existing Performance Measures and the RFP initiative by the State, the reason for differences between the Performance Measures used by OPB Analysts in their BRASS legacy budget system and the Quarterly Performance updates with LaPAS based codes and the impact of the more granular 'Activity-based' budgeting and performance measures/reporting introduced recently by the State in the budgeting process for 2009-10. Based on the gap in the current SAP toolset for Performance Measures and their quarterly updates, the Blueprint session considered three options to proceed with, during Realization phase as follows:

A. Continue to use LaPAS and all related existing business processes *****
B. Develop a customized system to look/perform just like LaPAS
C. Continue with LaPAS and examine new other SAP solutions, PBF (Public Budget Formulation and EPM (Enterprise Performance Monitoring), or its component Strategy Management

***** *If Option-1 is adopted as long-term, LaPAS data could be pulled into BI for reporting. This could also be the front-end tool for OPB to enter Performance data and form the initial load for performance development for the budget year.*

In the context of the solution gap in SAP, following decisions were taken by the Subject Matter Experts in the Blueprint session to proceed with in the Realization phase:

a) To follow-up on the solution gap for Performance Measures, covering (a) the development of performance information for next budget year and (b) the maintenance of quarterly performance by the Agencies;
b) Need for Performance Indicators to support the budgeting process
c) Develop a "wish list" (new Requirement list) of consistent Performance Measures, including the capability to track across multiple years
d) Use the above new Requirements list, to evaluate implementation options for Performance Measures, as previously identified (LaPAS, customized solution or other new SAP solutions)
e) Develop an ideal Operational Plan, and evaluate the same together with the recently introduced Activity-based Performance Measures and Budgeting process

Due to the gap in SAP's current solution, in order to fully evaluate the potential options, further meetings are planned in Realization phase to fully address this matter.

To-Be Process description

The Blueprint session discussions were initially centered on the current performance measures used at LA, together with performance data entered by Agencies in the LaPAS Performance Monitoring system and the Performance data entered in the BRASS budget system by the OPB analysts. While follow-up action items were captured to ascertain the reason for differences between LaPAS and BRASS data, the SMEs agreed that LaPAS may be considered as the 'system of record' for Performance Measures at LA. But, as consideration for the TO-BE solution, SMEs decided to develop a "wish list" (new Requirement list) of consistent Performance Measures, including the capability to track across multiple years.

While briefly elaborating on the "wish list" for Performance Measures, some of the key requirements that were mentioned by the SMEs include:

1. Data entry by Agencies on the web
2. Avoid the need for re-typing of information
3. Segregate historical information using timeframes
4. Standard Performance Measure as the initial column
5. Ability to enter the 4th quarter data as well as develop new Measures for the next Budget year

It was decided to follow-up with the SMEs during Realization to complete the above list of requirements.

The recent initiatives by the State of Louisiana, with the formulation of a Request for Proposals (RFP) to re-vamp the existing Performance Measures were briefly discussed, although this potential business process re-engineering effort, if undertaken by the State, needs to be dovetailed into the implementation timeline of the SAP project.

Further, it is necessary to follow-up on differences between Agencies with respect to the Activity-based budget data, together with corresponding Performance Measures, submitted by the Agencies for the budget year 2009-10. Besides the pending analysis of the differences between Agencies pursuant to the introduction of new Activity-based budgeting, the State needs to take a decision and define the approach for future years, such that appropriate processes for budgeting and corresponding performance indicators may be set up as part of the SAP implementation.

Currently, the LaPAS system categorizes Performance Indicators into three groups, namely Key Performance Indicators (KPI), General Performance Indicators (GPI) and Supporting Performance Indicators (SPI). While the KPIs are reflected in the published Executive Budget documents, the GPIs and SPIs are reflected in the Supporting documents published together with the Executive Budget.

Similar to the AS-IS process, the TO-BE process would also involve the review of the previous year's performance standards and actual by the budget analyst, followed by the development of the new/revised objectives/activities/programs of each Agency as performance targets for the ensuing budget fiscal year. These performance indicators would then need to be included in the Executive Budget presentation. After

Legislative approval of the Operating Budget for the year, the targets and any revisions to performance standards are to be entered in the Performance Monitoring tool. For each quarter and the year-end, Agencies would need to update their quarterly performance actual data using the Monitoring tool.

To meet the above business requirement, SAP's current tool selected for implementation at State of LA does not have any functionality to support the requisite processes. Therefore, based on the issue created in Solution Manager (note: being escalated to a GAP in the current SAP toolset) for Performance Measures and their quarterly updates, the Blueprint session considered three options to proceed with, during Realization phase as follows:

A. Continue to use LaPAS and all related existing business processes *
B. Develop a customized system to look/perform just like LaPAS
C. Continue with LaPAS and examine new other SAP solutions, PBF (Public Budget Formulation and/or EPM (Enterprise Performance Management), or the Strategy Management component thereof.

* *If Option-1 is adopted as long term, LaPAS data could be pulled into BI for reporting. This could also be the front-end tool for OPB to enter Performance data and form the initial load for performance development for the budget year.*

Notwithstanding the issue/gap identified for Performance Measures, since the possible solutions would involve the Business Intelligence (and Business Objects) data structures, there is no impact expected for the process of Budget publishing, as all of these BI data structures and queries can be accessed by the "PSets" that would be set up in PatternStream to access information.

Similarly, the reporting of Performance Indicators (KPIs, GPIs and SPIs) would also be enabled through supporting data structures in BI.

The tentative go-forward approach for the Realization phase is to develop a prototype for a few specified number (note: in accordance with implementation contract terms) of Performance Indicators for, say, one Agency and thereafter progress with a State-wide roll-out in later phases.

Due to the gap in SAP's current solution, in order to fully evaluate the potential options, further meetings are planned in Realization phase to fully address this matter.

#	Process Terminology	Description
1	SAP Business Intelligence (BI)	SAP Business Intelligence (BI) enables Online Analytical Processing (OLAP), which processes information from large amounts of operative and historical data. OLAP technology enables multi-dimensional analyses from various business perspectives.
2	IP – Integrated Planning	Integrated Planning module is an SAP warehouse based solution where budgeting and planning is enabled. IP allows for users to enter and change budget/planning data.
3	Info cube	An Infocube describes a self-contained dataset consisting of relational tables that are created to facilitate planning and reporting in BI
4	Key Figure	Key figures are specific objects in an info cube that represent values or quantities. Key figures are contained in and updated with transactional data or interactive planning activities and some examples are actual dollars, budgeted dollars, or FTE.
5	Characteristics	Characteristics provide classification possibilities for the dataset. Examples of Characteristics include Fund, Cost Center, Functional Area, etc. The master data includes the permitted values for a characteristic, also called characteristic values. Characteristic values are discrete names.
6	Business Explorer (BEX)	The analysis of dataset in BI is done by defining queries for Info providers using the Excel based BEx Query Designer. By selecting and combining Info objects (characteristics and key figures) or reusable structures in a query, the navigation and evaluation of data is facilitated in the selected Info provider.

#	Process Terminology	Description
7	Business Objects	SAP's newly acquired suite of presentation products from Business Objects that enable front-end views for BI content
8	Enterprise Performance Management	SAP Business Objects Enterprise Management offers a suite of products that help to cascade corporate goals into department relevant metrics, ensuring accountability and enabling monitoring, analysis and execution of strategy-guided plans
9	Strategy Management	SAP Business Objects Strategy Management is a tool that can align corporate and operational strategies for visibility from a performance management perspective

To-Be Process Flows

Given the GAP in the current SAP solution for Performance Measures, the TO-BE Process Flow will be developed based on the final decision to be taken in the Realization phase.

Key Business Process Decisions

As part of the Blueprint sessions for Performance Measures, the following major design decisions were taken by the Subject Matter Experts (SMEs):

#	Decision	Process Impact	Organizational Impact
1	Follow-up the GAP in SAP-BI for Performance Monitoring	Neither BI-IP nor the new PBF solution have a way for Agencies to enter Quarterly performance	Options discussed for Quarterly performance reporting by Agencies are: • Continue to use LaPAS • Develop a customized system to look/ perform just like LaPAS • Continue with LaPAS and examine to other SAP solutions, PBF & EPS
2	Need for Performance Indicators to support budgeting process	The State's annual budgeting process is linked to Performance Measures	Functionality is needed in SAP for Performance Measures to support the budgeting process
3	Develop a "Wish List" (Requirements List) with consistent Performance Measures/ Indicators, including the capability to track across multiple years	AS-IS Performance Measure system needs review and also a change to enhance the reporting of Performance. Therefore, the TO-BE Performance Measures could be different from AS-IS	State plans to re-vamp the AS-IS Performance Measures by initiating steps for an RFP, the details of which are to be obtained for the SAP Realization phase. If existing LaPAS codes are not considered for TO-BE, then there would be a significant business process re-engineering underway that needs to be completed, dovetailing into the ongoing SAP implementation.
4	Use the above new Requirements list, to evaluate implementation options for Performance Measures: 1) Continue to use LaPAS 2) Develop a customized system, to look/perform just like LaPAS 3) Continue with LaPAS and examine SAP solutions, PBF & EPM	Same Process Impact as above	Same Organizational impact as above

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified		

Identified Development Objects (FRICE-W)

Depending on the Solution to be adopted for implementation, i.e. whether a custom solution or any newer product of SAP, for e.g. Public Budget Formulations (PBF) or Enterprise Performance Measures (EPM), besides the option to continue using the existing LaPAS system, the eventual solution may need other FRICE-W objects which will have to be reviewed later in Realization phase.

Forms

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	See above		X	X			

Reports

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	See above		X	X			

Interfaces

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	See above		X	X			

Conversions

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	See above						

Enhancements

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	See above				

Workflows

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	See above		

Gaps

Performance Measures, as a whole, is a gap in the current solution of SAP, which has been captured in Solution Manager during Blueprint.

Gaps	Master List of Future Gaps: <Supported Process>		
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	No Key Performance Indicators Ref: FIN-BP-GDD060_Performance Measures	Currently, there is no solution to maintain Key Performance Indicators in the project's SAP product suite.	It needs to be ascertained if other new SAP solutions, Public Budget Formulations (PBF) and Enterprise Performance Measure (EPM) will be able to meet the State's requirement in terms of functionality, besides licensing issues.

Security & Enterprise Role Definitions

Depending on the Solution to be adopted for implementation, i.e. whether a custom solution or any newer product of SAP, for e.g. Public Budget Formulations (PBF) or Enterprise Performance Measures (EPM), the eventual solution would need accompanying security and appropriate role definitions based on corresponding business processes, which needs to be reviewed later in Realization phase.

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	See above			

Organizational Impacts

Depending on the Solution to be adopted for implementation, i.e. whether a custom solution or any newer product of SAP, for e.g. Public Budget Formulations (PBF) or Enterprise Performance Measures (EPM), the eventual solution would have accompanying organizational impacts arising from corresponding business processes, which needs to be reviewed later in Realization phase.

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	See above		

Training Impacts

Aside from the option of continuing with existing LaPAS system, depending on the Solution to be adopted for implementation, i.e. whether a custom solution or any newer product from SAP, for example Public Budget Formulations (PBF) or Enterprise Performance Measures (EPM), the eventual solution will drive the content of the accompanying business process, leading to the need to review appropriate training, their organizational alignment, and the level of process knowledge required later in Realization phase.

Appendix

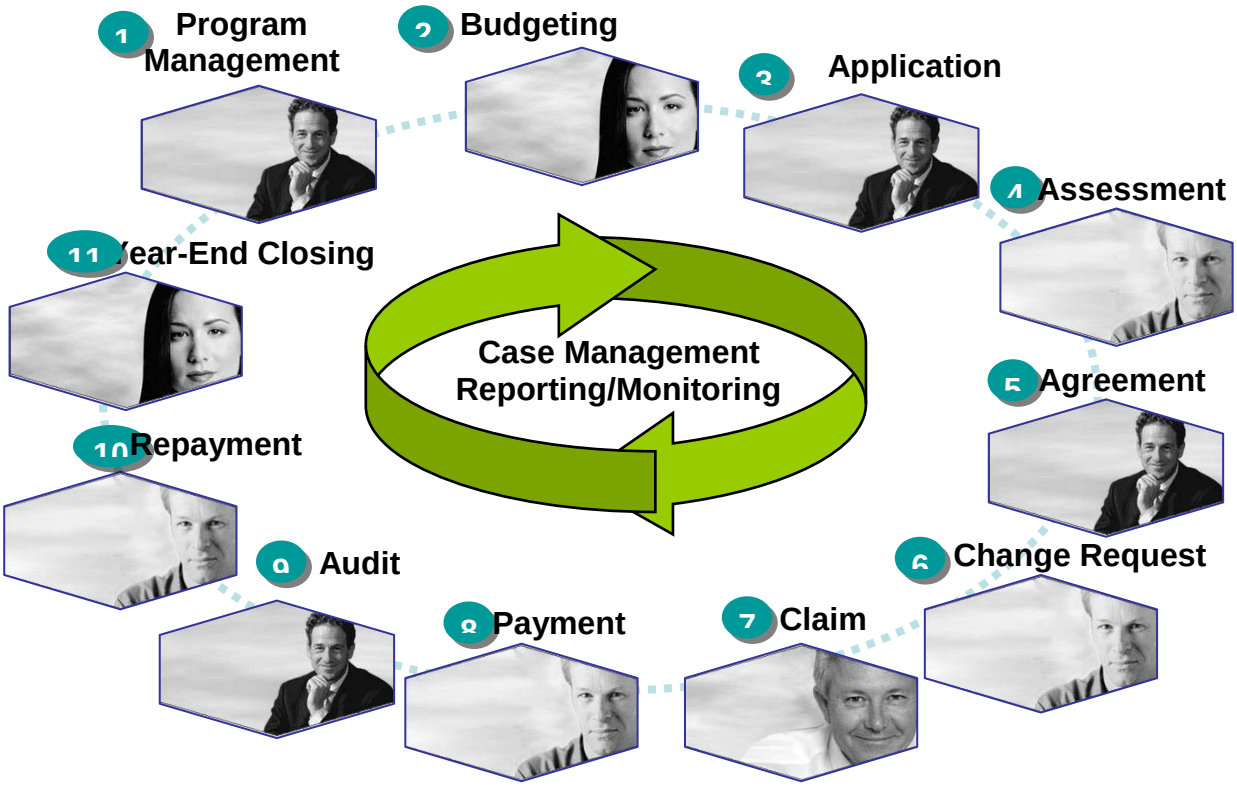
Not applicable.

11. Grantor

Team:	Finance - Grantor
PDD Name:	Grantor Master Data
PDD Number:	FIN-GTR-PDD010-Grantor Master Data
Business Process Owner:	Afranie Adomako
Functional Lead:	Penny Parker
Functional Consultant:	Govinda Narayanan

Executive Summary

Grantor Management – Processes



Master data involved in Grantor management are Organization and Business partner.

Organization

Organization is an integral part of Grantor management as it is used for reporting as well as in deriving the employee responsible (for example: Program Manager or Program Administrator), account assignments, etc. It is an attribute in Grantor Program, Application, Agreement, and Claim. As part of the

LaGov grantor solution, the Organization model will be built based on the current agency grantor program operations with the following organization objects:

- Organization unit → Agency
- Position → Job function
- Holder → Employee

All organization changes should be done through the OIS Grantor lead configurer after all approvals.

Business Partner

Business partners are customers, vendors, and employees with whom the State of LA has grantor relevant interactions like application, agreement, and claim. As part of the LaGov grantor solution, the business partner will be managed centrally for different Grantor business transactions like application and agreement and will reflect their roles in those transactions. The business partner roles that will be created for the Grantor transactions are:

- Grantee Customer (Application, Agreement)
- Contact person (Applicant, Agreement, and Claim)
- Vendor (Claim)
- Employee (all Grantor transactions)

It is very important to note the Grantor Vendor should exist in both the CRM Grantor solution and in ECC for claim processing. In case the vendor does not exist in CRM the following procedures are carried out:

1. *Grantor Program office sends an electronic vendor creation form to a central agency (like OSRAP) for the creation of the vendor.*
2. *Central agency (like OSRAP) creates the vendor if the vendor does not exist in ECC. In either case the vendor number will be updated in the form and sent back to the Program office.*
3. *Grantor program office initiates vendor replication from ECC through the menu option.*

Also, employees will be created in the CRM with the same ID as in HR. A custom interface will be built for the replication of Grantor employees from HR to CRM. The interface could be using standard middleware technology or the one the state has already built for MSS. The choice of interface and the algorithm for selecting grantor employees from HR will be realized during realization.

Design Considerations

- Business partner roles that will be applicable for Grantor includes Employee, Contact Person, Vendor and Grantee customer.
- Organization model includes Organization structure, position attached to organization and employee assigned to each position.
- Grantee Vendor will exist in CRM and ECC for payments
- Employee will be created in CRM with the same ID as in HR.

To-Be Process Description

Organization

There are 2 kinds of Organizations that will be setup as part of LaGov grantor solution.

1. Service Organization: This Organization is used for reporting purposes and will have the Grantor Program administration structure by Agency. Individual agencies will be depicted as an org. unit that will contain positions and employees assigned to them. Org. Units will be represented in a hierarchical structure.
2. Program management area: This is also known as sales organization and is primarily used to derive account assignments for transactions like agreements and claims which are replicated to

ECC. The LaGov grantor solution will have one Program management area for all agencies to use in Grantor transactions.

Features:

- Organizational Management in CRM offers a flexible tool for displaying a company's task-related, functional organization structure as a current organizational model.
- The organizational model is time-dependent. This will enable agencies to plan organizational changes in the future.

Integration:

- Organization will be part of Grantor Program, application, agreement, and claim.
- Along with security roles attached to user profiles, Organization embedded within Grantor objects enables extended authorization control.

Business Partner

Business partners are any parties in which the State has a business interest. Agencies can create and manage the business partners centrally for different business transactions, and reflect the different roles they play, such as Vendor and Employee.

A business partner can be any of the following:

Grantee

A grantee is a company, individual, or group with which a Grantor program office has a business relationship. A grantee can be, for example, a parish, university, school board, etc. Grantee is created in CRM by Grantor Program office.

Vendor

Vendor is an organization which receives the grant amount through claim processing. Vendors will exist in both CRM Grantor solution and in ECC for payment processing. Vendors are created in ECC by a central agency and all grantor specific vendors are pulled from ECC and created in CRM through menu option. This way the vendor number matches between the 2 systems and is vital for claim processing.

Contacts

A contact is a person with whom a Grantor program office has a business relationship, and in most cases will be assigned to a grantee. For example, a Contact could be a professor or a mayor. Contact person is created in CRM by Grantor Program office.

Employees

An employee is a member of a grantor program office who is involved in the interactions between the state and a grantee. Employee is created in CRM by Grantor Program office. The key information for employee is name and user-id.

Business partner Role

A business partner role is used to classify a business partner in business terms. The roles assigned to a business partner reflect the functions it has and the business transactions in which it could be involved.

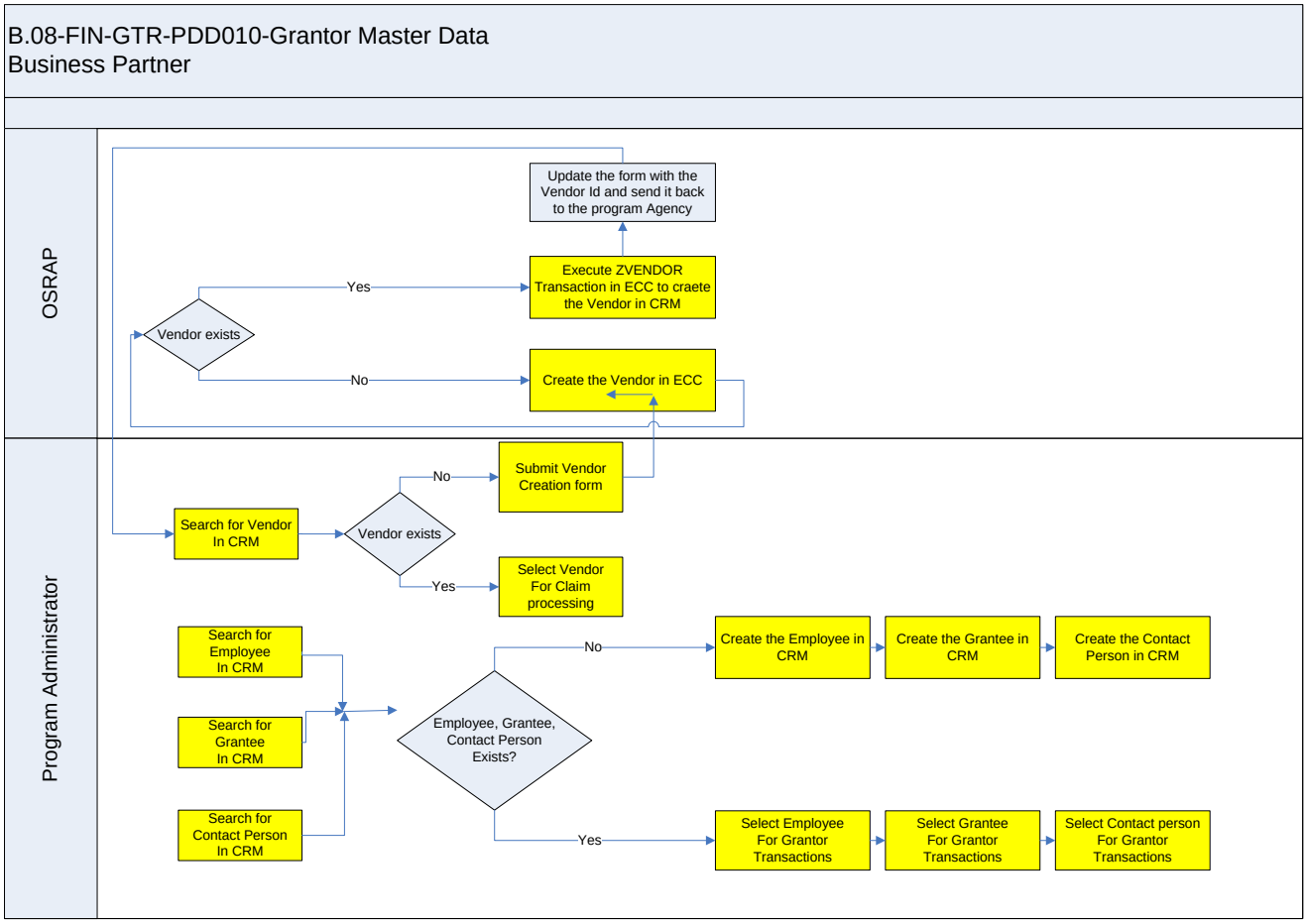
Partner processing

- Partner processing controls how the system works with business partners in transactions.
- Partner processing helps in defining what partner functions will be used in Grantor transactions. Example: Professor and Mayor can be added as partner functions in an application, but the business partner role would be a contact person.

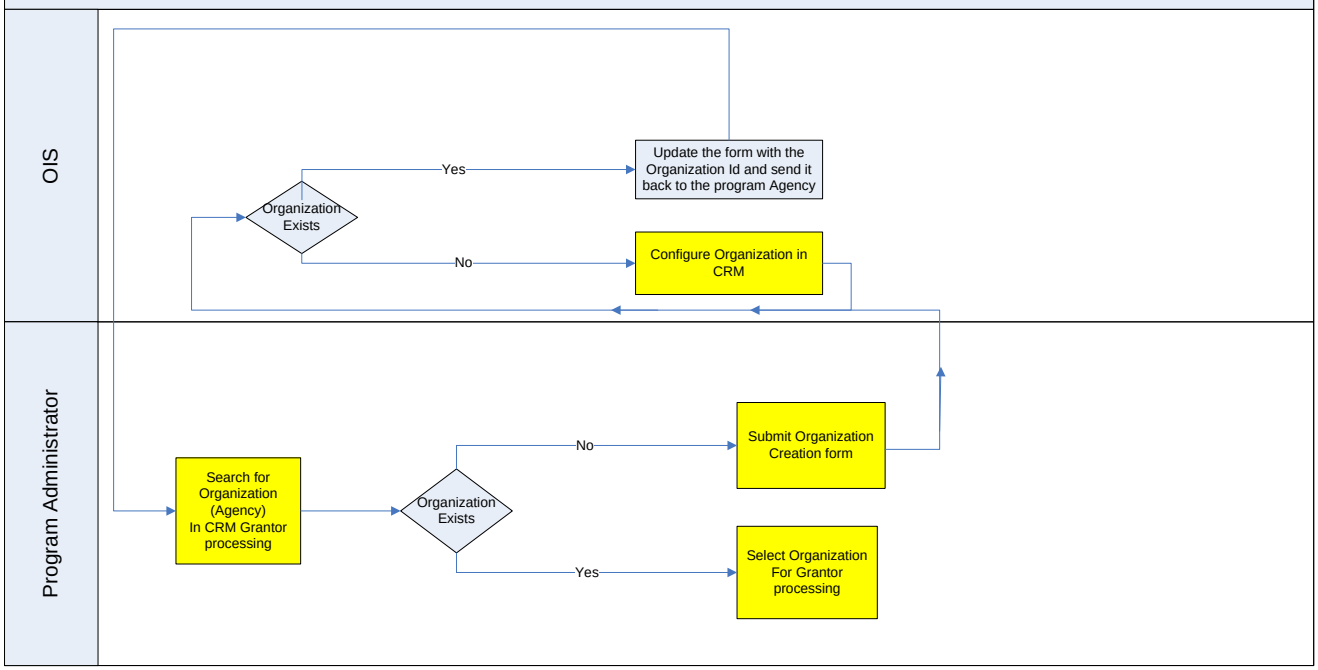
- The partner functions that will be involved in a transaction like Application and claim are specified in partner determination procedure.

To-Be Process Flows

The following diagrams display the business process for creating grantor business partners and the organization.



B.08-FIN-GTR-PDD010-Grantor Master Data
Organization Model



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Vendor creation.	Central agency (like OSRAP) creates vendor in ECC. The information then is pulled and vendor is created in CRM through menu option.	Training on vendor creation in both ECC and CRM.
2	Creation of following business partners: Grantee, Employee, and Contact person.	Grantor program office creates the business partners for all Grantor transactions except vendor.	Program office needs to be trained on the business partner creation in CRM.
3	Organization model change or creation of new Organization.	The Agency will need to communicate with the OIS Grantor configurer to add or change an organization model.	Grantor configurer needs to be trained on the Organization model creation.
4	Employee creation.	HR creates employee in ECC and the same is transferred to CRM via an interface.	Training on employee transfer to CRM from ECC.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	None identified.		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Business partner master data	SAP Business Partner (Employee/Grantee Customer/Contact person/Vendor) master data	Spreadsheet/paper	SAP	Data base conversion for go-live	TBD	

Note: *At the time of writing this report there is no agreed vision or strategy yet on the upload of live to date currently residing in AFS, GUMBO, LOGAN or any other existing system to the "to-be" SAP Grantor solution (CRM and ERP components).*

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Program	Vendor data pull from ECC to CRM.	ECC	Vendor has to be created in CRM for claim processing. Since vendor will be created in ECC by central agency, the data will be pulled and created in CRM through a custom report.	
2.	Program	Employee data pull from ECC to CRM.	CRM	Employee is part of all Grantor business objects. Since all employees are created in HR, the	

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
				Grantor ones need to be pushed to CRM. This will be done via an interface or middleware	

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified.		

NON-SAP Forms:

- Business partner form in MS Word.
- Organization creation/change form in MS Word.

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Grantor Master data	This role will enable to create/change BP.	Program Agency will enter Grantor Business partner Master data except for Vendor.	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Vendor Master Data entered by Central Agency (OSRAP)	Program office is not accustomed to this process as their current Grantor Solution is housed in Excel or an offline system.	Creation of vendor business partner requires communication between program office and the OSRAP.
2.	Organization model creation and changes will be done by the OIS Grantor Configurer.	New Functionality to report on Grantor Program Statistics.	Communication procedure needs to be established between program office and the OIS Grantor configurer.
3.	Master data creation	New Functionality	The agencies will need to undergo training on the SAP grantor solution to create business partner.

Training Impact

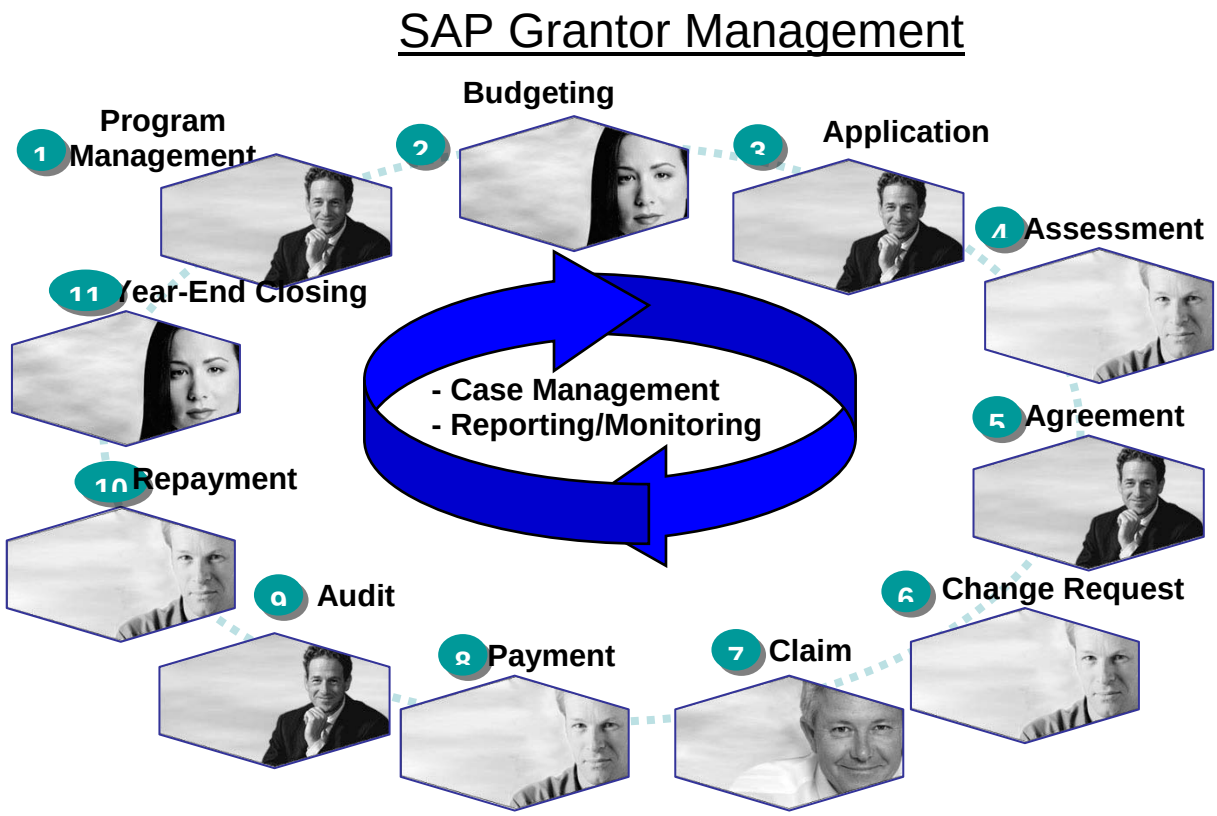
- Program office needs to be trained on the vendor form and Organization model form.
- Central agency (OSRAP) needs to be trained on the creation of Vendor in ECC.
- Grantor configurer needs to be trained on the Organization model creation.
- Program office needs to be trained on creation of grantor relevant business partner.

Appendix

Not Applicable.

Team:	Finance - Grantor
PDD Name:	Grantor Program
PDD Number:	FIN-GTR-PDD020-Grantor Program
Business Process Owner:	Afranie Adomako
Functional Lead:	Penny Parker
Functional Consultant:	Govinda Narayanan

Executive Summary



Policies or regulations are developed when a LaGov approves a financial assistance program to a group of individuals or a group of organizations. These result in the definition of Grantor program and its related characteristics to deliver the external funding and achieve the goals of policy or regulation. These Grantor programs serve as a unifying element for the grantor delivery system. The delivery system includes:

- Application & Assessment processing
- Agreement & monitoring Activity processing
- Claim processing

Because of the inherent grantor program integration within Grantor business processes, which are represented by transactions, management at any point of time will be able to track for a given grantor program, statistical analysis of:

- Applications processed
- Application rejected
- Application approved
- Agreement approved
- Claim processed
- Budget amount remaining

Design Considerations

- Framework to define all LaGov Programs and allowing the assignment of standard web form and individual questionnaires for each program.
- Component (for example: applications, claims, and change request submissions) definition within each program as well as any date dependencies for each component.
- Creation of hierarchy of programs (i.e. parent and child programs)
- Replication into ERP (ERP Funds Management Budget Control System) to provide integration between the program definition and grant budgeting
- Definition of approved grant-related expenditure types
- Optional Multi-funding definition for each program whereby a program is funded by multiple sources
- Attachments upload capability for approval documents.

To-Be Process Description

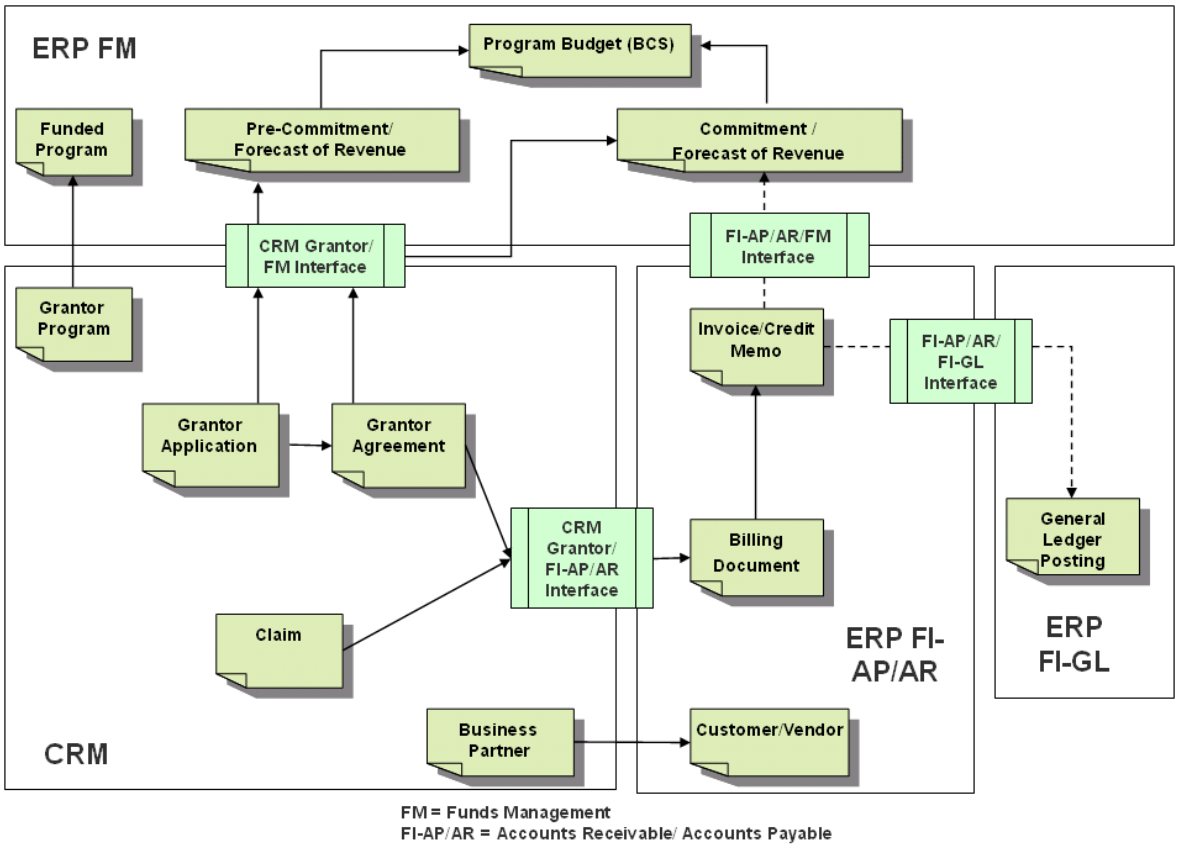
#	Process Terminology	Description
1	Grantor	This represents State that disburses federal or state appropriated amount to various third part entities like Parishes, University for specific program.
2	GTR Derive	A Derivation tool used to derive CO/FI data.
3	Middleware	The technology within SAP Customer Relationship Management (SAP CRM) enables you to exchange data between various components like between CRM and ECC. Replication, synchronization, and distribution of data guarantee that the receiving component has access to the most up-to-date business data.
4	WBS Element	Actual expense collector through a well defined structure.
5	Pass-through Grantor program	Grantor Programs partially or fully funded by non-state source like federal agency.
6	State appropriated Grantor program	Grantor Programs fully funded by state general fund source.

SAP Grantor is composed of two major building blocks:

- The SAP CRM system that supports the execution of the different operational processes of grants management. This includes program preparation, applications, agreements, claims and monitoring activities.
- The SAP ERP system in which financial objects that are relevant for the financial execution of the grants management process are stored. This includes budgets, commitments, payments, etc.

A common user interface (UI) guides users transparently to information in the SAP Grantor solution.

SAP Grantor is the integration of the SAP CRM and SAP ERP solutions, represented in the following data model:



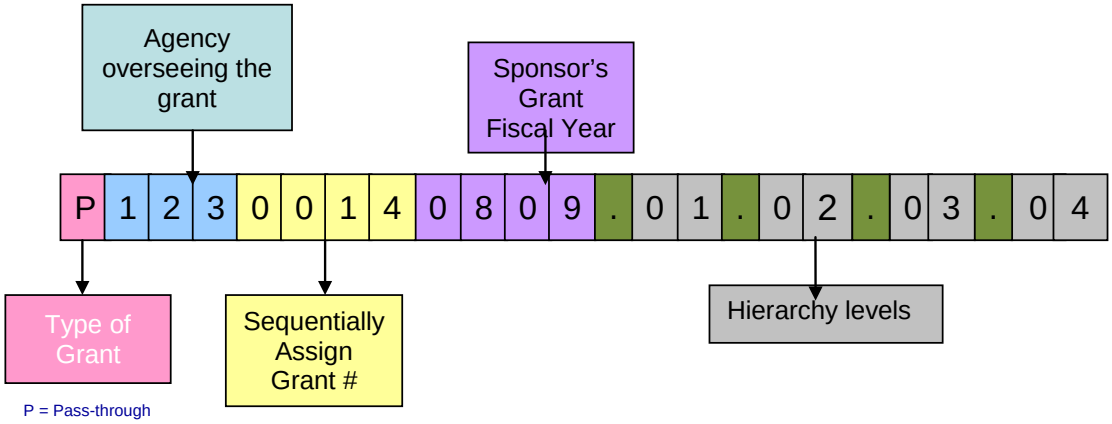
The SAP NetWeaver BI component provides relevant functionality for Grants Management for analysis and reporting capabilities. The SAP NetWeaver Business Intelligence (SAP NetWeaver BI) component, which comes with specific configuration and data warehouse content, is delivered by SAP and seamlessly integrates with the SAP CRM component.

Two kinds of LaGov Grantor programs will be created in the SAP grantor solution framework.

Pass-through Grantor programs

Pass-through programs are primarily funded by non-state sources like federal government agencies, non profit foundations etc. The GM module in ECC captures the pass-through program through the attributes like sponsor, grant, sponsored program, sponsor class and will be uniquely identified by their respective ID. The Grantor Program is also identified by its ID and the format it takes is shown below:

Grantor Numbering Format for Pass-through Grants

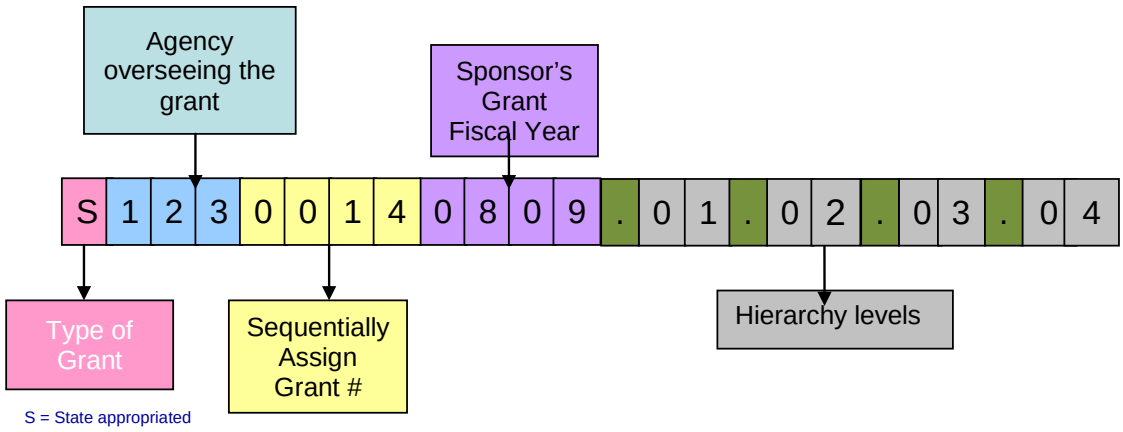


An important thing to note here is that the Grantor Program created in CRM will not be replicated in ECC as a funded program due to the fact the GM module in ECC would have created the same funded program for this pass-through grantor program. The Funded program along with other FM master data is used for Budget purposes.

State appropriated/Funded Grantor programs

All state funded grantor programs will be created in the CRM grantor solution. This Grantor Program is identified by its ID and the format it takes is shown below:

Grantor Numbering Format for Pass-through Grants



An important thing to note here is that the Grantor Program created in CRM will be replicated in ECC as a funded program in FM for the creation of program budget. Successful creation of the funded program is displayed in the process control section of the CRM program. The new funded program in ECC is created with the funded program category GTR and it is locked against manual changes. The prerequisites for the creation of funded program are:

- The middleware must be active for the Grantor Program object in CRM with the ECC set up as a site in the administration console.
- The program type used for the CRM grantor program must also be created as a funded program type in the ERP prior to replication.

Account Assignment DerivationAs the ERP account assignment elements are not known in the CRM system, they must be derived from the CRM data. To this end, Grantor Management (GM-GTR) includes transaction GTRDERIVE in ECC, a derivation tool which will be used to derive CO/FI data from CRM data. The CO object WBS element will be used to record Grantor expenses and revenue.

Multi-Funding

Grantor Management (GM-GTR) supports the requirement to assign more than one FM account assignment combination for a GM-GTR object.

Multi-funding rules will be maintained on the following levels:

- Program (CRM)
- Agreement (CRM)

Grantor multi-funding splitting rules are used to define a percentage distribution to multiple account assignments. A rule consists of Account Assignment objects (Fund, Fund Center), % distribution, and Conditions that will give the option of defining different percentages.

Grantor Program Attributes

- Program ID = (R)Unique identifier; 24 character alpha-numeric
- Grantor Description = 50 character alpha-numeric
- Higher Level Program = “Parent” program
- Program Type = (R) Classify programs based on common characteristics
- Start Date/End Date = (R) Life of grant to control processing activities
- Employee Responsible = (R) Partner processing determination for reporting, workflow
- Service Organization – (R) Organization Responsible for Administering the Grant.
- Program Management Area - Derivation of account assignments, responsible employees, workflow, etc.
- Status – Process status of program (Created, Approved, Released, Closed, Terminated)
- Last changed By/On – Change tracking
- Currency – (O) Program processing currency defaults to transactions
- Program Profile – (O) Default parameters to program
    - Specific attribute values such as Authorization Group, Action Profile and Status Profile will be defined in configuration for a program profile.
    - These settings will be used to default the program profile attribute values when creating new programs with similar requirements.
    - It will also set default values for hidden fields, such as the clearance and the availability check.
    - The program profile is also used in ERP where it determines the financial execution interface and multi-funding configuration.

Grantor Program Management Hierarchy

LaGov Grantor solution will extensively use program hierarchy feature to structure individual agencies Grantor programs. The Grantor solution framework will allow creation of single programs or program hierarchies.

Features include:

- This relationship is for reporting purposes only, there is no business logic shared within a hierarchy

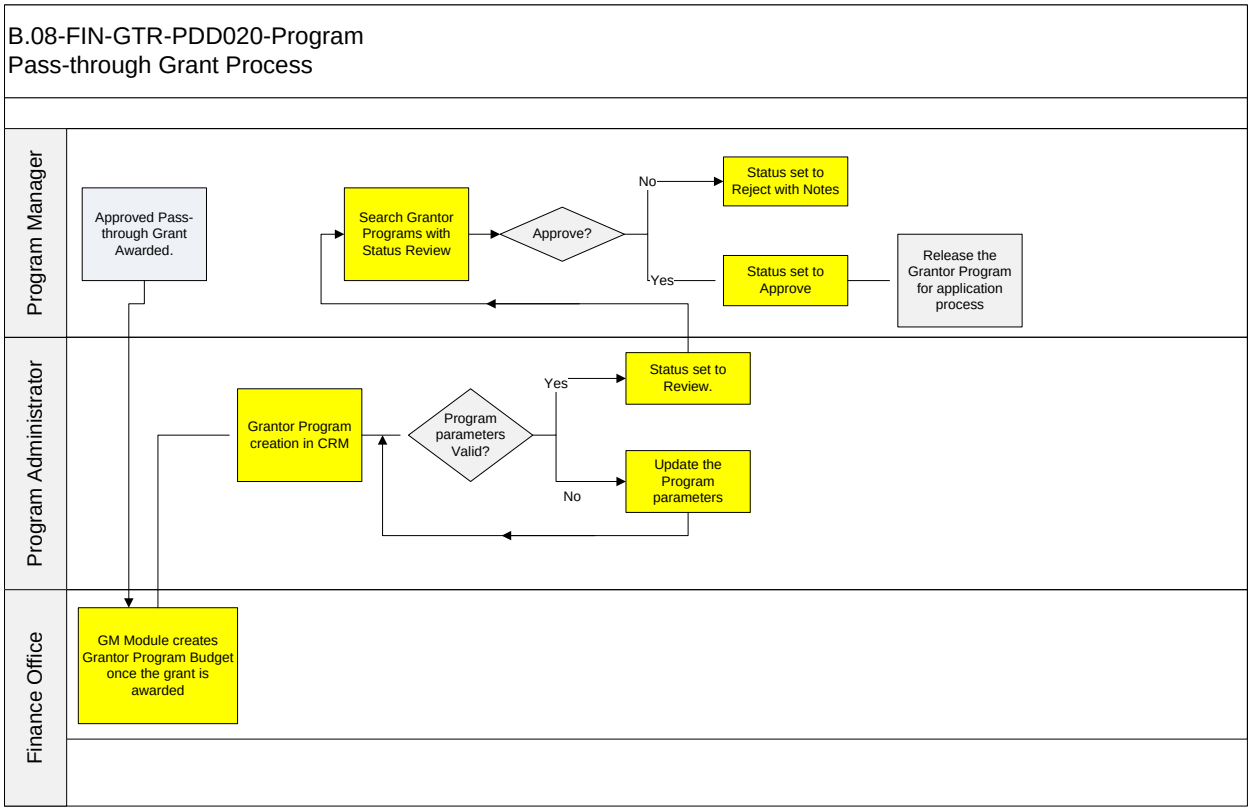
- The program can have as many levels as required and can be flexibly structured
- Multiple users can work at the same time on programs within the hierarchy
- Note that a program can only be assigned to one hierarchy
- The hierarchy relationships are not time-dependent

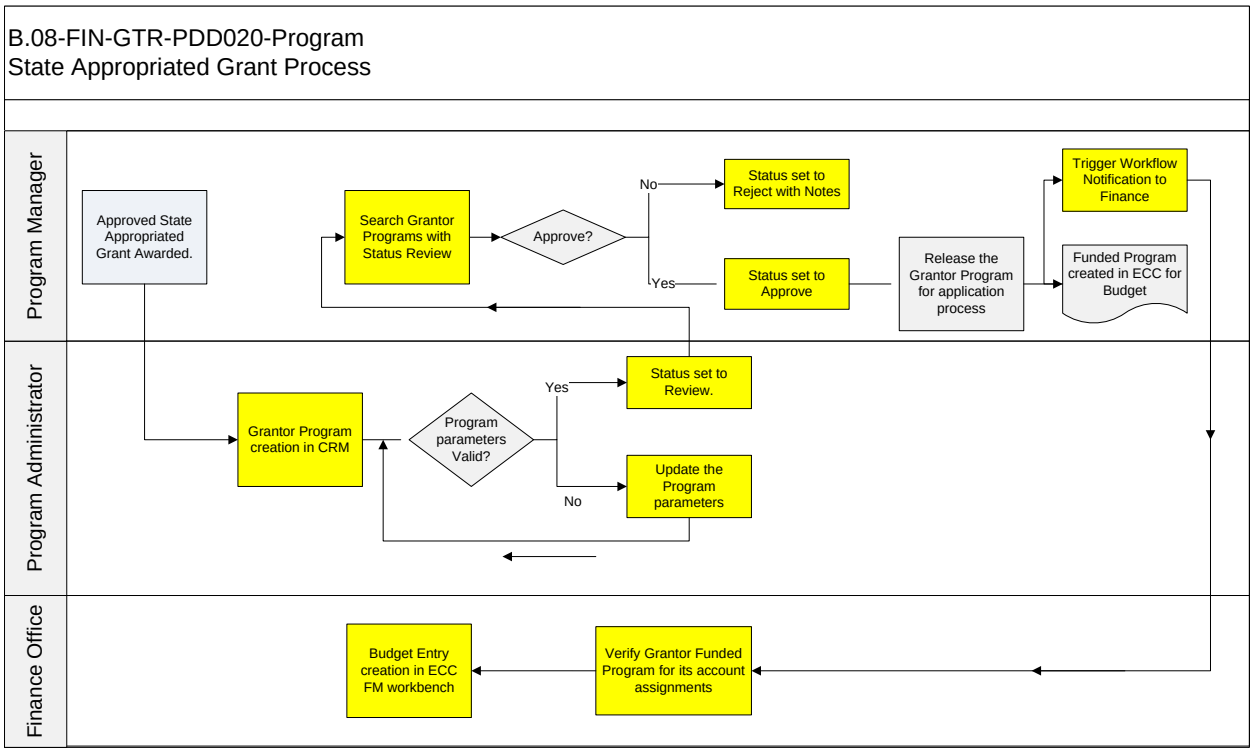
Grantor Program Change Management

- Changes will be made to a program until status = released.
- Status profile cannot be changed once assigned to a program.
- Action profile assigned to a program will be used to trigger workflow.
- Program profile assigned to a program can be changed until an application/agreement is created.
- However, changing the program profile will not change the status profile and may not change the action profile if one is already assigned and an action has been executed.

To-Be Process Flows

The following diagrams display the business process for creating grantor program.





Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Workflow notification to FI administrator that Funded Program needs to be verified in ECC and Budget entry to be created for State appropriated Grantor Program.	Budget creation for individual Grantor program is new.	Training on the Budget creation process and workflow functionality.
2	Validation of Grantor program ID's and other attributes	The validation ensures the data integrity and avoids inconsistencies.	Training on validation process including error corrections.
3	Standard Status profile to control GTR programs.	Grantor program life cycle will be uniform across all agencies. This helps in training and also during employee transfer to other Grantor agency.	Online grants will be subject to these profiles
4	Grantor program Id should inherit the Grant Id for all Pass-through Grantor Programs.	The derivation of Grant Id from Grantor Program ID is critical during the creation of Funds commitment and FI document in ECC.	Before setting up pass-through Grantor program, the program office needs to verify the Grant has already been setup in GM module. Enables derivation of Grantee dimension to allow sponsor billing and reporting requirement.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Procedural impact: For a new Grantor Program, form containing information needed for configuration, will need to be filled out and sent to the control agency. This will enable the system to capture the new Grantor Program data.		Grantor Program Administrator

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Existing Grantor Program		Spread sheet, Logan System	SAP CRM	All open Grantor program need to be converted into the new solution for future administration.		

Note: *At the time of writing this report there is no agreed vision or strategy yet on the upload of life-to-date data currently residing in AFS, LOGAN or any other existing system to the "to-be" SAP Grantor solution (CRM and ERP components).*

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Program BADi Implementation	Method CHECK_ATTRIBUTE		Validation of Program Id/Dates etc.	
2.	Program BADi Implementation	Method SET_ATTRIBUTE		Default update of Organization field in the Program Framework	
3.	Multi- Funding BADi	BADi CRM_GEN_BTX		Configure the multi-funding capability.	
4.	GTRDerive	Enhancement spot GTR_DERIVE		To Derive account assignments.	

W – Workflow		Master List of Future State Workflow Events: <Supported Process>	
No.	Description	Justification	Comments
1.	Work item sent to Financial about the Creation of Grant Program	This will enable accounting to create budget entry for the Grantor Funded Program	

NON-SAP Form:

- New Grantor Program Setup form in MS Word containing Grantor Program information needed for configuration.

Gaps

Gaps		Master List of Future Gaps: <Supported Process>	
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	Role	Description	Strategy	Special Considerations
1.	Program Administrator	Program Responsible	Individual creating the Program in CRM	
2.	Program Approver	Program Approver	Employee approving the Agency Grant Program	
3.	FI Administrator	FI Responsible	Employee entering budget information in FM for a given Grantor Program	
4.	FI Approver	FI Approver	Employee approving the Grantor Program Budget.	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Creation of Grantor Program	New Functionality to capture Grant recipient cost	If a new Grantor Program needs to be administered, elements of Fund management and accounting need to be configured in the system before the program can be launched.
2.	Creation/modification of Budget entry	Budget by Grantor program	The Agencies that implements the SAP Grantor Solution will have to undergo the User Training for all Grants Administration. Also, the Accounting personnel will need to undergo the Finance User training for all Grant Budgeting and Payments.

Training Impact

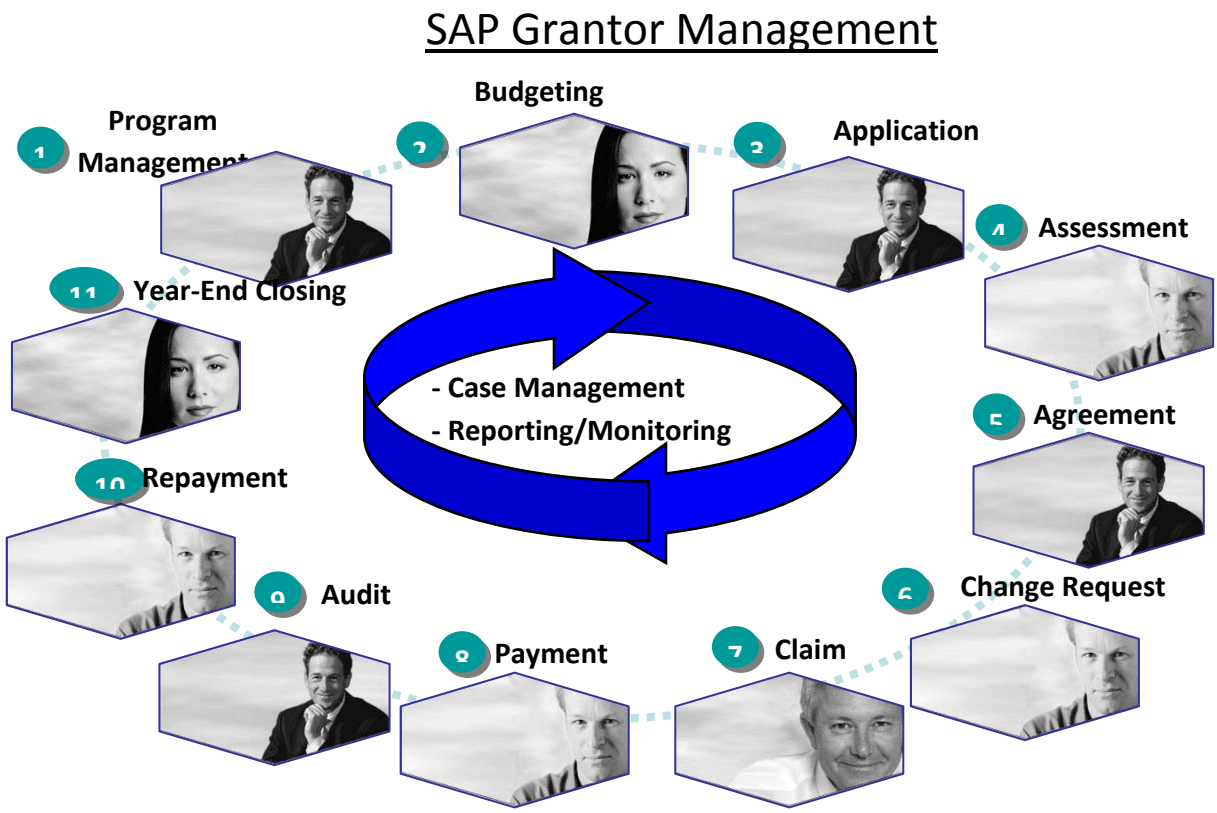
- Grantor Program administrator at the individual agency will be responsible for creation of Grantor programs.
- Grantor program manager at the individual agency will be responsible for approving the programs.
- GTR Lead configurer from OIS will create the derivation rules for account assignments, solving middleware issues.
- Grantor FI administrator will be responsible for creating master data associated with the FM and making sure the Funded program and budget entries in ECC have all correct account assignments.

Appendix

Not Applicable.

Team:	Finance - Grantor
PDD Name:	Grantor Application & Assessment
PDD Number:	FIN-GTR-PDD030-Grantor Application & Assessment
Business Process Owner:	Afranie Adomako
Functional Lead:	Penny Parker
Functional Consultant:	Govinda Narayanan

Executive Summary



An approved Grantor program is advertised to the relevant public for proposals. The potential grantee receives information about grantor program and decides to apply for a grant. The application is entered through online in a Web request or using another channel (for example, telephone, letter) with reference to a grantor program. The applications entered are assessed manually or through Survey framework. Either way, the application submitted will be either be approved or rejected. A grant rejection letter will be sent to all rejected application grantees.

The application forms the basis for the agreement and defines the method of payment and the execution of the grantor management. Requested amount, Authorized amount, and Eligible amount are the three amount types that will be configured as part of LaGov Grantor solution.

Important to note, applications will be entered online by potential grantee themselves through web request framework or by state program administrators through CRM 2007 WEB User Interface. In both cases, an application transaction with Grantor program reference will be created in the SAP CRM Grantor solution.

Generic Design Considerations

Pre-Application and Application

Applications cannot be created in the CRM Grantor solution until the Grantor Program is released. Some agencies have a pre-application process which is primarily used to eliminate ineligible applications. This will be accomplished through user status management. Since LaGov grantor solution will have one application transaction type, the “Pre-application” status will be defined in status management but only will be made visible to those agencies that use a pre-application process.

Assessment

Some agencies will use the Survey tool to assess applications. This will involve scoring for each question and rating for the whole application. Individual Grantor Programs can have unique questionnaires as part of the application assessment. BOR agency will assess their education grantor programs by sending the application package to professors who will reply back to the program administrative office with their assessment. The sending of e-mail will be accomplished through action framework and the update of assessment data on the individual application will be manual.

Application user interface

The applications can be entered in 2 user interfaces:

- Online by applicant.
- Direct Entry by agency in CRM 2007 UI.

To-Be Process Description

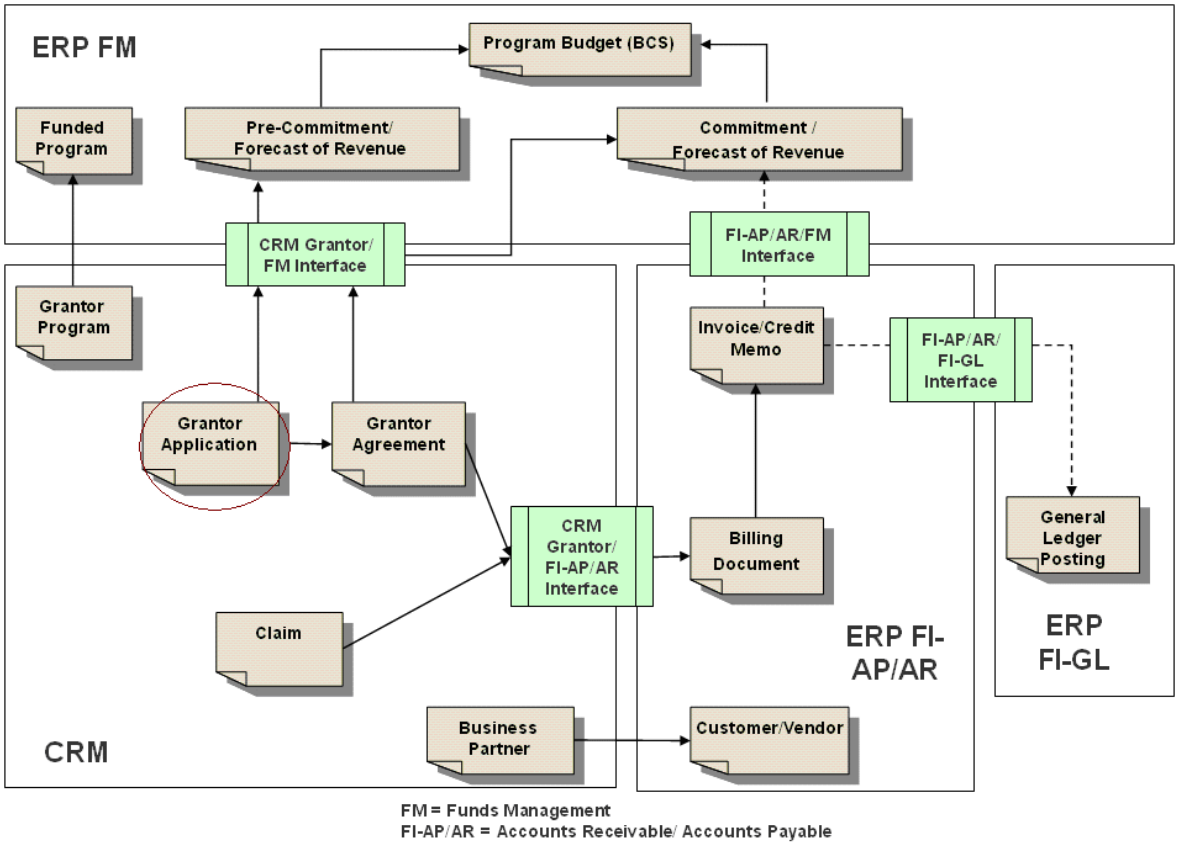
#	Process Terminology	Description
1.	Survey	Tool with set of Questionnaires that can be integrated with Grantor application.

SAP Grantor is composed of two major building blocks:

- The SAP CRM system that supports the execution of the different operational processes of grants management. This includes program preparation, applications, agreements, claims and monitoring activities.
- The SAP ERP system in which financial objects that are relevant for the financial execution of the grants management process are stored. This includes budgets, commitments, payments, etc.

A common user interface (UI) guides users transparently to information in the SAP Grantor solution.

SAP Grantor is the integration of the SAP CRM and SAP ERP solutions, represented in the following data model:



The SAP NetWeaver BI component provides relevant functionality for Grants Management for analysis and reporting capabilities. The SAP NetWeaver Business Intelligence (SAP NetWeaver BI) component, which comes with specific configuration and data warehouse content, is delivered by SAP and seamlessly integrates with the SAP CRM component.

Application

It is a business transaction that contains data of an application submitted by a potential grantee for an approved grantor program.

The potential grantee receives information about a grantor program, decides to apply for a grant, and makes an application either online in a Web request or using another channel (for example, telephone, letter). The application is created with reference to a Grantor Program.

Structure

As with all business transactions, the application consists of header and item data.

<u>Header</u>

- Date
- External reference Number
- Internal reference Number [Configure]
- Transaction type
- Organization
- Grantee and Employee responsible
- Linked Grantor Program

- Status
- Attachments
- Notes
- Survey Questionnaire
- Rating and Score information. [Custom field to be created through EEWB]
- Action for Printing Rejection letter

Item

- Payment type
- Expenditure category
- Amount

Integration

The application, once it has been approved, has an agreement as a follow-up transaction. The application must always have a Grantor program as the preceding document. The application is also integrated with CRM case Management, and as part of LaGov solution a Case will be only created after an application is approved.

Online Application Entry

The online application entry framework will be made available to all agencies through WEB Request. But as part of LaGov solution, only some agencies will utilize this option.

WEB Request

This approach would require the WEB application to reside within the CRM server and the requirement of showing a sign-on screen for the applicants to enter the credentials. It includes the following activities:

- Creation of BSP application that would enable applicants to enter the following data:
- Grant Program Id
- Date
- Organization / Agency
- Notes
- Grantee Id
- Attachments
- An Employee of the Organization / Agency will need to validate the application and set the status to review for assessment.

Survey Tool for Assessment

A survey is a type of questionnaire which can be used to gather information from specific users.

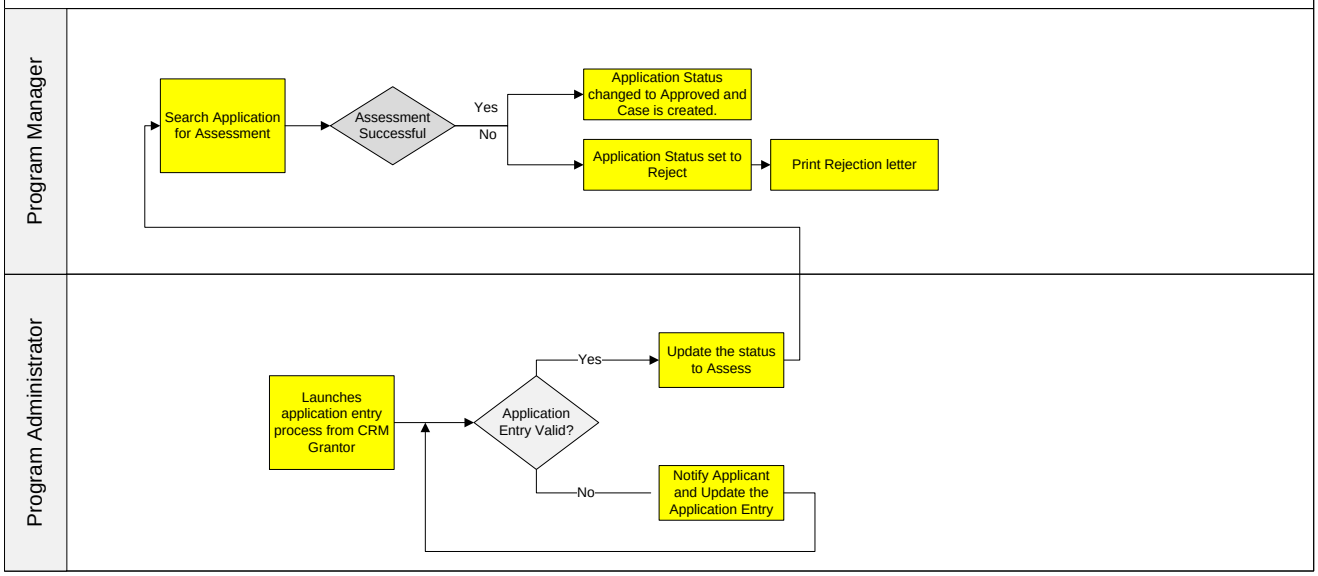
Surveys are specialized forms which will be integrated into the Grantor application transaction and shown in the CRM user interface.

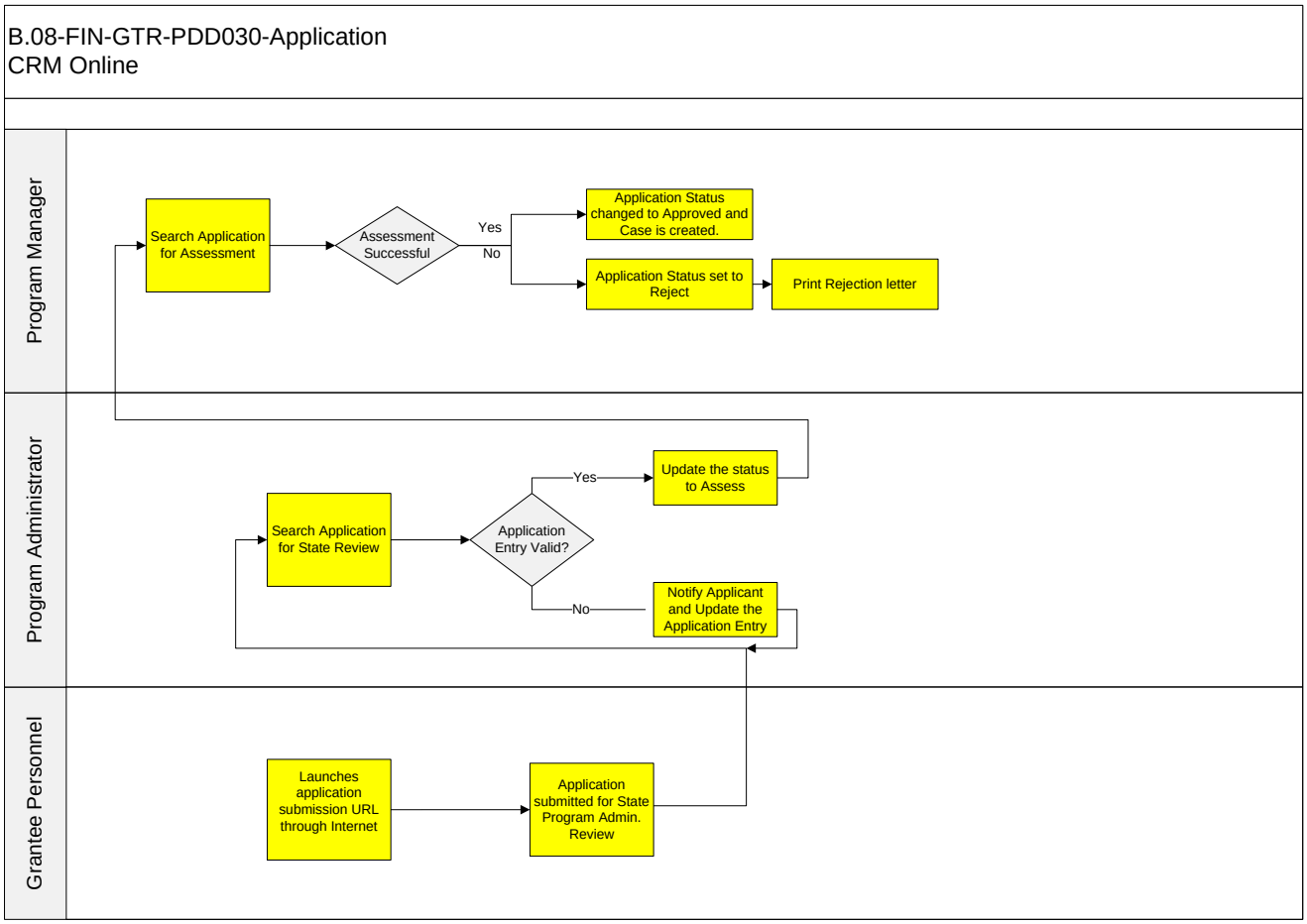
The results are evaluated and will be used for assessing the application.

To-Be Process Flows

The following diagrams display the business process for creating grantor applications.

B.08-FIN-GTR-PDD030-Application
CRM Landscape





Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	Only BOR and DOE will choose to utilize online application.	The DOE and BOR agencies will be able to receive application on-line. This speeds up the process of assessment of those applications.	DOE and BOR will only review the application entered and submitted by recipients
2.	Standard application form will be developed for all agencies to use online application framework.	This uniform approach reduces the development of new form for each agency thus reducing the maintenance of the overall SAP Grantor application.	Standardization of application form will reduce maintenance and configuration of the application.
3.	Standard Status profile to control GTR applications.	This will pave for uniform Application life cycle across all agencies which helps in training and maintenance of Grantor application.	Standard statuses must be updated accordingly to reflect the current application status. Program administrator needs to be trained on the application business process.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	None identified.		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Rejection letter	All rejected applications should generate the standard rejection letter to be sent to the applicant.	X	X	Standard letter to be sent to Rejected recipients.	Penny Parker	

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified.						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Application	All converted life-to-date Grantor program applications will be migrated.	Spreadsheet, Logan.	SAP	True statistical picture of Grantor program		

Note: *At the time of writing this report there is no agreed vision or strategy yet on the upload of historical data currently residing in AFS, GUMBO, LOGAN or any other existing system to the "to-be" SAP Grantor solution (CRM and ERP components).*

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Application BADi Implementation	CRM_ISPS_GAP		Validation of Application	
2.	Addition of rating and Score fields	Header level addition of rating and score fields	Application Transaction type	Application has to be rated for approval	Use EEWB
3.	Web Request	Creation of BSP and BADi implementation	Application Transaction type	Online submission of application	
4.	Action	Printing of Rejection letter	Application Transaction type		
5.	Action	Send E-mail application package to professors for assessment of BOR grantor application.	Application Transaction type	Assessment of application.	

W – Workflow		Master List of Future State Workflow Events: <Supported Process>	
No.	Description	Justification	Comments
1.	None Identified.		

Gaps

Gaps		Master List of Future Gaps: <Supported Process>	
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None Identified.		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	Role	Description	Strategy	Special Considerations
1.	Program Administrator	Program Responsible	Individual creating the application in CRM	
2.	Program Approver	Program Approver	Employee approving the Agency Grant application	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Grantor application creation:	New Functionality	The agencies will need to undergo training on the SAP grantor solution to create Grantor

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
			applications. This will be completely different than they are accustomed to. Currently each agency uses offline systems or spread sheets to store Grantor application information. This data does not have a common structure or representation of a Grantor application.
2.	Grantor application approval process:	New Functionality	Agencies will have to determine who will create and approve applications. The approver needs to set aside time for application approval. The system will also allow agencies to designate a single employee as both creator and approver.
3.	Grantor online application approval process:	New Functionality	Agencies will have to determine who will review and approve online applications. The approver needs to set aside time for application approval. The system will also allow agencies to designate a single employee as both reviewer and approver.
4.	Grantee online application submission	New Functionality	Agencies will need to train the potential Grantees who would use the online application submission.

Training Impact

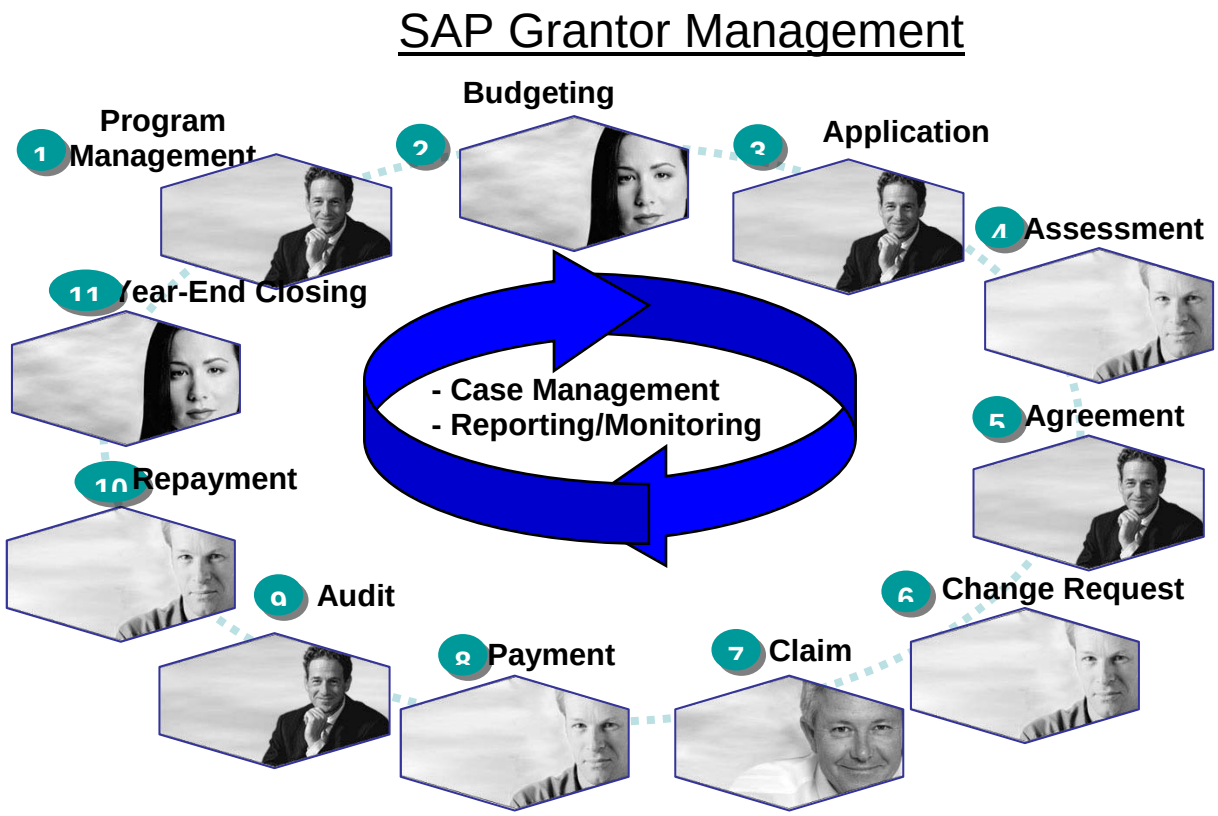
- Grantor Program administrator at the individual agency will be responsible for creation or review in case of online submission of Grantor application.
- Grantor program manager at the individual agency will be responsible for approving the applications.

Appendix

Not Applicable.

Team:	Finance - Grantor
PDD Name:	Grantor Budget
PDD Number:	FIN-GTR-PDD040-Grantor Budget
Business Process Owner:	Afranie Adomako
Functional Lead:	Penny Parker
Functional Consultant:	Govinda Narayanan

Executive Summary



Grant payments must be managed relative to a grantor program budget to ensure approved budgets are not exceeded. In that respect, CRM Grantor solution provides integration with SAP ECC Budget Control System (BCS). The BCS is a component within Funds Management that allows the state to manage the budget. This integration will always lead to the creation of budget encumbrance from a Grantor Agreement in the form of an Earmarked funds document called a Fund Commitment. The account assignment elements that will be used to create Budget and Earmarked funds are Fund, Funded Program, Fund Center, Grant (Only for Pass-through Grantor programs), and Commitment item. Functional Area field will be populated with the “NON-RELEVANT” value.

Budget Creation for Pass-through Grantor Program

The GM module will create/derive the account assignments and the same will be used to create the budget transaction for all Pass-through Grantor Programs. The Grantor Program ID and the Grant ID will be of similar structure in all Pass-through Grantor Programs for the derivation of Grant ID during the creation of the Earmark Fund and FI payment document.

Budget Creation for State Appropriated Grantor Program

The Grantor program creation in CRM triggers creation of funded program in ECC Funds Management with the same number. This master data along with other account assignment elements will be used to create the Budget transaction for all State appropriated Grantor programs. The Grant data will be coded as “NOT_RELEVANT” for all state appropriated Grantor program Budget and FI documents.

Budget Encumbrance for Grantor Programs

An FM commitment will be created once a Grantor agreement is approved. The Account assignment elements for the Funds Commitment will be derived from the GTR and FM Account Assignment Derivation framework. A single Fund Commitment document will be created for each agreement. Future Payments, Advances (Expenditures) will translate into a commitment while repayment will translate into Forecast of revenue.

All availability control messages will be displayed in CRM if the agreement exceeds the available budget amount. Finally, the funds will be reduced by FI-AP invoicing documents.

Design Considerations:

- Only approved grantor agreements will trigger an earmarked funds commitment in ECC.
- A single Funds Commitment with overall budget for each agreement will be created.
- Pass-through grantor programs Budgets will be created in GM Budget Workbench and automatically update FM.
- State appropriated Grantor Program Budget documents will be created in FM by the Program Finance (FI) office. But the Funded Program element will be created automatically once the Grantor program in CRM is approved.
- Replication into ECC will be handled by Middleware technology.

To-Be Process Description

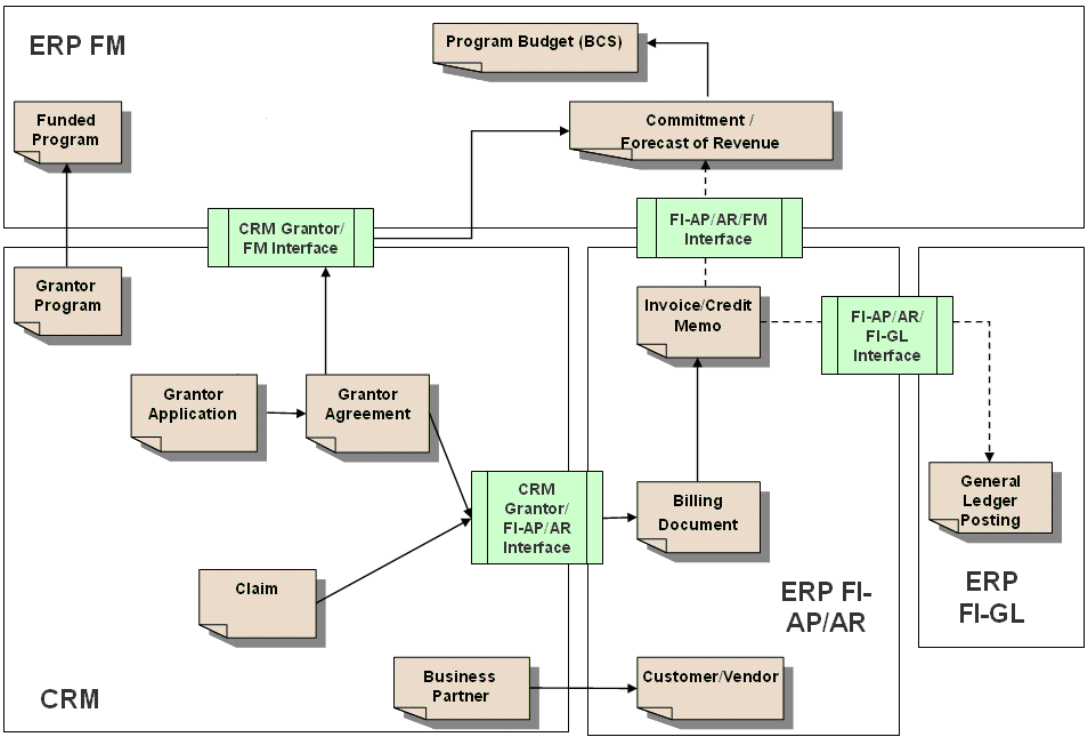
#	Process Terminology	Description
1	Grantor	This represents State that disburses federal or state appropriated amount to various third part entities like Parishes, University for specific program.
2	GTR Derive	A Derivation tool used to derive CO/FI/FM data.
3	Middleware	The technology within SAP Customer Relationship Management (SAP CRM) enables you to exchange data between various components like between CRM and ECC. Replication, synchronization, and distribution of data guarantee that the receiving component has access to the most up-to-date business data.
4	Funds Commitment	Framework to set aside appropriate funds for expected expenditures.

SAP Grantor is composed of two major building blocks:

- The SAP CRM system that supports the execution of the different operational processes of grants management. This includes program preparation, applications, agreements, claims and monitoring activities.
- The SAP ECC system in which financial objects that are relevant for the financial execution of the grants management process are stored. This includes budgets, commitments, payments, etc.

A common user interface (UI) guides users transparently to information in the SAP Grantor solution.

SAP Grantor is the integration of the SAP CRM and SAP ECC solutions, represented in the following data model:



FM = Funds Management
FI-AP/AR = Accounts Receivable/ Accounts Payable

The SAP NetWeaver BI component provides relevant functionality for Grants Management for analysis and reporting capabilities. The SAP NetWeaver Business Intelligence (SAP NetWeaver BI) component, which comes with specific configuration and data warehouse content, is delivered by SAP and seamlessly integrates with the SAP CRM component.

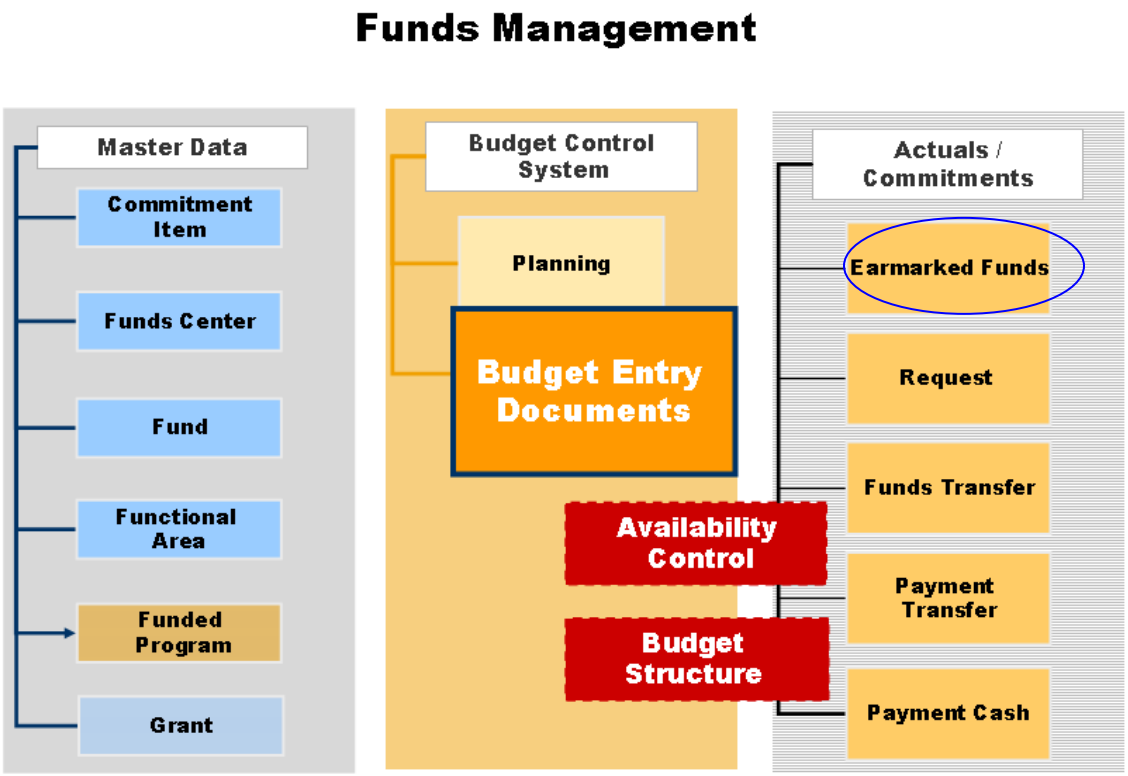
Budget Creation for Pass-through Grantor Program

All Pass-through Grantor program Budget will be created through the GM Budget workbench. For additional information on GM Budget see FIN-GM-030-Budget and Control. The Grantor Program ID structure will be similar to the Grant ID for all Pass-through Grants for derivation of Grant dimensions during the creation of the Funds Commitment. All Funds Management Account Assignment elements must be defined within FM for Budget reservation.

Budget Creation for State Appropriated Grantor Program

All State appropriated Grantor program budgets will be created in BI-Budget Prep or the FM Budgeting workbench. All Funds Management Account Assignment elements must be defined within FM for Budget reservation. The Funded Program master data will be created automatically from the CRM Grantor Program with the same number. This replication of Grantor program from CRM into a Funded Program in ECC FM will be achieved through middleware. For additional information on the FM Budget and FM Budget Control see FIN-FM-PDD020-Budget Preparation, Integration and Amendments and FIN-FM-PDD030-Budget Availability Control respectively.

Earmarked Funds



An Earmarked funds (EF) document called a Funds Commitment will be created once a Grantor Agreement is approved for all its associated expenditures. This information is transferred to CRM and the Funds Commitment document number will be displayed in the transaction history section of the agreement.

If creating the Funds Commitment document causes availability control (AVC) to issue an error, warning, or information message, the message is displayed in CRM. In the case of an error message, creation of the EF document is blocked.

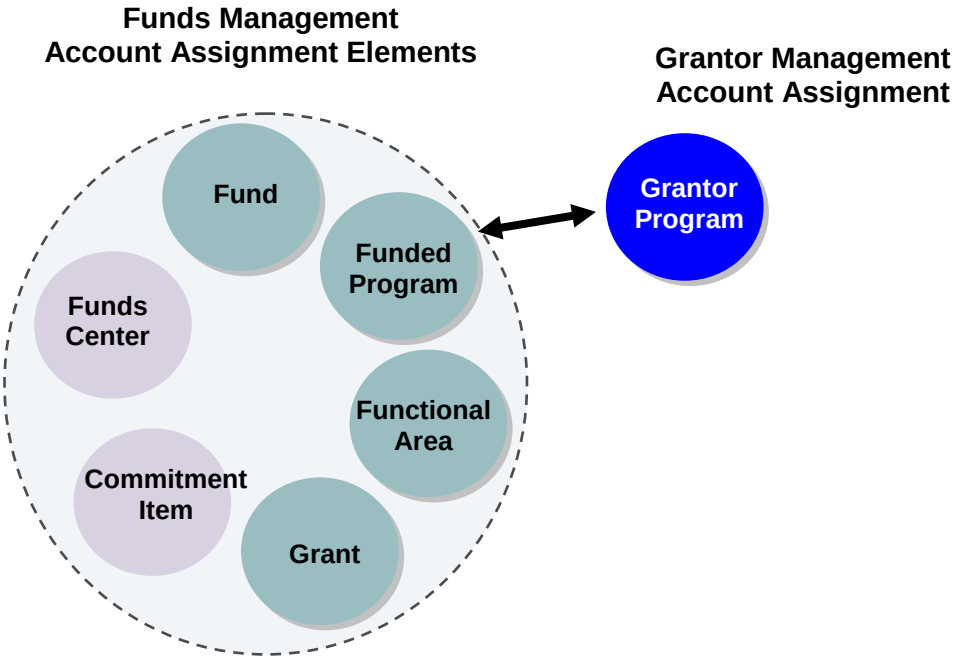
The Funds Commitment documents created for Grantor Management (GM-GTR) are locked against manual changes. A single line of overall budget will be created for each agreement.

An Earmarked funds document called a Forecast of Revenue may be created for potential revenues such as Repayment. Unlike Funds Commitment, Forecast of Revenue will not be subject to budget control in line with the State's decision that no budgeting check will be performed against revenues.

Integration Scenarios

CRM Object	Payment Type	Scenario Variant	EF Category
Agreement	Payment, Advanced payment, Holdback	AGREEMNT	Funds commitment
Agreement	Repayment	REVENUE	Forecast of revenue

Funds Management Account Assignment Elements



The account assignment elements have to be defined within the FM Budget Control System except for funded program in the State appropriated Grantor program scenario. In that scenario, the funded program gets replicated in FM from the CRM Grantor Program.

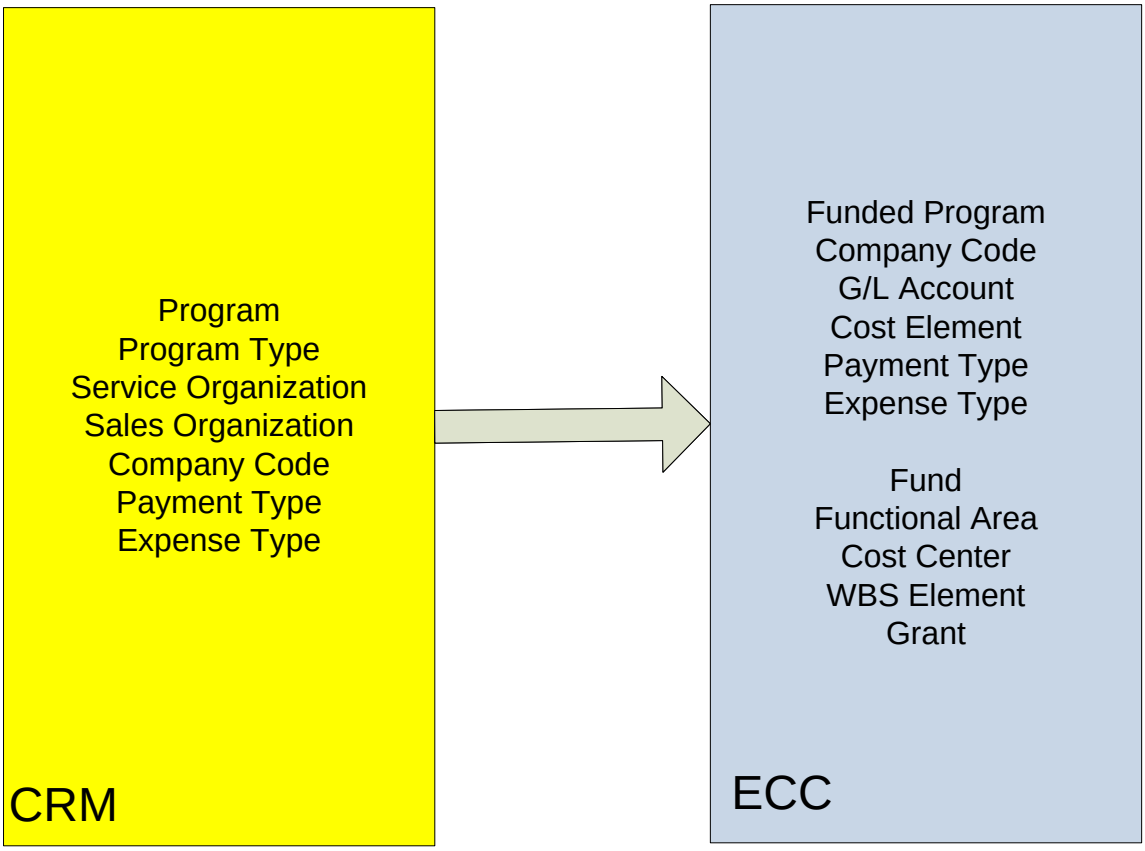
Prerequisites for the automatic creation of funded program in FM:

- Middleware setup for the Funded Program creation.
- Grantor Program type should be configured as Funded Program type in ECC FM.

As the ECC account assignment elements are not known in the CRM system, they must be derived from the CRM data. To this end, Grantor Management (GM-GTR) includes transaction GTRDERIVE, a derivation tool that will be used to derive CO/FI/FM data from CRM data.

The following graphic illustrates how this works.

Transaction GTRDERIVE – Derivation of CO/FI/FM Data from CRM Data.



Multi-Funding

The LaGov Grantor solution will support the requirement to assign more than one FM account assignment combination for a GTR object. The Multi-funding rules will be maintained at Grantor Program or at the Agreement level.

The Earmarked funds (EF) documents will split according to the Multi-funding splitting rules assigned at the Program or Agreement level. The splitting of the open items and the cleared items are based on the EF items (the multi-funding rules are not processed again).

To-Be Process Flows

Please refer FIN-FM-PDD020-Budget Preparation, Integration and Amendments
Please refer FIN-FM-PDD030-Budget Availability Control.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Funded Program replication will happen only for State appropriated Grantor programs.	This master data will used for the creation of State appropriated Grantor program budget.	Grantor Program FI office needs to create the Budget entry once the Funded program is replicated in ECC FM.
2	Availability Control will work	All Funds commitment document will be	If AVC issues errors, then budget transfer

#	Decision	Process Impact	Organizational Impact
	as per individual grantor program.	created against the Grantor program budget. If the Budget amount is less than the commitment amount, the creation of Funds commitment will be stopped.	needs to happen to fund the Grantor Agreement.
3	Pass-through grantor program budgets will be captured in GM budget workbench in ECC GM module.	The master data associated with the pass-through grantor program and the actual budget transaction will be created through GM budget workbench. Grantor Agreement will not trigger earmarked funds in ECC FM unless the Budget has been created through GM budget workbench.	FI personnel need to be trained on the Budget business process including the maintenance of associated master data and transaction.
4	Fund commitment will be created only for approved Grantor Agreements.	This ensures the fund allocation for the future grantor expenses.	Grantor FI office needs to verify the account assignment of the earmarked funds.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified.		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1	None identified.						

Note: *At the time of writing this report there is no agreed vision or strategy yet on the upload of historical data currently residing in AFS, LOGAN or any other existing system to the "to-be" SAP Grantor solution (CRM and ERP components).*

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1	None identified.				

W – Workflow		Master List of Future State Workflow Events: <Supported Process>	
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps		Master List of Future Gaps: <Supported Process>	
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	Role	Description	Strategy	Special Considerations
1.	Program Administrator	Program Responsible	Individual creating the Program in CRM	
2.	Program Approver	Program Approver	Employee approving the Agency Grant Program	
3.	FI Administrator	FI Responsible	Employee entering budget information in FM for a given Grantor Program	
4.	FI Approver	FI Approver	Employee approving the Grantor Program Budget.	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Grantor program creation	New Functionality	If a new Grantor Program needs to be administered, elements of Fund Management and accounting need to be configured in the system before the program can be launched. There has to be coordinated work that needs to exist between the program office and FI Budget office especially when new Grantor programs are launched.
2.	Budget creation	The creation of Budget for each Grantor	Grantor integration with ECC FM budget is a very

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
		Program is new process.	new solution to the Grantor Program office. There has to be coordinated work that needs to exist between the program office and FI Budget office especially when new Grantor programs are launched in the middle of the year.

Training Impact

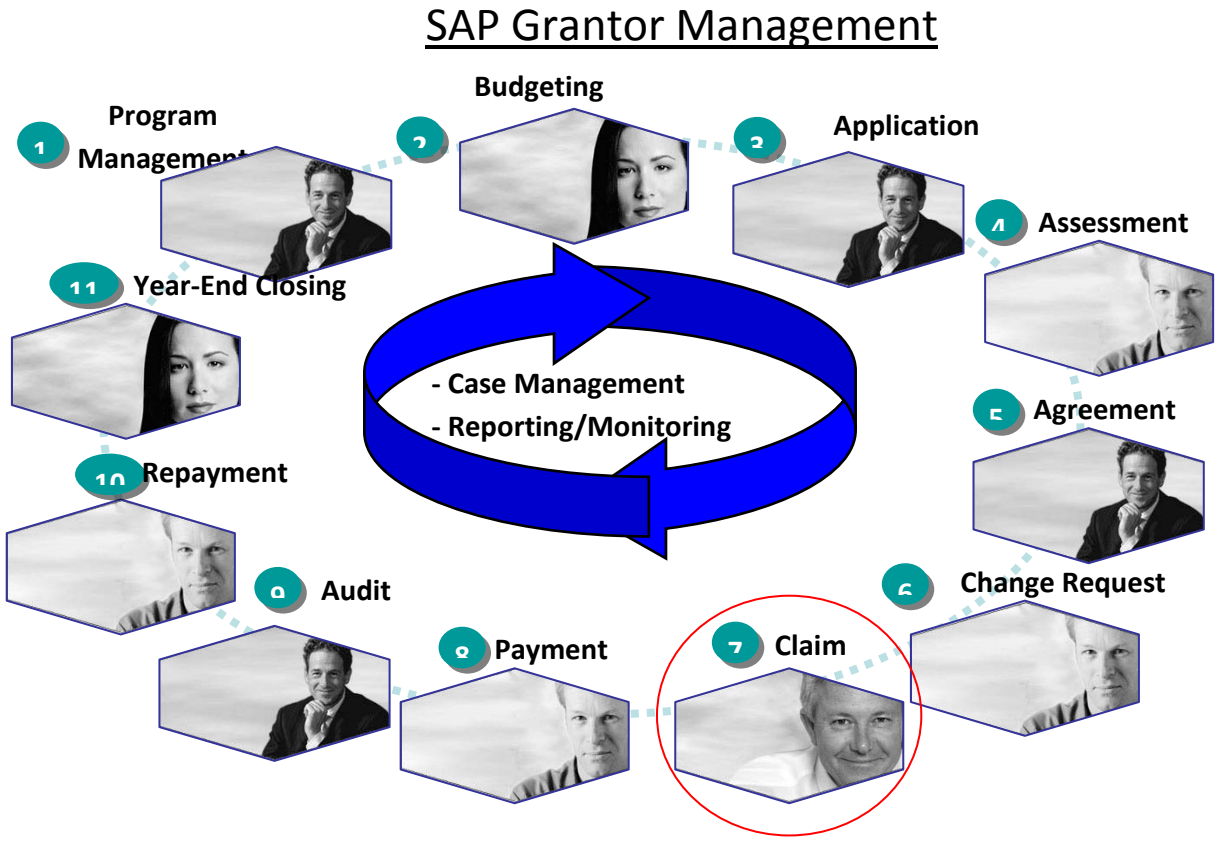
- GTR Lead configurer from OIS will create the derivation rules for account assignments, solving middleware issues.
- Grantor FI administrator will be responsible for creating master data associated with the FM and make sure the Funded program and budget entries in ECC have all correct account assignments.

Appendix

Not Applicable.

Team:	Finance - Grantor
PDD Name:	Grantor Claims
PDD Number:	FIN-GTR-PDD050-Grantor Claims
Business Process Owner:	Afranie Adomako
Functional Lead:	Penny Parker
Functional Consultant:	Govinda Narayanan

Executive Summary



Claim process begins when a grantee initiates claim under the following scenario:

- A grantee wants to claim Advance as per the Agreement terms and conditions.
- A grantee has met certain conditions in the agreement and is entitled to claim money back for the expenses incurred.

Claim will always be created in SAP CRM Grantor solution by the Program administration. The claims created in CRM will be integrated with AP in ECC for actual payments. This is done by activating the Finance Execution Interface in ECC to be Accounts Payable. The Claim will be created with reference to

the Grantor Agreement. Each claim will have a header and item structure. The Claim header will contain Agreement, Grantor Program, Grantee, Grantee Vendor, Claim date, Agency, employee responsible. The Grantee Vendor will be created in SAP CRM from ECC through a custom vendor replication. The Claim item will contain payment type (Advance, Payment or Re-Payment), Expense type, Claim Date and the Claim amount. There will be one claim transaction per Grantee Agreement, but it will have multiple claim items entered at different time period. Each Claim line item will constitute a separate Grantor billing document in ECC for payment process. Before the claim is replicated into the billing document, availability check is triggered to check funds availability. All Claims, once it is created, undergoes an approval process within the Agency and once approved, it triggers a workflow notification to the FI Administration about the creation of a Grantor Billing document in the AP module. The Claim for pass-through Grantor programs will be integrated with GM Billing by updating the FI document with the appropriate Grant Id. This integration will be made possible through the GTR Derive framework. This way, all Pass-through Grantor expenses will be tracked in the GM billing workbench.

Design Considerations

Claim

- The claim always needs an agreement as a preceding document, which means that the claim can only be created from the agreement.
- Availability checking, which verifies if there are funds assigned and available to pay the claim, will be executed against the agreement and any advances cleared.
- Workflow notification to FI for verification of Grantor billing document and the eventual invoice in ECC.
- Automatic addition to Case management.

Claim user interface

- The claim will be entered in CRM 2007 UI by the individual Agency Program Administration.

To-Be Process Description

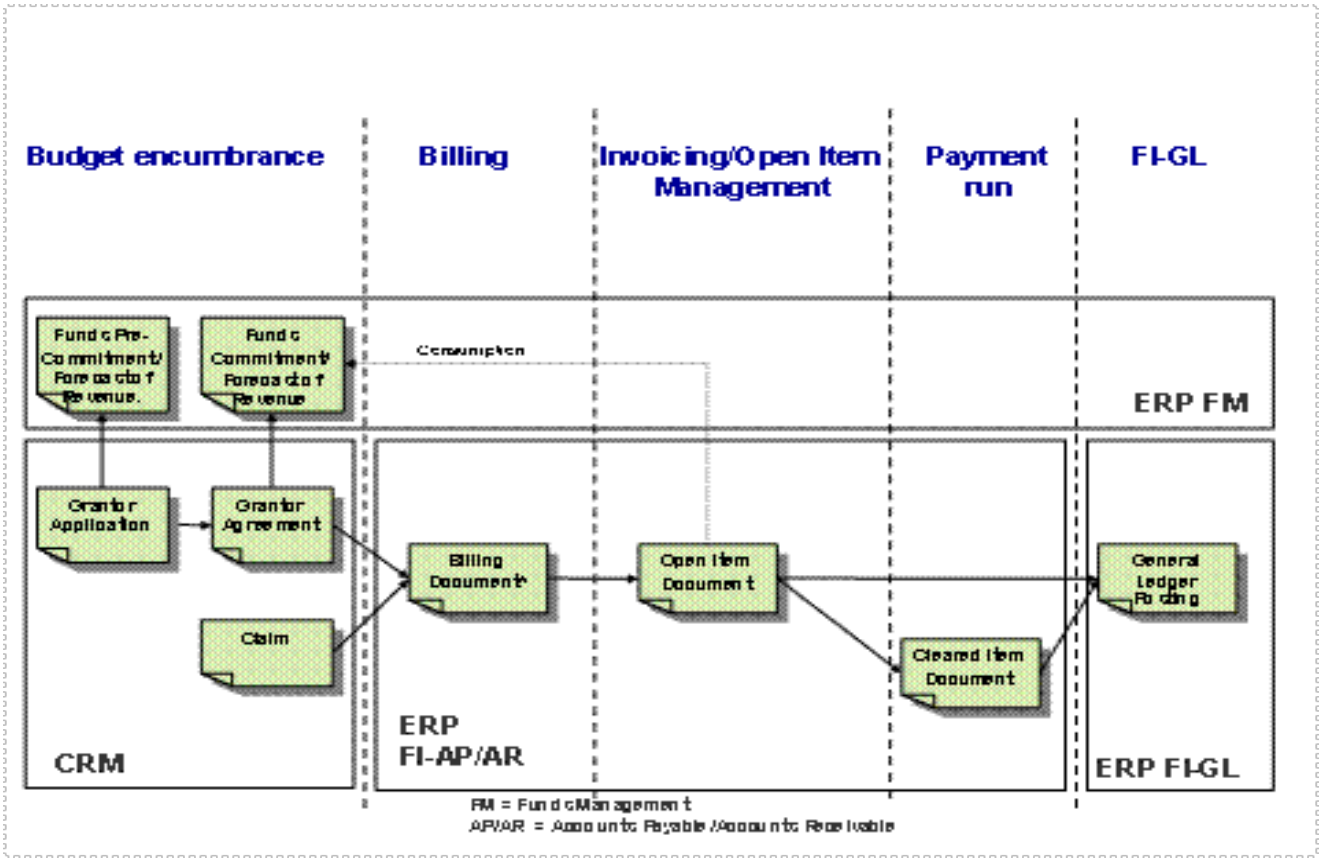
#	Process Terminology	Description
1	GTR Derive	A Derivation tool used to derive CO/FI data.
2	Middleware	The technology within SAP Customer Relationship Management (SAP CRM) that enables you to exchange data between various components like between CRM and ECC. Replication, synchronization, and distribution of data guarantee that receiving component has access to the most up-to-date business data.

Claim

- The claim will be created with reference to a grantor agreement.
- The expense types in claim will be validated against the referred agreement expenditure category.
- A Claim will have single claim header and multiple claim line items. And each Claim item will be released for clearing.
- Payment type for the claims will be.
  - Grantor Payment
  - Grantor Advance
  - Grantor Re-payment
- Availability checking, which verifies if there are funds assigned and available to pay the claim, will be executed against the agreement and any advances cleared.
- An approved claim will trigger creation of a Grantor Billing document in ECC AP

- Workflow notification to FI for verification of Grantor billing document and the eventual invoice in ECC.
- Automatic addition to Case management.

Claim – Payment integration



Structure

As with all business transactions, the claim consists of header and item data.

Header

- Date
- Transaction type
- Organization
- Grantee and Employee responsible
- Grantee vendor
- Linked Grantor Program/Agreement
- Status
- Attachments
- Notes

Item

- Payment type [Advance/Payment/Re-Payment]
- Expenditure category
- Claim Amount
- Dates

Integration

The Claim will be integrated with:

- ECC Accounts Payable
- Case management.
- GM Billing.

Integration with ECC

Billing

An approved/released claim item triggers a creation of GTR billing document in the ECC system. This GTR billing document information will be transferred back to CRM and will be displayed in the transaction history section of the claim.

The GM-GTR billing document can be displayed from the menu by choosing Accounting → Public Sector Management → Grants Management → Grantor Management → Display AP/AR Billing Documents (transaction GTRBILL_DISP).

If the amount of a claim is changed and the GM-GTR billing document is not invoiced, a new GM-GTR billing document is created and the old GM-GTR billing document is marked as obsolete. Only the latest GM-GTR billing document is considered for the invoicing.

Invoicing (creation of open items)

The GM-GTR billing document must be invoiced with the transaction GTRINV_S (Individual Grantor Invoicing). Access this from the menu by choosing Accounting → Public Sector Management → Grants Management → Grantor Management → Display AP/AR Invoicing Run. This transaction will be packaged in a batch job and will be scheduled to run daily.

After an open item document has been successfully created in ECC, this information must be transferred to CRM. This is done by scheduling the report RFGTR_NOTIFICATION on a daily basis. The open item document number is displayed in the transaction history section and the open item (ECC) amount in the claim transaction.

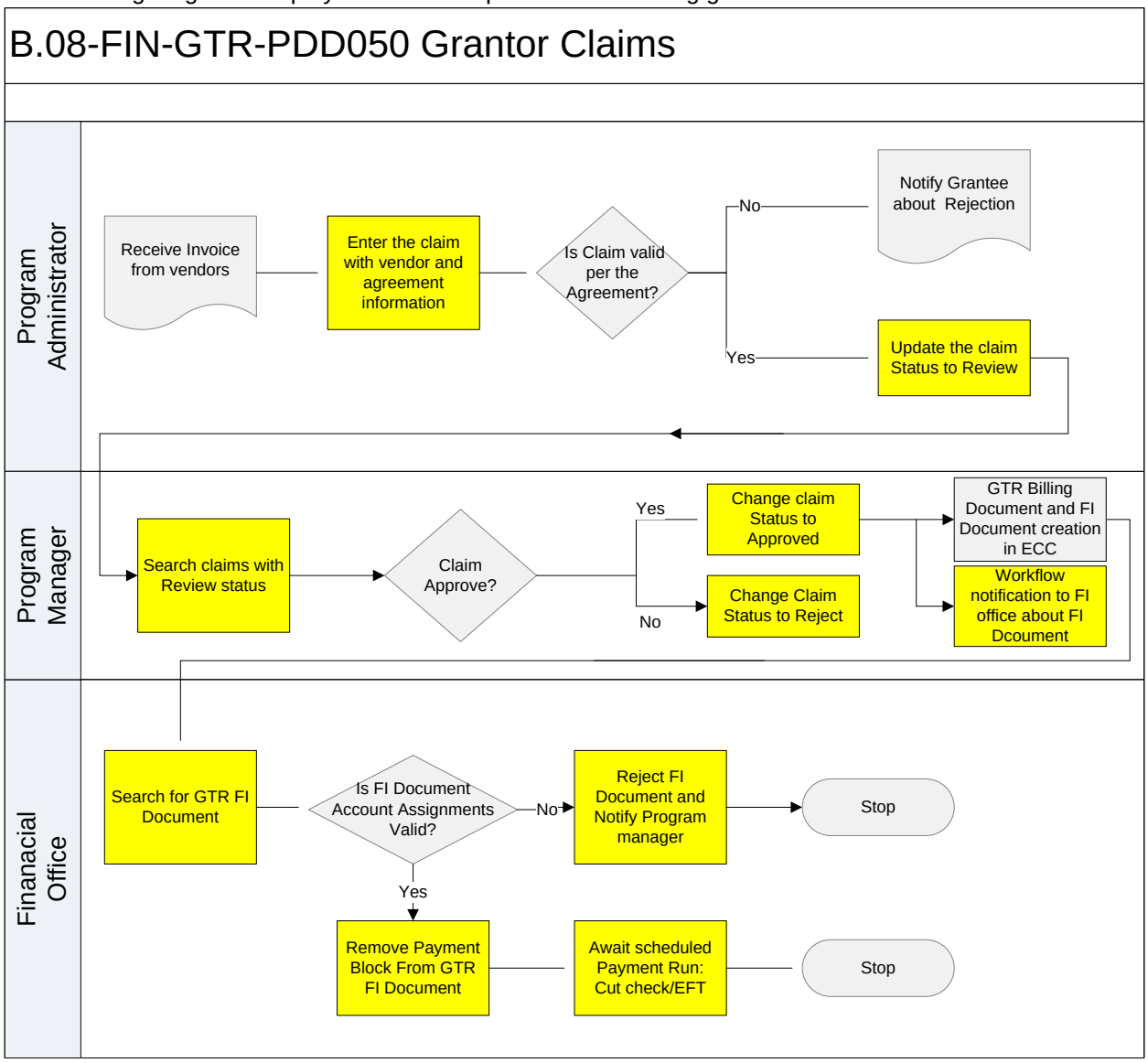
As part of invoice creation, the GTR Derive framework will be made active to retrieve the appropriate GM Id and update the Grant information in the invoice. This is very important in consolidating the pass-through Grantor expenses and bill back the sponsor in GM billing workbench.

Payment (clearing of open items)

After a cleared item document has been successfully created in ECC through payment run, the report RFGTRFIDOC_ANALYZE will be scheduled daily for sending the information to CRM. After this report has run, the clearing document number is displayed in the transaction history section of the claim transaction.

To-Be Process Flows

The following diagrams display the business process for creating grantor claims.



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Approval process for Claim.	All claims will be approved in Program office before the creation of invoice in ECC for payments. This ensures the claims submitted are being verified and authorized.	Training on the approval process for program manager.
2	LaGov requires Service date	The service dates denotes the project	Audit Reports can be generated with service

#	Decision	Process Impact	Organizational Impact
	in the claims. CRM will be configured to include this date on grantor claim object.	completion date and are used for Audit reports.	dates for all claims.
3	Workflow notification for FI personnel regarding the creation of Grantor Billing Document.	This ensures no paper form being submitted from program office to FI office. It also ensures no duplicate entry by the FI office for the creation of invoice.	Training on the validation of FI document for payment run.
4	Claim will be part of case management.	The case management mirrors the manual keeping of Grantor files for each applicant. This will improve the service to the Grantees considerably in resolving disputes as to when the payment was made or the clearing date.	Program administrator can see financial information like clearing date/payment date on the claim transaction which will be made part of Grantee case. This will eliminate the communication need for Program administrator and FI office.
5	Daily invoice run job to create FI document from Grantor Billing document.	In order to create FI document which results in actual payment, the invoice job is run. This is critical as without the FI document, the SAP AP framework cannot make payments.	Basis needs to be notified about this scheduled job with AP person as responsible for any abnormal end.
6	Periodic Payment runs to process open invoices for payments.	Agency like DOTD would like daily payment run so that they could drawdown from the sponsors on a daily basis.	This will impact more on cash management and will be addressed in AP.
7	Grantor Claim will be integrated with GM Billing for consolidating pass-through Grantor expenses.	All pass-through FI documents will have Grant Id populated through GTR derive so that GM billing can consolidate all the pass-through grantor expenses.	The integration will eliminate the need for manual consolidation of Grantor payments for GM billing.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	None Identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None Identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Claim	All converted Grantor program claims	Spreadsheet/AFS	SAP	True Financial picture of Grantor program		

Note: *At the time of writing this report there is no agreed vision or strategy yet on the upload of life-to-date data currently residing in AFS, GUMBO, LOGAN or any other existing system to the "to-be" SAP Grantor solution (CRM and ERP components).*

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Claim BADi Implementation	CRM_ISPS_GCL		Validation of Claim	
2.	Grantor Claim and GM Billing	GTR Derive		Update the Billing document with appropriate GM Grant Id.	

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	Grantor Billing Document notification	Since this activity happens in AP, the Grant accounting personnel needs to be notified	FI personnel should be part of Claim approval process as a Business partner.

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None Identified		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	Role	Description	Strategy	Special Considerations
1.	Program Administrator	Program Responsible	Employee creating the claim in CRM	
2.	Program Approver	Program Approver	Employee approving the Grantor claim in CRM	
3.	FI Approver	Billing document Approver	Employee removing the payment block in ECC	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Billing document gets created in ECC automatically from CRM Claim.	New Functionality as currently there is no integration between CFMS (Finance) and Grantor system.	There is no need for FI employee to create the claim in the FI system. This will avoid data entry errors and save time. Reduced turnaround time for claim processing.
2.	Grantor Claim creation	Currently some agencies store Grantor claims in CFMS.	The Program agencies will need to undergo training on the SAP grantor solution to create Grantor claims.
3.	Grantor claim approval process	New Functionality	Agencies will have to determine who will create and approve claims. The approver needs to set aside time for claim approval. The system will also allow agencies to designate a single employee as both creator and approver.
4.	FI Claim approval process	New Functionality	FI personnel need to undergo training on the SAP grantor claim functionality in order to verify Grantor FI documents and remove payment blocks.

Training Impact

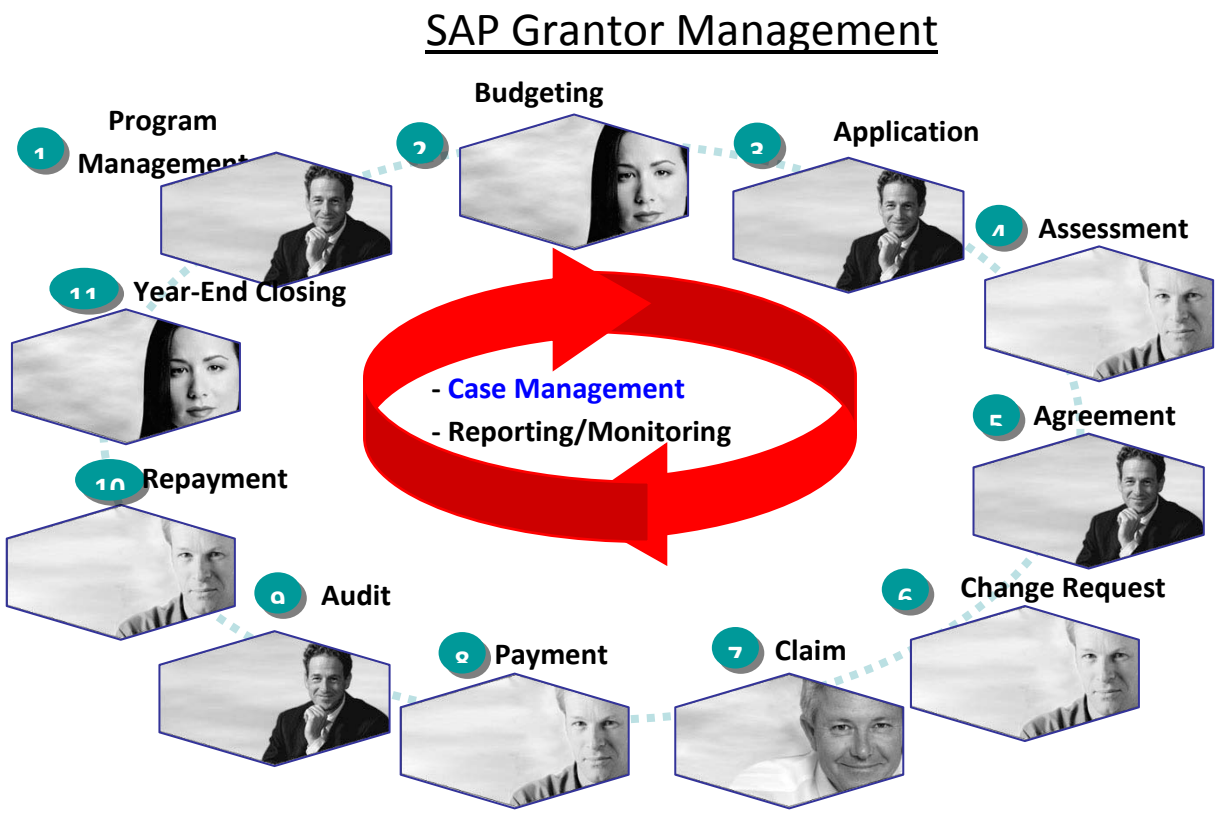
- The Program personnel will need to be trained on Claim functionality in CRM grantor solution.
- The Grantor FI personnel will need to be trained on the Claim approval process.
- The Grants Financial office that makes payments should undergo Accounts Payable training.

10.0 Appendix

Not Applicable

Team:	Finance - Grantor
PDD Name:	Grantor Case Management
PDD Number:	FIN-GTR-PDD060–Grantor Case Management
Business Process Owner:	Afranie Adomako
Functional Lead:	Penny Parker
Functional Consultant:	Govinda Narayanan

Executive Summary

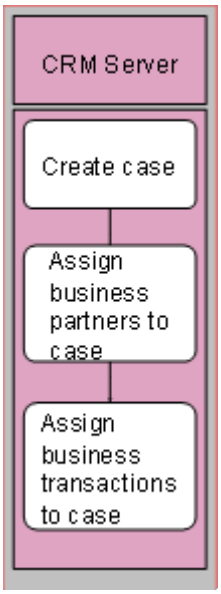


To effectively manage a grantee file, the program administration will use case management. This provides a central place for all documents related to a single application and its follow-on transactions. As part of the LaGov Grantor solution, a case will be generated when an application is approved. Since Grantor programs have varying degrees of complexity, the case helps the program administration to have an easy overview of all related internal (for example, SAP Business Objects-Application, Agreement, Claims) and external (for example, scanned application document) documents.

Design Considerations:

Case Management

- Case management will be used by all agencies to manage the Grantor application.
- It will be primarily used as central repository of all activities pertaining to the applicant.
- The case management runs in the SAP CRM system that supports the execution of the different operational processes of grants management, for example: program preparation, application, sign agreement, etc.



Monitoring

The State monitors the activities of grantees to ensure that the grantees are complying with the terms and conditions of the grantor program. The complexity and duration as well as the type of program will result in the need for the grantor to monitor the activities of the grantee as they relate to the grant funding. Monitoring will take the form of recurring communications with the grantee and other stakeholders, such as scheduled site visits, or the requirement for the grantee to supply the grantor with monitoring documents, such as quarterly financial statements or project plans. All activities, communications, and related documents will be linked to the relevant agreement. Activity Processing in CRM provides the capability to support the above mentioned grant monitoring.

Design Considerations:

- Granting Agency/Organization monitor the activities of grantees to ensure that the grantees are complying with the terms and conditions of the grant(s). This means individual Grantor Program agency will enter these monitoring activities against the Grantee Agreement.
- Monitoring will take the form of recurring communications with the grantee and other stakeholders, such as scheduled site visits, or the requirement for the grantee to supply the grantor with monitoring documents, such as quarterly financial statements or project plans. Different monitoring types will be defined as activity category and will be available for the program administrator to choose.
- All activities, communications, and related documents will be linked to the relevant agreement.
- CRM Activity framework will be used to support grant monitoring.

To-Be Process Description

Case Management

- Case will be created when an application is approved by program administration.
- Case Business Process will be used in the LaGov Grantor solution to deal with complex and related problems or issues that extend beyond individual documents, transactions, or business partners.
- Following information will be stored in a Case:
  - Business partners
  - Grantor programs
  - Application
  - Agreement
  - Earmark fund (commitment item)
  - FI Invoice documents
  - Business activities (Monitoring)
  - Tasks (Monitoring)
- The information will be assigned automatically. Automatic assignments are done through Action Profiles.The automatic process includes:
  - The automatic creation of a case. This is always triggered when the application is saved and will only be scheduled when the application is approved.
  - The automatic linking of the program, application, business partners, agreement, account and billing documents.

Grant Monitoring

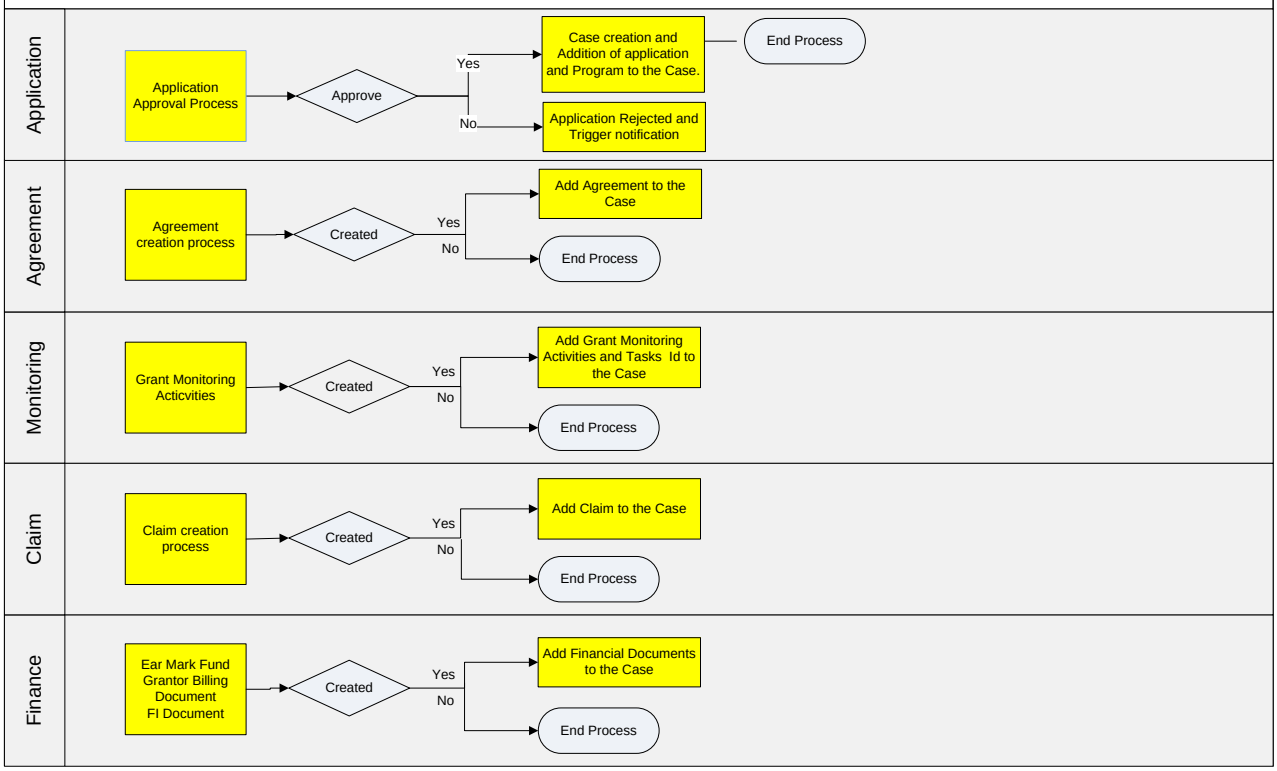
- Grant monitoring is done in SAP CRM through Activity management.
- Monitoring activities include interaction logs or appointments to document any interaction the state will have with Grantee.
- Upload any or all grant project related documents including financial and operation information will be discussed during the realization phase.
- Enable Creation of future tasks and the related to-do list as part of periodic monitoring.
- Ability to add business partners including the employee responsible for monitoring activities.
- Dates will be configured as part of when the monitoring activity took place.

Integration

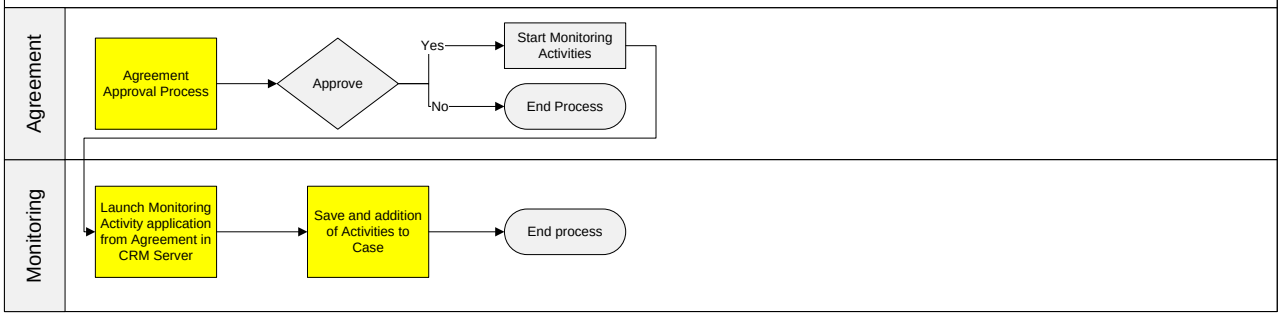
- As part of the LaGov Grantor solution, the monitoring activity will be part of Grantor Agreement.

To-Be Process Flows

B.08-FIN-GTR-PDD060-Case



B.08-FIN-GTR-PDD060-Monitoring



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	Case management will be activated only for Approved applications	The case management mirrors the manual keeping of Grantor files for each applicant. This will improve the service to the Grantees considerably in resolving	Training on the case retrieval of a Grantee in the CRM grantor solution.

#	Decision	Process Impact	Organizational Impact
		disputes as all business transactions involved with Grantee will be part of a unique case.	
2.	Monitoring Activities will be created from Agreement	Audit of any agreement with respect to Grantee's execution of program will be part of Grantee's Agreement transaction history in the form of Business activities. Since all of them are electronically stored against the agreement, the retrieval of the same will be instant.	Training on the retrieval of Monitoring activities within Grantee's Agreement.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified						

Note: *At the time of writing this report there is no agreed vision or strategy yet on the upload of historical data currently residing in AFS, GUMBO, LOGAN or any other existing system to the "to-be" SAP Grantor solution (CRM and ERP components).*

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	ACTION_PROFILE	Automatic assignment of Grantor BO to the Case	Method Call		Note: if an agreement is created stand-alone (no application as predecessor), no case is created

W – Workflow		Master List of Future State Workflow Events: <Supported Process>	
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps		Master List of Future Gaps: <Supported Process>	
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	Role	Description	Strategy	Special Considerations
1.	Program manager	Program Responsible	Grantee case display.	
2.	Program Administrator	Program Approver	Employee creating Monitoring Activities. Grantee case display.	

Organizational Impact:

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Case retrieval	New Functionality	The Agencies that implement the SAP Grantor Solution will have to undergo the User Training for case management.
2.	Monitoring Activities creation	New Functionality	User Training on Monitoring activity creation for Program administrator.

Training Impact

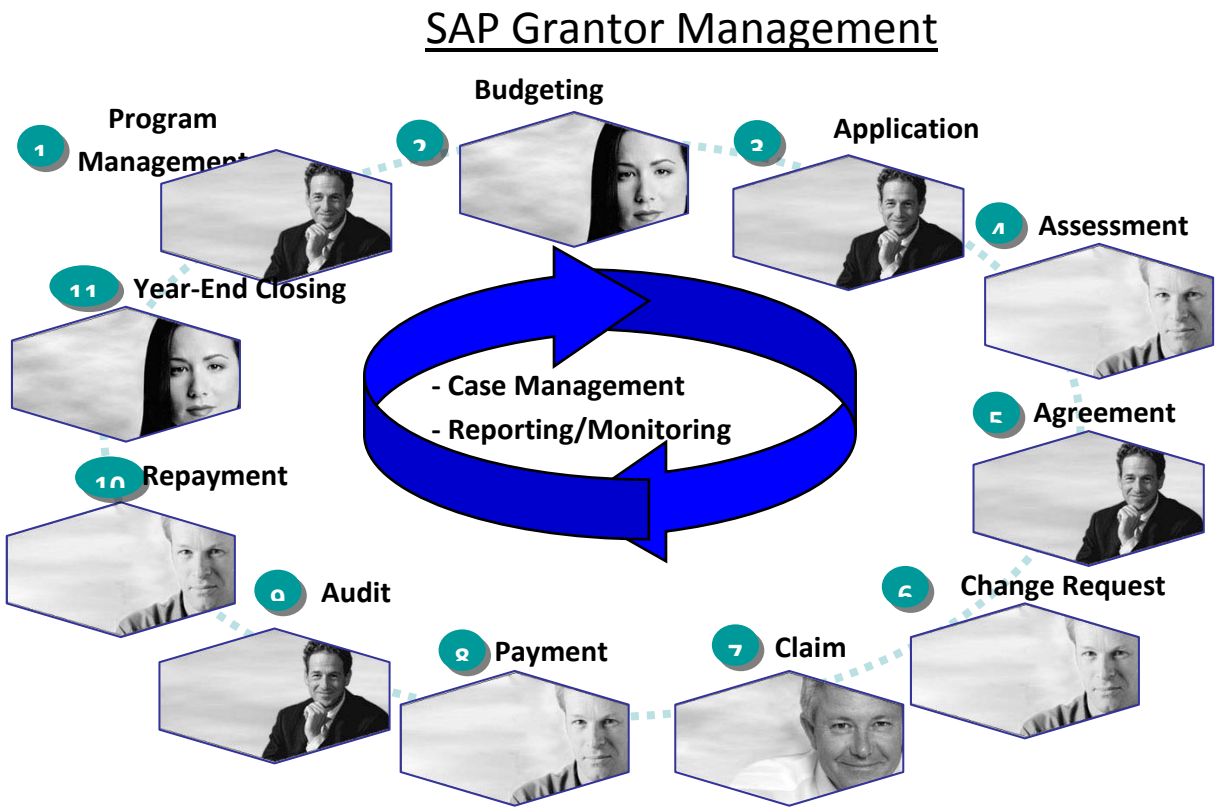
- Grantor Program administrator at the individual agency will be responsible for managing the case.
- Grantor program administrator at the individual agency will be responsible for the creation of monitoring activities.

Appendix

Not Applicable

Team:	Finance - Grantor
PDD Name:	Grantor Web Request and BRF
PDD Number:	FIN-GTR-PDD070-Grantor Web Request and BRF
Business Process Owner:	Afranie Adomako
Functional Lead:	Penny Parker
Functional Consultant:	Govinda Narayanan

Executive Summary



Web Request is a technological framework which will be used to implement online submission of Grantor application by grantee. The application Web Request will be made available to the potential grantee over the internet. As soon as the Web application form is submitted, an application transaction is created in SAP CRM Grantor solution.

The Web requests are integrated with Business Rule Framework (BRF). The BRF will be used to support input checks on the Web application form. BRF is a rule tool component that is packaged within CRM

server and will be used in Grantor Management to check the data in the grantor application and to determine whether the entries made by the applicant conform to the grantor program rules.

Design Considerations

- Web Request will be primarily used for online application submission in BOR agency.
- BRF will be used to validate the application and create the Grantor application in SAP CRM.
- Unique used-id and password will be created as part of the registration process (Manual) and will be used to Sign-on to submit the application.

Web Request

Web requests are used to apply for grants over the Internet using an application form. Web requests are one channel through which potential grantees can apply for a grant. If the applicant makes an application for a grant by telephone or using another channel, the same application form can be filled out by the employee processing the application. As soon as the application form is submitted, a Grantor application is created in SAP CRM. The Grantor application details can be seen in PDD document under Pre-Applications and Application in Solution Manager. The validation of the Web Application form is accomplished through BRF.

Integration

The Web requests are integrated with the Business Rule Framework (BRF). The BRF enables the validation of the Web application form.

Business Rule Framework (BRF)

The Business Rule Framework (BRF) is a rule tool that is will be used in CRM Grantor Solution to execute business rules. These business rules make it possible to process and evaluate documents automatically.

The BRF is used in Grantor Management to check the data in the grantor application and to determine whether the entries made by the applicant conform to the grantor program rules. It can also used in Claim and Change Request scenario as part of validation.

Integration

The Business Rule Framework is integrated with the Web requests and business transactions framework.

To-Be Process Description

#	Process Terminology	Description
1.	Web Request	Technology that enables creation of web based application.
2.	BSP	Business server pages
3.	BRF	Business rule framework is a rule based tool that can integrate with CRM transactions and Web request.

Web Request will be used for submission of applications by Grantee over the internet. This feature will be available for the Board of Regents to enable Educational institutions to submit their applications for a specific BOR administered Grant.

Web Requests

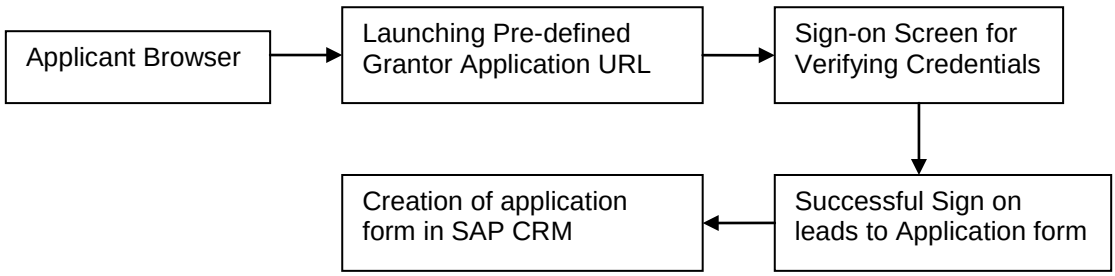
A Web-based CRM Service is supported when Web requests are used. A requester can request a specific service in a Web browser using the Internet. The requester calls the Web request form intended for this, enters their specific data, and then sends the filled-in request back to the CRM system.

The submitted request generates a transaction with the attribute Web request in the CRM system. The transaction-related data (such as business partner, Grantor Program, Req. Amount and so on) is

managed in the transaction, while the request-specific XML-based data are linked to the transaction as a request.

The transaction and request can be checked, changed and approved by a processor in the CRM transaction processing.

Architecture

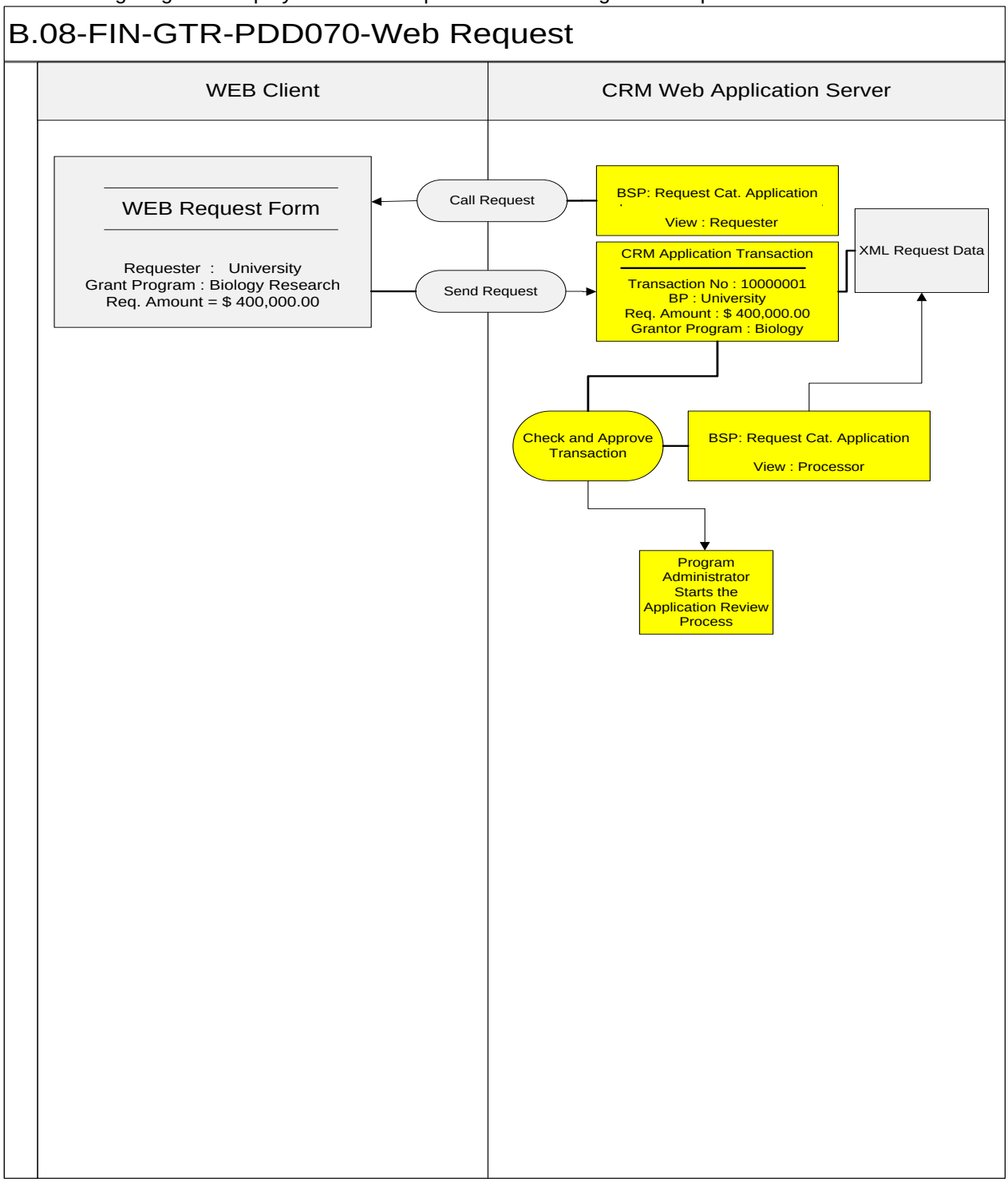


Application form Submission Process

- Applicant (Grantee) launches Board of Regents specific Grantor application URL.
- Sign on screen appears for credentials.
- Successful credential verification leads to display of form.
- Form details are entered, documents attached and submitted.
- Form is verified using BRF and display any error messages for any invalid entry.
- Error free form upon submission creates a Grantor application in SAP CRM with status “Created by applicant”.
- BOR agency employee searches for any application with the above status and processes the same for assessment.

To-Be Process Flows

The following diagrams display the business process for creating Web Request.



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1.	Web request for online submission of application will be made available for specific BOR agency Grant and DOE.	Grantee/Applicant user-Id/Password needs to be created by security before the Web application can be accessed.	OIS personnel need to be involved in testing before the grantee can access the online application form. The testing involves mapping of online data to the Application transaction. This should be verified in the development environment by accessing the corresponding application in the UI. Once it is verified, then the security administrator can create the User ID/Password for the applicant in the production environment.
2.	Agency employees will pick the submitted application through status search and forward the same for assessment.	The agency will have a schedule on a daily basis to look for the submitted applications. The schedule will be determined based on past history and will vary by agency.	Training on the Application search and the application review process.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1.	None identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified						

Note: *At the time of writing this report there is no agreed vision or strategy yet on the upload of historical data currently residing in AFS, GUMBO, LOGAN or any other existing system to the "to-be" SAP Grantor solution (CRM and ERP components).*

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	Web Request Form	Creation of BSP application through the WEB Request framework	BADi implementation	Online application form	This is not a SAP smart form. This form is a BSP (similar to JSP) application which will display the requested data structure.
2.	BRF	Event, Expression, Action creation	Class and BADi implementation	Validation of Online application form	

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Applicant	Grantee application	Grantee submitting application online.	
2.	Program manager	Program Responsible	Employee approving the online application.	
3.	Program Administrator	Program Approver	Employee reviewing the online application.	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Online application creation	New Functionality	Grantee need to be trained on the online application submission by the corresponding program administration.

Training Impact

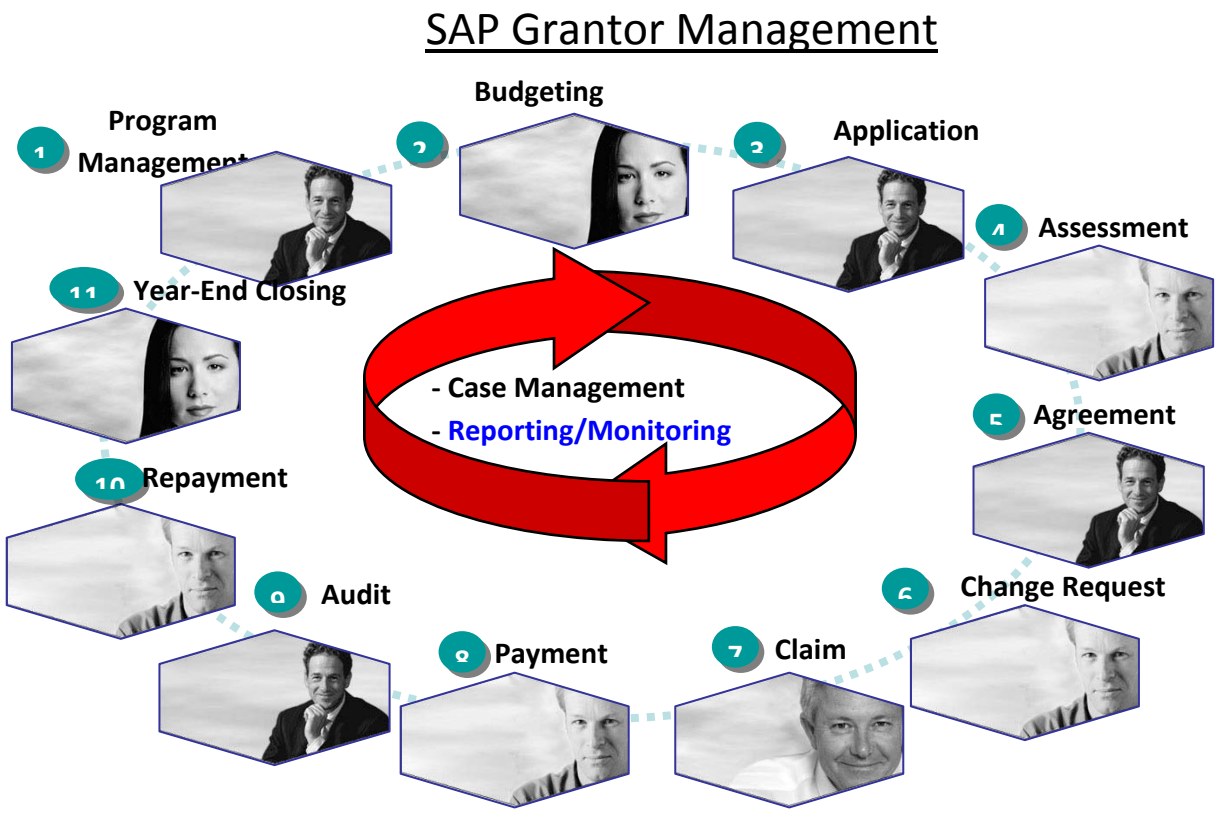
- Applicant/Grantee needs to be trained on the online application submission form.
- Program administration is responsible for the review and assessment of submitted application form and so therefore needs to be trained on the online application solution.
- OIS will be responsible for adding new grantee to use online application submission.

Appendix

Not Applicable

Team:	Finance - Grantor
PDD Name:	Grantor Reports
PDD Number:	FIN-GTR-PDD080-Grantor Reports
Business Process Owner:	Afranie Adomako
Functional Lead:	Penny Parker
Functional Consultant:	Govinda Narayanan

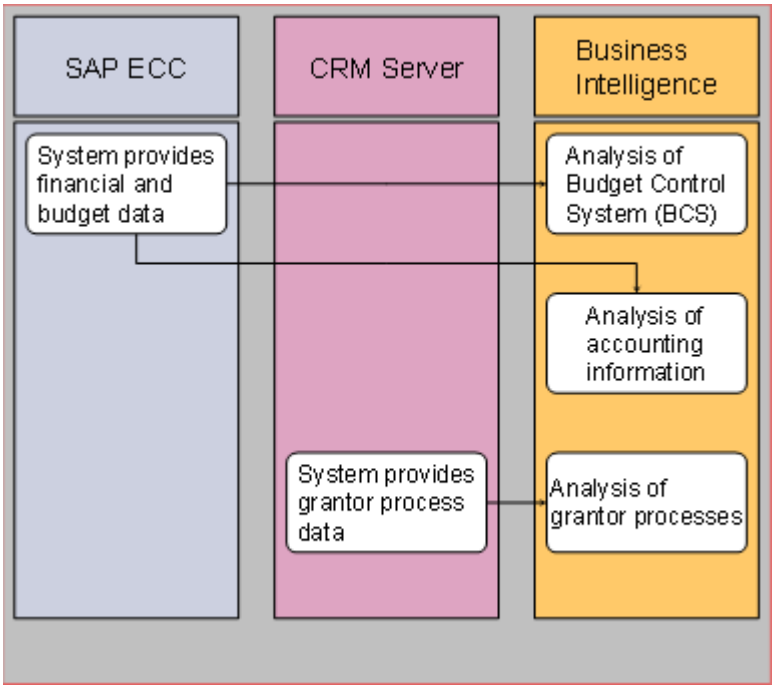
Executive Summary



The internal and external stakeholders require reports at various stages of Grantor lifecycle. The reports will be configured in the CRM Grantor Home page. All Grantor reports will be built in BI and accessed through the CRM grantor home page.

Design Considerations

- ECC system provides financial and budget data.
- CRM system provides grantor process data like Grantor Program, Application, Agreement, Claim, and Monitoring Activities.



Grantor Reports

LaGov Grantor reports are categorized as follows:

- Operations
- Finance
- Compliance

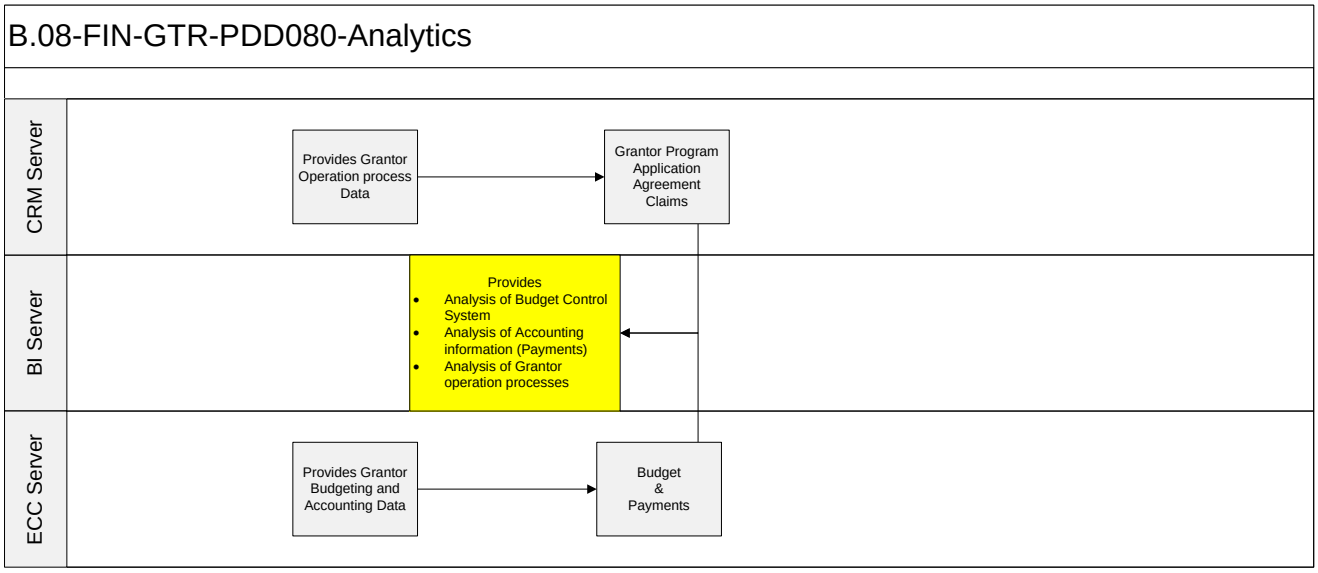
All Grantor Reports will be available only in BI and accessed through CRM 2007 UI.

To-Be Process Description

#	Process Terminology	Description
1	BI	Business Intelligence
2	CRM	Customer Relationship Management
3	ECC	ERP Central Component

- All LaGov Grantor Reports will be made available only in BI which will be accessed through CRM 2007 user interface.
- Replication of Data from CRM to BI server will happen daily.
- Below is the list of reports that will be made available:
  - Operational Reports:
    - Program overview and details
    - Application overview and details
    - Agreement overview and details
    - Claims overview and details
  - Financial Reports:
    - Budget Analysis
    - Payment Analysis

To-Be Process Flows



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	All Reports will be created and executed in BI.	The reports will not be real time and will depend on the data replication job schedule. It has been tentatively agreed to have the data transferred on a daily basis.	Real time reports will not be possible in BI due to scheduled replication of data.
2	Replication of data from CRM to BI will happen daily.	All reports will be from BI.	BI process chain jobs should include all CRM and ECC grantor related data replication.
3	CRM Grantor home page will house all Grantor relevant BI Reports.	All Grantor BI reports will be accessed from the CRM Grantor homepage.	No need for Portal for the BI report access.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified.		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified						

E – Enhancements	Master List of Future State Enhancements: <Supported Process>				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	Grantor Analytics	BI Grantor Reports	All Grantor reports will be available under this role	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	None identified		

Training Impact

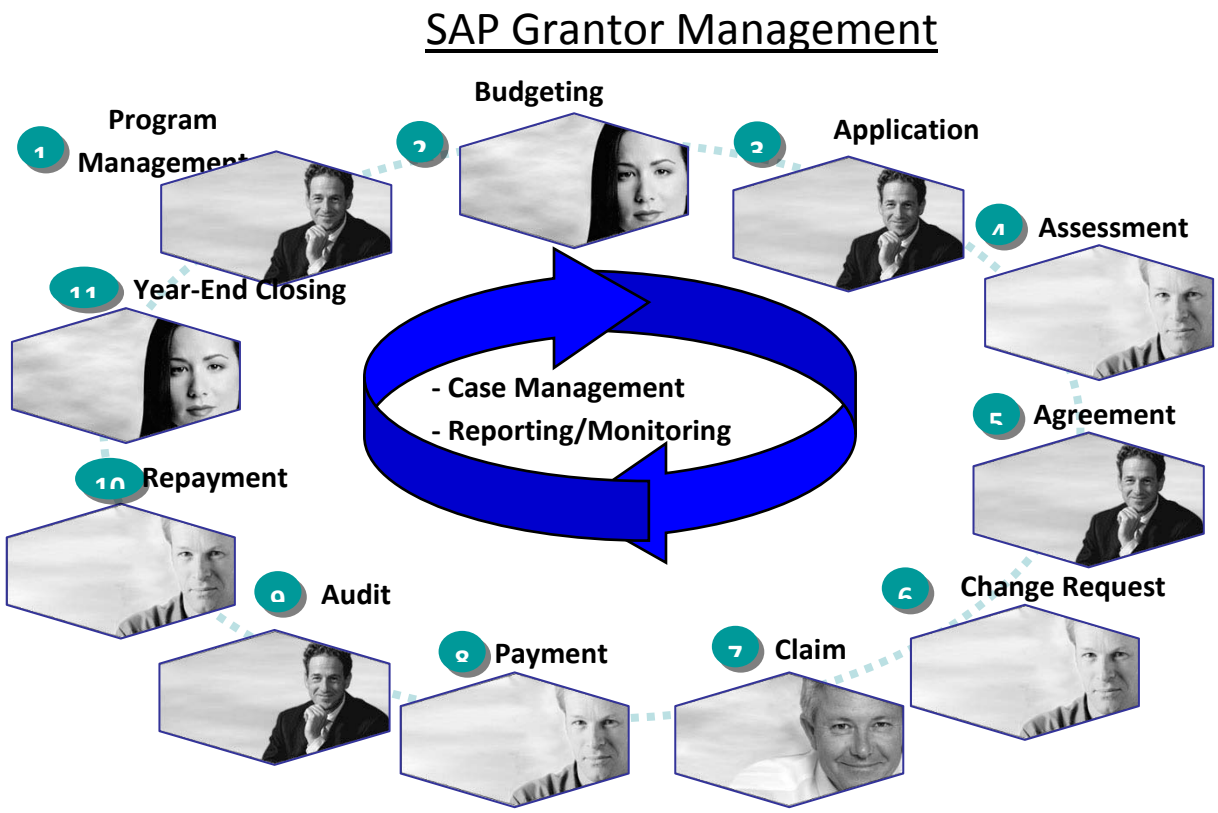
- Grantor Program administration and FI administration office will need to undergo BI user training.
- OIS personnel will need to undergo BI technical training for a new query or for maintenance of existing reports.

Appendix

Not Applicable

Team:	Finance - Grantor
PDD Name:	Grantor 2007 UI & Middleware
PDD Number:	FIN-GTR-PDD090-Grantor 2007 UI & Middleware
Business Process Owner:	Afranie Adomako
Functional Lead:	Penny Parker
Functional Consultant:	Govinda Narayanan

Executive Summary



The SAP CRM 2007 User Interface (UI) delivers a harmonized online user interface for Grantor solution. The UI is designed for business users and presents a role-based workspace that provides an easy-to-use navigation and user interface.

Important to note is SAPGUI is only supported for administrative tasks like Configuring Grantor solution, Security roles, User profile creation.

Middleware is a technology embedded within the SAP CRM server that enables replicate, synchronize and distribute data with other system component like ECC. Middleware will be configured in CRM Grantor solution to replicate following data:

- State appropriate Grantor program into a funded program in ECC Funds management.
- Grantor Agreement into an Earmark Commitment in Funds management.
- Grantor Claims into a Grantor Billing document for payments in FI-AP.

Design Considerations

CRM 2007 UI

- SAP Grantor Solution has only one User Interface to access the Grantor application. This interface is called CRM 2007 UI and is based on WEB technology.
- User Interface will be customized to the extent of hiding non-relevant fields and assignment blocks.
- Mandate is to have same look and feel for Grantor application across all the Agencies of State.

Middleware

- Data will be replicated from CRM to ECC in Budget and Claim scenarios.
- This replication will be assisted by standard SAP Middleware technology.

To-Be Process Description

#	Process Terminology	Description
1	Middleware	Technology deployed in CRM server for replication of Data to other systems like ECC and BI.
2	CRM 2007 UI	New interface that is completely written in Web technology. This means the users will perform all Grantor related function in the new user interface.
3	SAP GUI	The graphical user interface will still be used for configuration and development.

CRM 2007

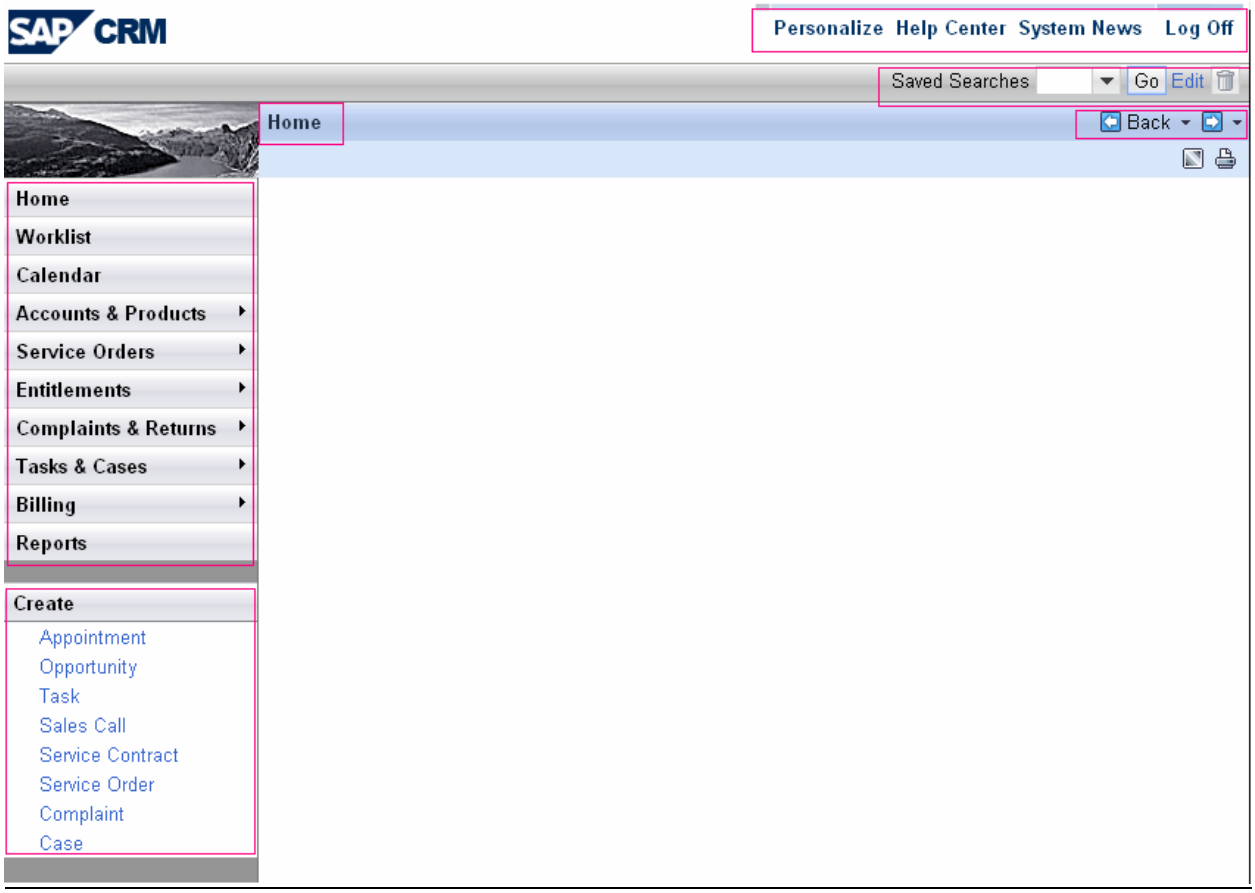
- ONE web-based UI
  - Known Web application style
  - Unified behaviour across CRM scenarios
- Easy-to-use
  - Easy and clear navigation
  - Fast time-to-use: lean end-user documentation and E-tutorials
  - High productivity: Groupware Integration,
  - Upload/Download, Browser Printing, Ad-Hoc Reporting, Searching
- Flexible
  - Custom Field Configuration
  - Custom Screen Layouts
  - Personalization by end-user: search, groupware, homepage

UI Architecture

- Architecture of SAP CRM 2007 UI application is built on 3 different layers.
- Business engine and Business layer are responsible for linking CRM business functionalities within CRM UI and presentation layer represents main development environment for UI where screens of UI are developed.

- The BSPs represent the presentation layer of UI. They are used to generate the HTML page running in the user browser.
- The business logic of CRM objects is controlled by business layer and business engine.
- Business Objects of an UI session like Business partner, Transactions etc., are held in the business object layer (BOL).

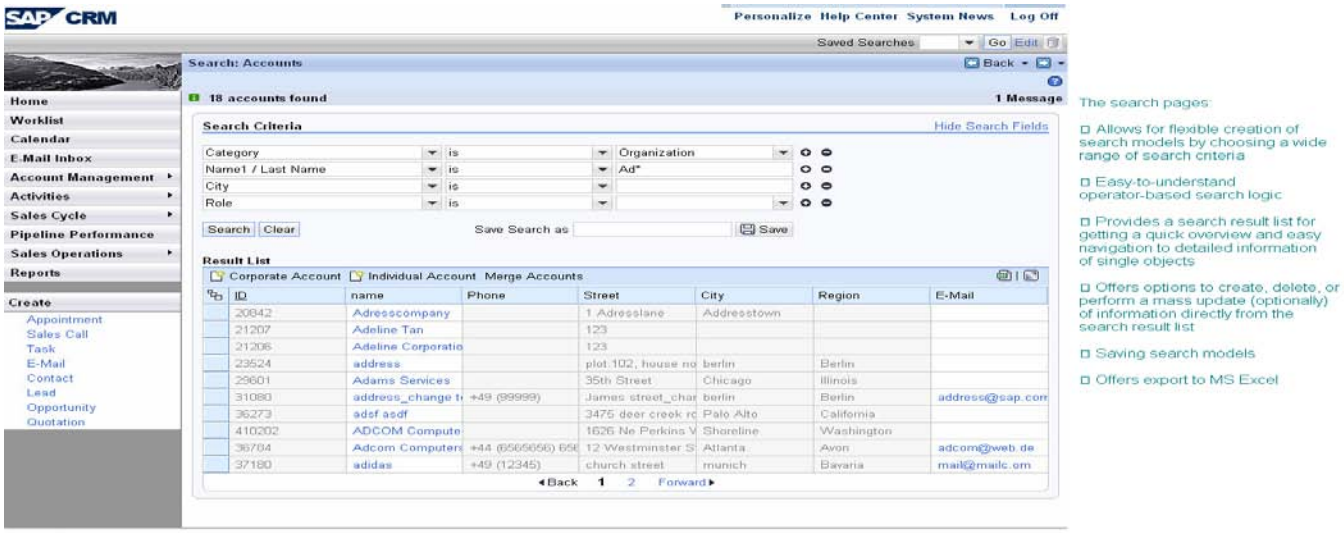
UI Element: L-Shape



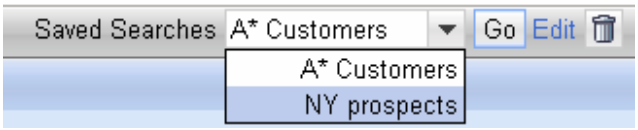
- L-shape characteristics
  - Static position and size
  - The specific content of the L shape can be configured as role-dependent
- L-shape contains
  - System links
  - Saved searches
  - Work area title
  - History back and forward
  - Navigation bar

Advanced Search

- Provides the user with comprehensive, flexible and easy to understand search capabilities individually for every CRM object.

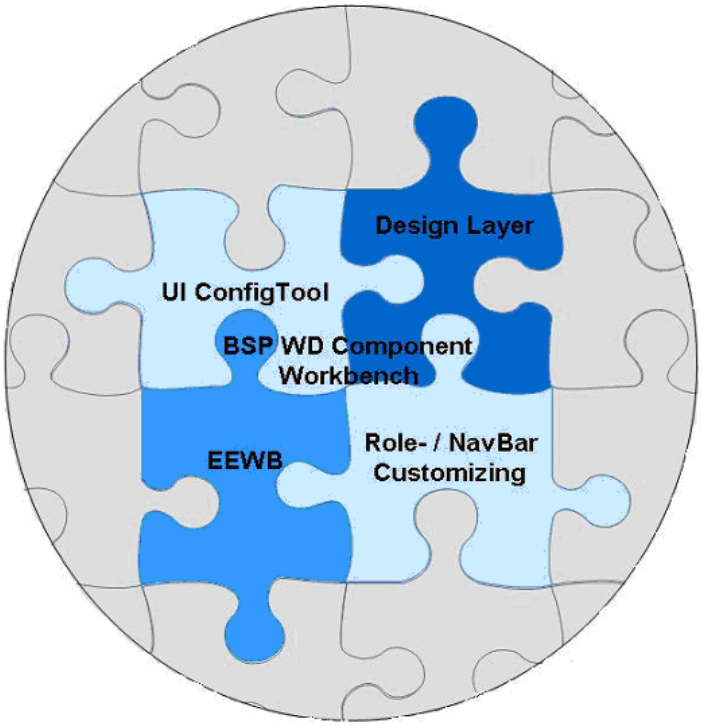


Saved Searches



- The Saved Searches Area provides direct access to a list of user defined search queries across all CRM applications.
- Choosing a predefined search the user can:
  - Start the search via the GO button
  - System automatically navigates to corresponding search result list with the search criteria
- EDIT the saved search to redefine e.g. search parameters
  - System automatically navigates to corresponding search result list with the search criteria visible and empty result list
  - Delete the selected saved search with the 'recycle bin' button
- The definition of a saved search can be done in every advanced search directly below the search statements (see also Search Page chapter)
- The definition of Saved Searches is user specific

UI Configuration: Overview



BSB WD Component Work Bench

UI configuration tool

Easy Enahncement Workbench (EEWB)

Role and navigation bar Customizing

Design layer Customizing

To adjust the CRM user interface to your corporate identity, a bundle of integrated tools is provided. These tools support the UI configuration in an efficient and holistic way.

Examples:

- Add new fields to business objects
- Position fields on views
- Rename field labels
- Use personalization
- Define captions
- Define navigation bar entries
- Create business roles

Middleware

The CRM Server

The CRM Server is built on top of the SAP WEB Application Server that provides:

- Scalability
- Platform independence
- Full ABAP development environment

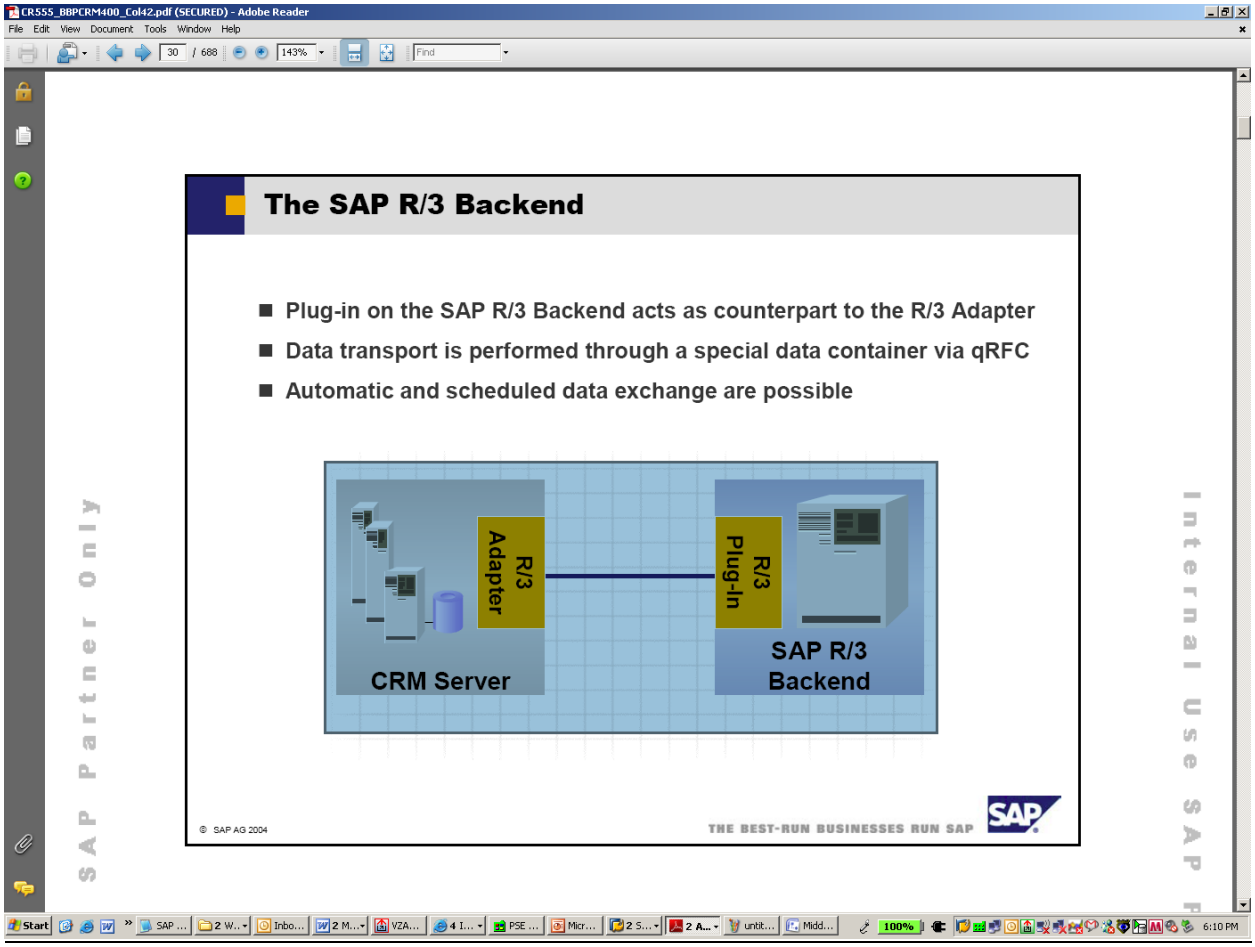
The CRM Server contains:

- CRM Server applications
- Middleware
- Database

CRM middleware functionality consists of:

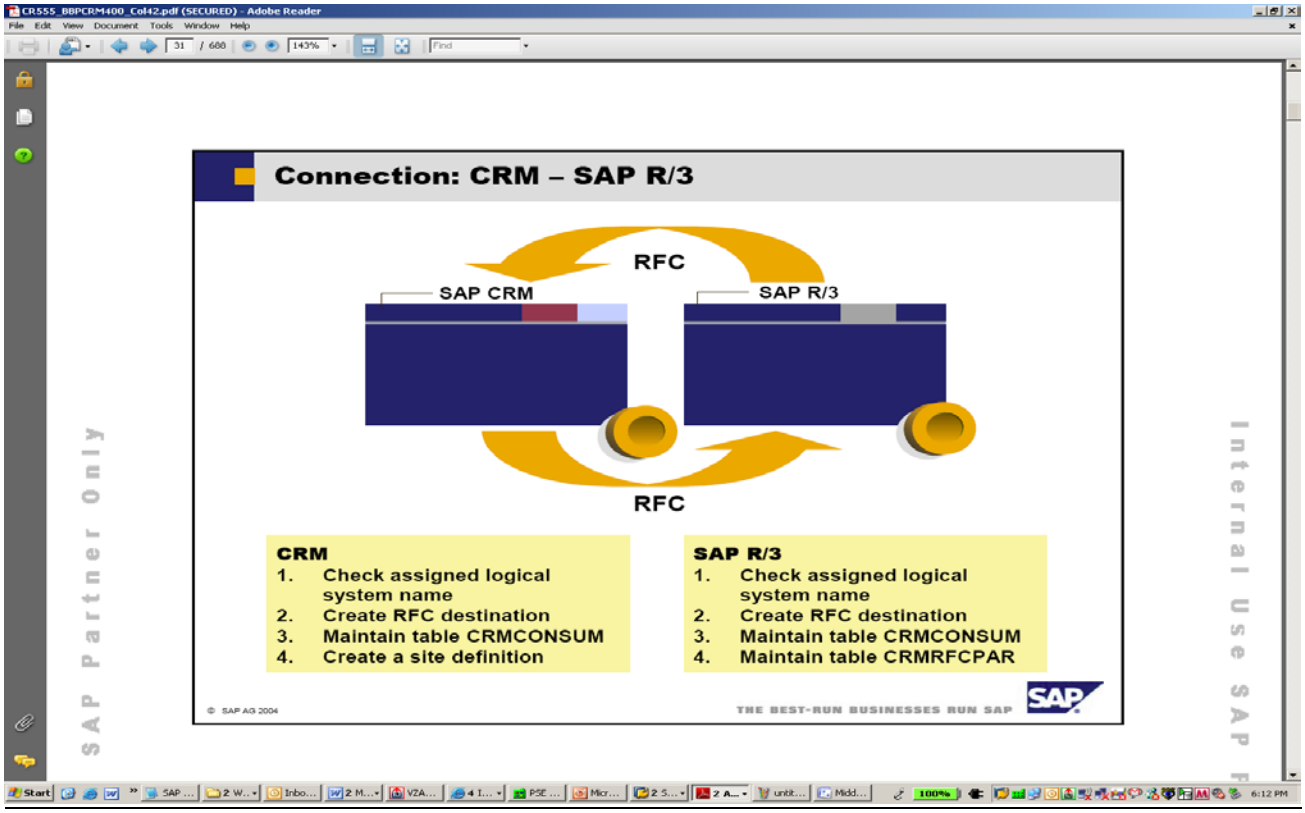
- Data queuing and transport
- Replication and realignment
- Data exchange and mapping
- The data exchange between CRM middleware and external systems (ECC) is performed via adapters.
- The Adapter maps and converts data between various formats.

SAP ECC Backend

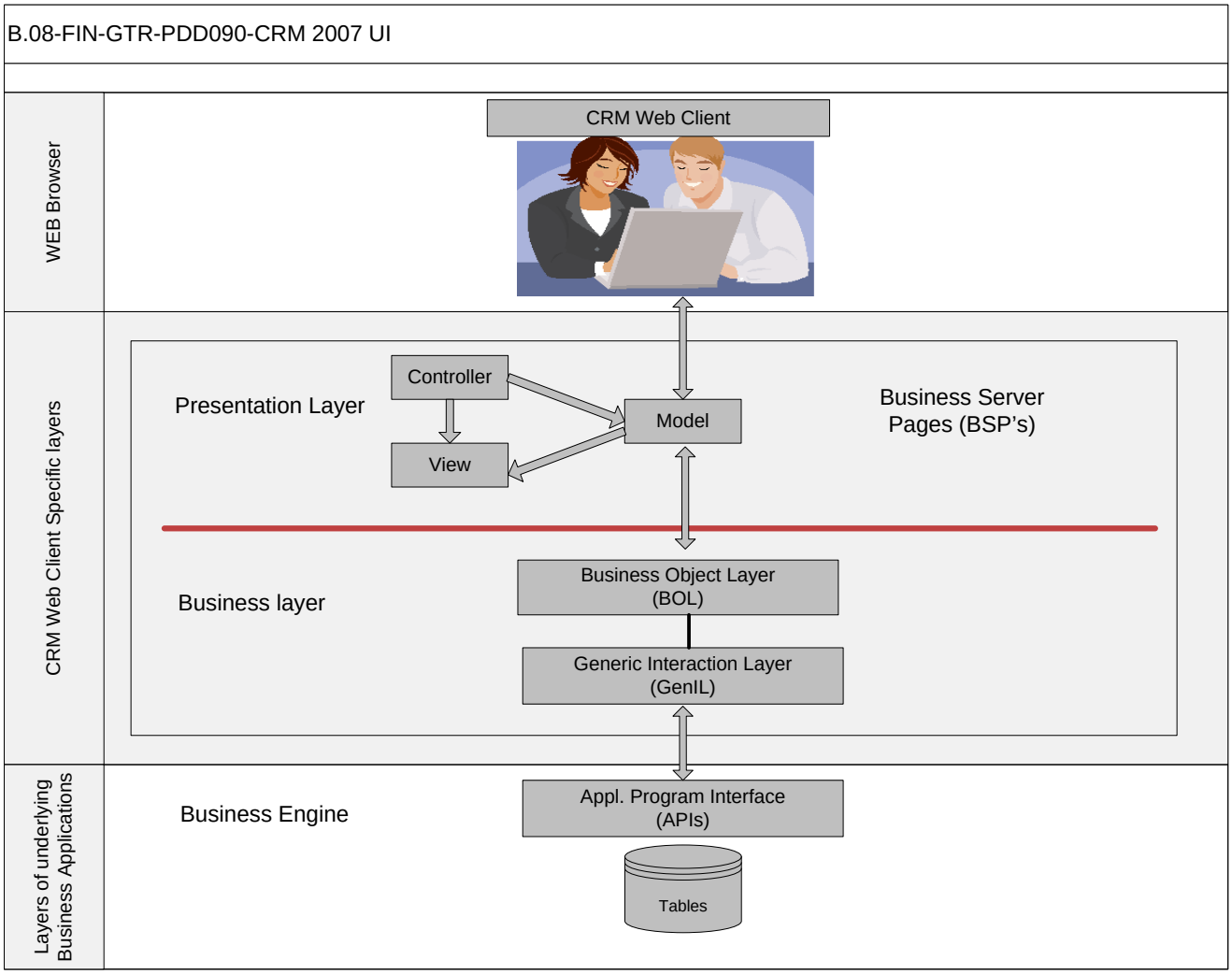


- Plug-in on the SAP ECC Backend acts as counterpart to the R3 adapter in CRM.
- Data transport is done through qRFC.
- Automatic and schedule data exchange is possible.

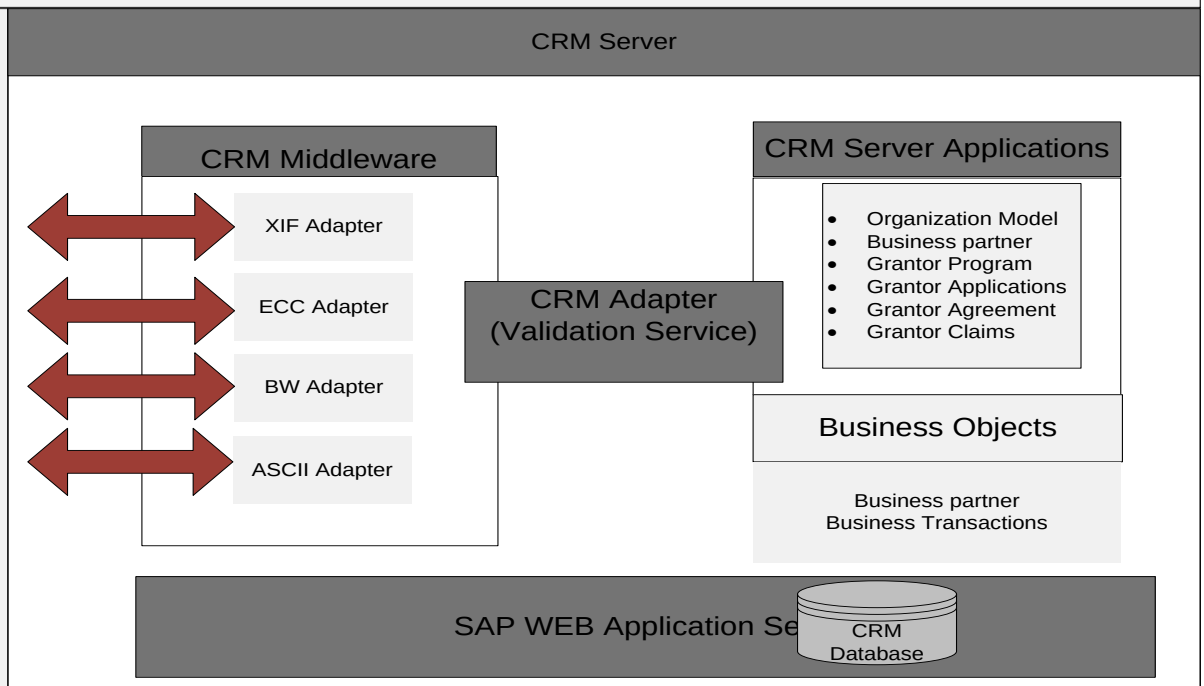
Connection: CRM – SAP ECC



To-Be Process Flows



B.08-FIN-GTR-PDD090 - Middleware



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	CRM and ECC integration will be implemented for Budget and Payment scenarios using middleware technology.	This integration eliminates manual creation of earmark fund (commitment) for Agreements. Also, for state appropriated Grantor program, the creation of funded program is automatic which will be used in the Budget transaction.	OIS need to undergo training on middleware to resolve any related issues.
2	CRM 2007 UI will be the common Grantor application user interface across all agencies.	All agencies will have the same user interface which will reduce the training time during any employee transfer across agencies.	OIS need to undergo training on CRM 2007 UI configuration.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified						

Note: *At the time of writing this report there is no agreed vision or strategy yet on the upload of historical data currently residing in AFS, GUMBO, LOGAN or any other existing system to the "to-be" SAP Grantor solution (CRM and ERP components).*

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified				

W – Workflow	Master List of Future State Workflow Events: <Supported Process>		
No.	Description	Justification	Comments
1.	None identified		

Gaps

Gaps	Master List of Future Gaps: <Supported Process>		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: <Supported Process>			
No.	Role	Description	Strategy	Special Considerations
1.	LaGov Business Role		This Business role will have common Grantor HOME screen, Grantor Menu option configured across all agencies.	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	CRM 2007 UI	New Functionality	OIS personnel will need training on CRM 2007 UI configuration.
2.	Data replication / middleware issues	New Functionality	OIS personnel will need training on the middleware trouble shooting to resolve all middleware issues.

Training Impact

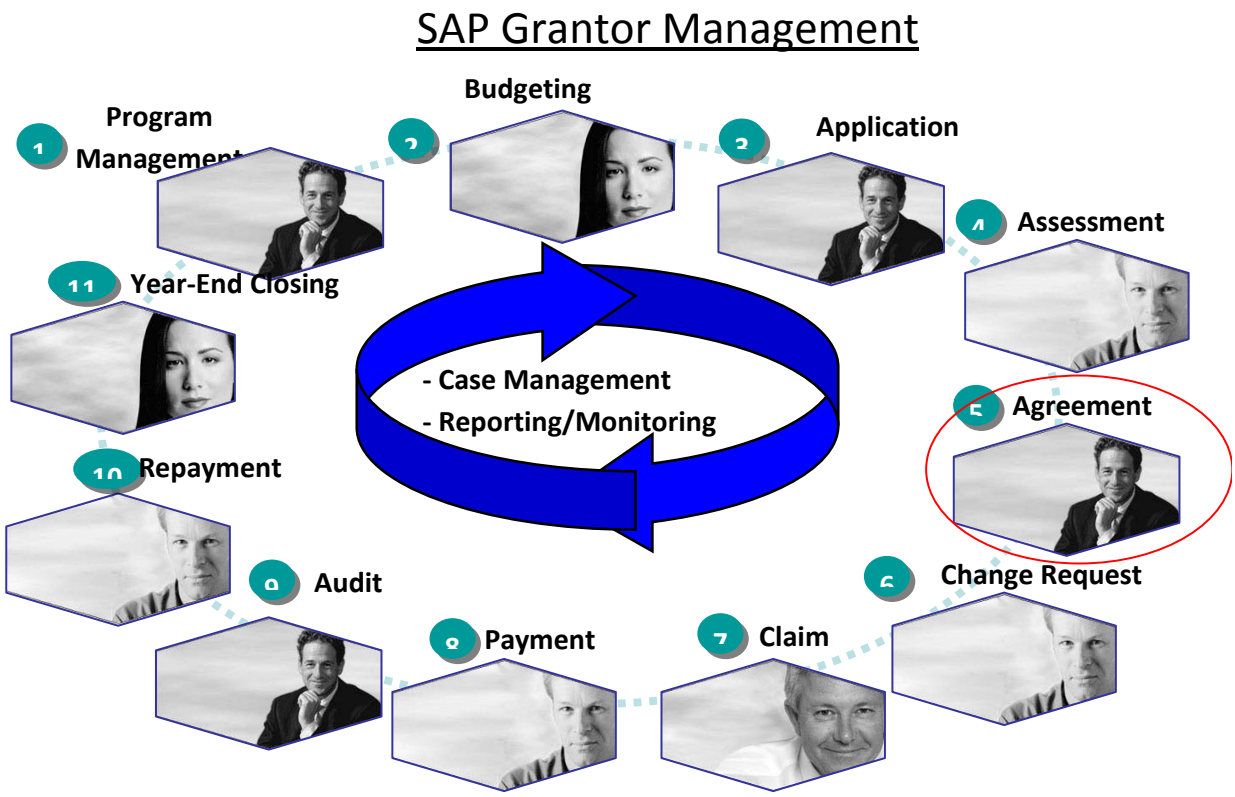
- OIS personnel need to train on the middleware technology.
- OIS personnel need to train on the CRM 2007 UI.

Appendix

Not Applicable

Team:	Finance - Grantor
PDD Name:	Grantor Agreement
PDD Number:	FIN-GTR-PDD100-Grantor Agreement
Business Process Owner:	Afranie Adomako
Functional Lead:	Penny Parker
Functional Consultant:	Govinda Narayanan

Executive Summary



Agreements are created for all approved applications and it contains conditions under which a grantor awards a grant to a grantee. Grantee examines the conditions and could accept or reject the agreement. All approved agreements lead to printing of the award letter and other related documents for physical signature of Grantee and the state program administration.

All approved agreements trigger an automatic budget check and Funds commitments (EF document) will be generated within ECC Funds management. The Account assignments for the Funds commitments will be coded in the GTR Derive framework. If creating the EF document causes availability control (AVC) to issue an error, warning, or information message, the message will be displayed in CRM. In the case of an

error message, creation of the EF document will be blocked. The EF documents created for Grantor Management (GM-GTR) are locked against manual changes in ECC. One budget line Earmark fund will be created for each agreement as part of the overall budget. Finally, the Funds commitments will be reduced by FI Payable invoice document.

All contract form and documents will be attached as part of the URL attachment within Agreement for any auditing.

All Agreement approvals will need to happen at the program office. But some agreements will need to be approved by both program office and the OCR. Any agreement that needs OCR approval will have OCR approval partner function as part of the Agreement and the approval itself will be accomplished through workflow development.

The Agreement line item will consist of expenditure category, Dates, Payment type and the Authorized amount. These will be pulled initially from the preceding document application with an option to change the same in the LaGov grantor solution.

Design Considerations:

Agreement

- It is a Business transaction that contains the conditions under which a grantor awards a grant to a grantee.
- The agreement always needs an application as a preceding document, which means that the agreement can only be created from the application.
- Workflow notification to FI for verification of Earmark fund in ECC FM.
- Automatic addition to Case management for resolving disputes.

Agreement user interface

The agreement will be entered in CRM 2007 UI by State employees.

To-Be Process Description

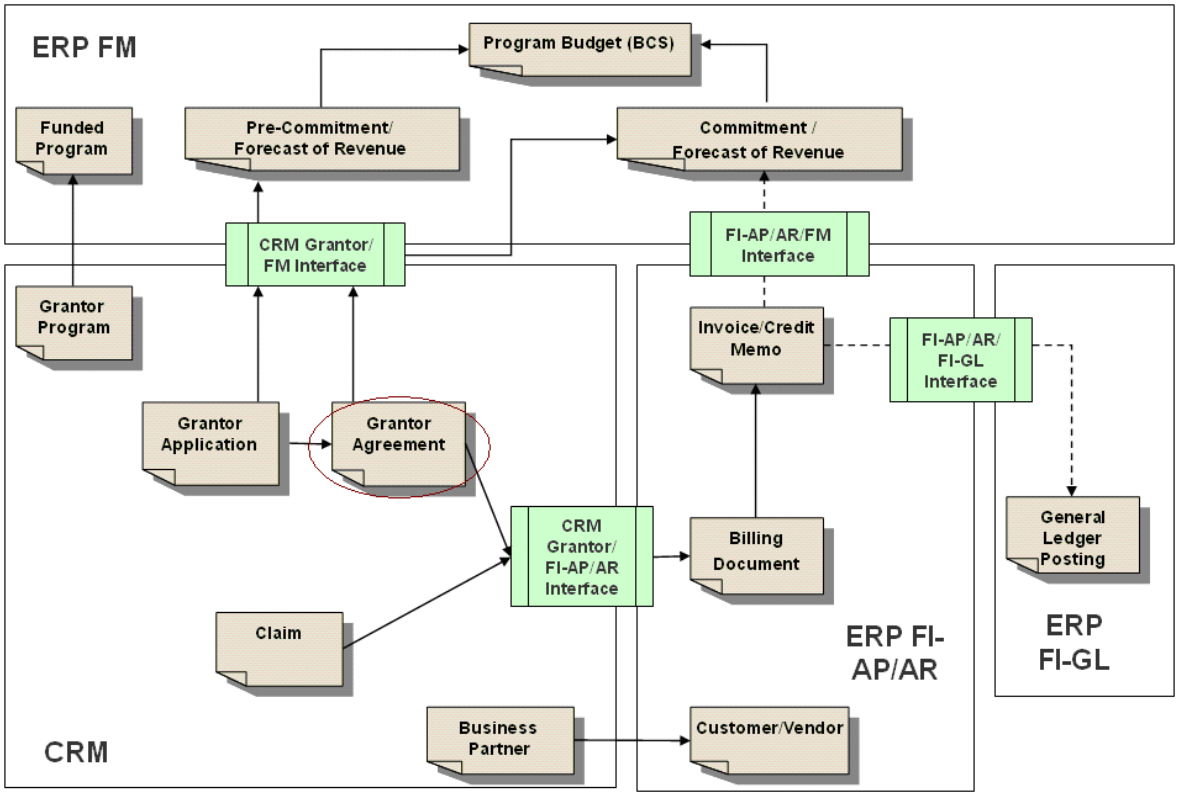
#	Process Terminology	Description
1	Fund commitments (Earmark Fund)	Framework to claim budget for a particular purpose

SAP Grantor is composed of two major building blocks:

- The SAP CRM system that supports the execution of the different operational processes of grants management. This includes program preparation, applications, agreements, claims and monitoring activities.
- The SAP ERP system in which financial objects that are relevant for the financial execution of the grants management process are stored. This includes budgets, commitments, payments, etc.

A common user interface (UI) guides users transparently to information in the SAP Grantor solution.

SAP Grantor is the integration of the SAP CRM and SAP ERP solutions, represented in the following data model:



FM = Funds Management
FI-AP/AR = Accounts Receivable/ Accounts Payable

The SAP NetWeaver BI component provides relevant functionality for Grants Management for analysis and reporting capabilities. The SAP NetWeaver Business Intelligence (SAP NetWeaver BI) component, which comes with specific configuration and data warehouse content, is delivered by SAP and seamlessly integrates with the SAP CRM component.

Agreement

It is a Business transaction that contains the conditions under which a grantor agency awards a grant to a grantee.

The agreement always needs an application as a preceding document, which means that the agreement will only be created from the application.

Once an agreement has been created, you will not be able to change the items and amounts in the application.

When the agreement is approved, an automatic budget check will be performed and a funds commitment in ERP Funds Management will be created.

Structure

As with all business transactions, the agreement consists of header and item data.

Header:

- Date
- External reference Number
- Internal reference number [Configure]

- Transaction type
- Organization
- Grantee and Employee responsible
- Linked Grantor Program/Application
- Status
- Attachments
- Notes

Item:

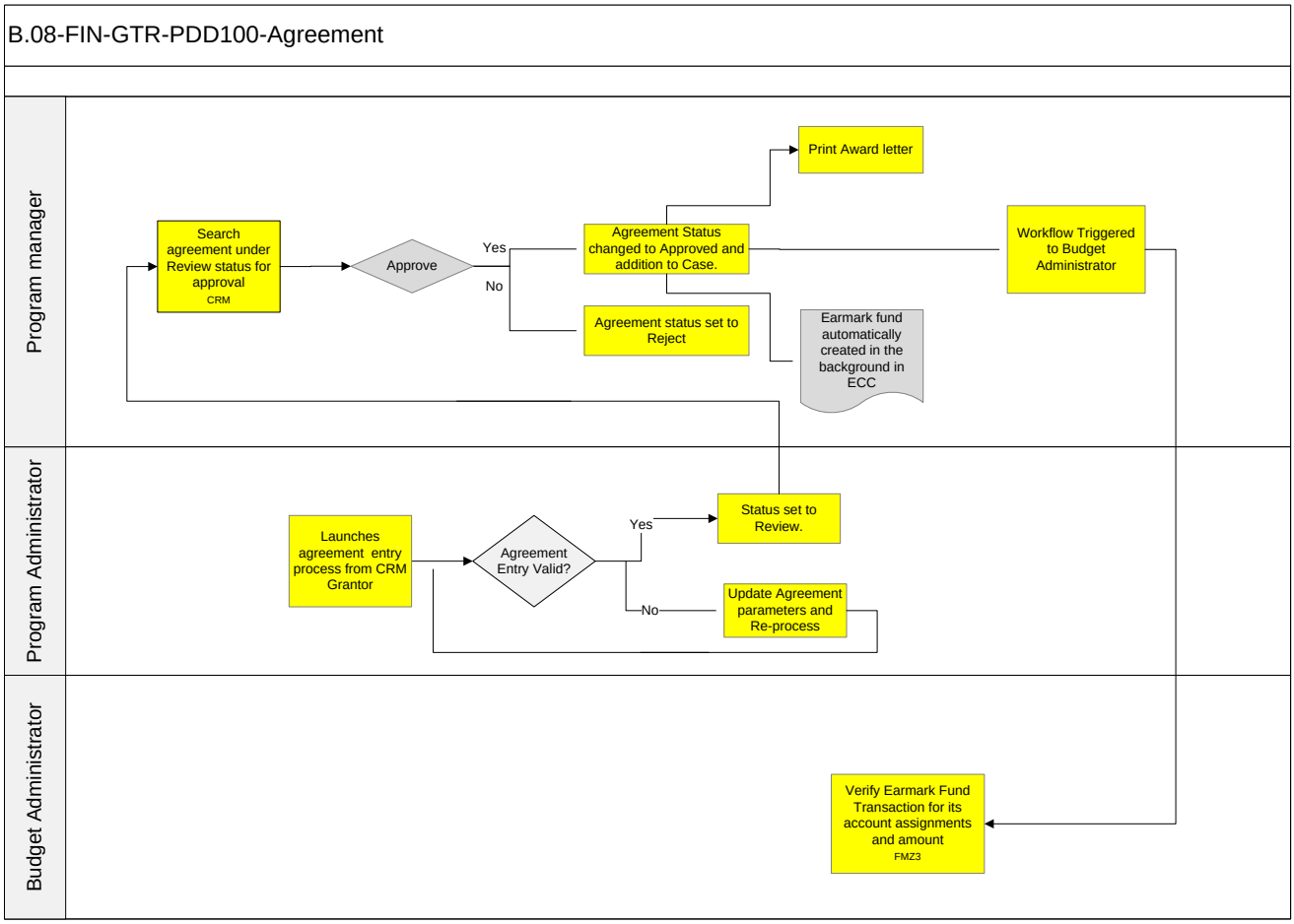
- Payment type [Advance/Payment/Re-Payment]
- Expenditure category
- Authorized Amount
- Dates

Integration

The LaGov Grantor agreement is integrated with:

- Activity management for monitoring.
- ERP Funds Management for budget.
- Case management for resolving disputes.

To-Be Process Flows



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	Approval process for Agreement happens at the Agency and OCR level.	Agreement needs to be submitted for approval to the respective program agency and also to the OCR. OCR is not a program agency but since they are part of the agreement approval process, a business role and a security role needs to be created.	Program administrator/manger needs to train on Agreement business process which includes the creation and approval.
2	Workflow notification for OCR personnel regarding the approval of Agreement.	This process is mandatory as the OCR approval for certain grantor agreements are by state statute. There could be delay for OCR to confirm due to backlog or need for more information. Offline communication between program agency and OCR like Phone/E-mail may be needed to speed up the process in case it is delayed.	Training for OCR personnel to display Grantor Agreement and approve the same.

3	Standard Status profile to control GTR agreements.	This will pave for uniform Agreement life cycle across all agencies.	Standard statuses must be updated accordingly to reflect the current agreement status. Program administrator needs to be trained on the agreement business process.
4	Agreement needs to be part of case management.	This will enhance the agency administration considerably in resolving disputes with respect to the Grantee by having all the Grantor information in one Case.	Program administrator can see all Grantor related information in one screen and thus paves way for easy access of information.
5	Workflow notification to FI office for the verification of Earmark fund.	This eliminates a paper form to be submitted by Program Agency to FI office.	FI office needs to be trained on Earmarked fund verification process and workflow functionality.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified		

Identified Development Objects (FRICE-W)

F – Forms	Master List of Current and Future State Forms: <Supported Process>						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Standard Agreement letter	Vendor needs to Sign the Agreement	X	X			SAP smart form

R – Reports	Master List of Current and Future State Reports: <Supported Process>						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified		X	X			

I – Interfaces	Master List of Current and Future State Interfaces: <Supported Process>						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified						

C - Conversions	Master List of Future State Data Conversions: <Supported Process>						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Agreement	All converted Grantor program agreements will be migrated.	Spreadsheet, Logan	SAP	True statistical picture of Grantor program		

Note: *At the time of writing this report there is no agreed vision or strategy yet on the upload of life-to-date data currently residing in AFS, LOGAN or any other existing system to the "to-be" SAP Grantor solution (CRM and ERP components).*

E – Enhancements		Master List of Future State Enhancements: <Supported Process>			
No.	**Type of Enhancement**	**Details**	**Target of Enhancement (Gap)**	**Justification**	**Comments**
1.	Agreement BADi Implementation	CRM_ISPS_GAG		Validation of Agreement including Funds Availability	
2.	Action	Printing of Agreement letter		Printing of Agreement letter	
3.	Middleware	Creation of Earmark Fund in ECC		Funds commitment creation	

W – Workflow		Master List of Future State Workflow Events: <Supported Process>	
No.	**Description**	**Justification**	**Comments**
1.	Need for OCR Approval notification	OCR needs to approve certain agreements as part of Current law/statute.	
2.	Notification to FI office to review Earmark fund.	Program office and FI office may not be in the same location.	

Gaps

Gaps		Master List of Future Gaps: <Supported Process>	
No.	**Description of Gap**	**Why Gap Exists?**	**Impact / Comments**
1.	None identified		

Security & Enterprise Role Definitions

Authorizations		Master List of Future State Roles/Authorizations: <Supported Process>		
No.	**Role**	**Description**	**Strategy**	**Special Considerations**
1.	Program Administrator	Program Responsible	Individual creating the Agreement in CRM	
2.	Program Approver	Program Approver	Employee approving the Agency Grant Agreement	
3.	OCR Approver	OCR Approver	OCR must approve certain agreements.	
4.	FI Approver	Earmark Fund Approver	Employee approving Earmark fund document in ECC	

Organizational Impact

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	Training impact	New Functionality	The Agencies that implement the SAP Grantor Solution will have to undergo the User Training for all Grants Administration.
2.	Grantor agreement creation	The agencies will need to undergo training on the SAP grantor solution to create Grantor agreements. This will be very different than they are accustomed to. Currently most agencies store Grantor Agreements (Contracts) in CFMS.	The Program agencies will need to undergo training on the SAP grantor solution to create Grantor agreement.
3.	Grantor agreement approval process	New Functionality	Agencies will have to determine who will create and approve agreements. The approver needs to set aside time for agreement approval. The system will also allow agencies to designate a single employee as both creator and approver.
4.	OCR agreement approval process	New Functionality	OCR need to login to CRM Grantor system to approve the agreements.

Training Impact

- Grantor Program administrator at the individual agency will be responsible for creation and resolving disputes of Grantor agreement.
- OCR will approve certain agreements within the CRM Grantor framework.
- Grantor program manager at the individual agency will be responsible for approving the agreement.
- Grantor FI administrator will be responsible for reviewing Funds commitment and making sure all the account assignments and the amount are valid.

Appendix

Not Applicable

12. Real Estate

Team:	Finance – Real Estate
PDD Name:	RE Master Data
PDD Number:	FIN-RE-PDD010-RE Master Data
Business Process Owner:	John Davis / Lloyd Scallan
Functional Lead:	Sue Wheeler
Functional Consultant:	Peter Tabone

Executive Summary

This document is the Business Blueprint for the management of real estate at the State of Louisiana.

The real estate business processes of the state span the entire real estate lifecycle - from the acquisition of land (parcels) and buildings, the leasing of land (parcels) and buildings, the design and construction of new buildings, the maintenance of owned and leased buildings, the insuring of buildings, to the disposal of surplus land (parcels) and buildings.

It is important to note that the support of end-to-end real estate lifecycle processes in SAP does not occur entirely within the SAP Real Estate Management (RE-FX) module. It requires the use of various other application modules, such as SAP Investment Management (IM), SAP Plant Maintenance (PM), SAP Project Systems (PS), SAP Materials Management (MM), SAP Case Management (RCM), etc. Where required, customer specific fields are created for the capture of additional information (such as insurance related data). Currently IM and RCM are not in scope.

This document provides an overview of the proposed design for the State's "to-be" real estate business processes and the SAP Real Estate Management (RE-FX) functionality required to support them. The focus of this document is on the **master data management and partner management processes** delivered standard with SAP Flexible Real Estate Management as part of SAP ECC 6.0.

The goal of implementing RE-FX is to provide the state with a single source of real-time and historical data that is integrated through-out the entire enterprise and which provides the state with real-time visibility and reliable reporting of their property portfolio.

Currently, the existing legacy systems to be replaced by SAP are as follows:

Department: Division of Administration

a. SLABS (State Land and Building System)

   This inventory system maintains data relative to the fixed immovable property in which the State of Louisiana has a surface interest. It does not contain data relative to tax adjudicated lands, state-owned water bottoms, some state-owned dried lake beds, state highway/road rights-of-way, major infrastructure such as roads, bridges, dams, etc., Section 16 School Land, levee board properties, the properties of some state boards and commissions, and any lands in which the state retains only a mineral interest.

b. REELS (Real Estate Leasing System)

The REELS subsystem (of SLABS) is utilized by Facility Planning & Control (FPC) to maintain and track leases and sub-leases in both state-owned and non-state-owned buildings.

c. STAMPS (State Agency Movable Property System)

The STAMPS subsystem (of SLABS) is utilized by Office of Risk Management (ORM) to track property exposure values for insurance purposes.

Agency: Department of Transportation and Development

a. PPMS (AARS) Program & Project Management System (Appraisal, Acquisition & Relocation System)

The PPMS system schedules and manages DOTD projects during the pre-construction phase of the transportation lifecycle. The AARS subsystem (of PPMS) is utilized by DOTD to automate the process of Right-of-Way acquisitions on highway related projects.

The table below provides a summary of the SAP modules required to replace the legacy systems as identified above.

No.	Legacy System	SAP Component (Module)	Comments
1.	SLABS	SAP Real Estate Management (RE-FX)	Create land (parcel) records in RE-FX Create building records in RE-FX
2.	REELS	SAP Real Estate Management (RE-FX)	Create real estate contracts in RE-FX
3.	STAMPS	No SAP module available	Relevant fields will be added to a building master record in RE-FX. This, together with building related data captured in RE-FX will be used for insurance calculations according to Marshall & Swift.
4.	PPMS (AARS)	SAP Real Estate Management (RE-FX)	Once the acquisition process has been completed, the newly acquired land (parcel) will be created in RE-FX. Note: Consideration is currently underway to use SAP Case Management (RCM) to meet those requirements of AARS that cannot be met by RE-FX

The development of this document was based upon information and requirements gathered during the master data design workshop as well as a number of follow-up meetings with agencies and their internal departments.

To-Be Process Description

Measurement Types

Measurement types will be used to record measurable attributes of real estate objects. They will represent all quantifiable attributes, such as space (area), dimensions, volume, capacity or a number count - according to a unit of measure, such as square feet, cubic feet, acres, number of persons, etc.

They will also be used to calculate payable and receivable rent (based upon a unit rate multiplied by the area occupied), to define available, rentable and occupied space, to distribute costs, and for cost or revenue controlling analysis (metric reporting).

The following measurement types will be created for the State. They are in accordance with what is being used in SLABS and which conforms to BOMA standards.

Note: This list is not final. Additional measurement types may be identified during the Realization Phase of the project.

MeasType	Short Measurement Type Desc	Total	Area Ms.	Dflt .Unit	Allow. Site	Allow. Land	Allow. Rental Object	Allow. Bldg	Allow. Contrct
A100	Gross Building Area		X	FT2	X			X	
A200	Rentable Area		X	FT2	X		X	X	X
A300	Useable Area		X	FT2	X		X	X	X
A400	Total Flood Area		X	FT2				X	
A500	Flood Area (Ground Level)		X	FT2			X	X	
A600	Flood Area (Basement)		X	FT2			X	X	
A700	Land (Parcel) Area		X	FT2	X	X	X		X
A800	Land (Parcel) Area		X	Acre	X	X	X		X
A900	Land (Parcel) Area		X	Arpents	X	X	X		X
A710	Land (ROW) Area		X	FT2	X	X	X		X
A810	Land (ROW) Area		X	Acre	X	X	X		X
A910	Land (ROW) Area		X	Arpents	X	X	X		X
B100	Gross Roof Area		X	FT2	X			X	

Total Measurements

Total measurements will be used to derive sub-totals of user-defined measurement types. This capability will be used to determine the total flood areas of buildings for insurance purposes. The total flood area of a building is the sum of the ground floor area and the basement areas that are subject to flooding. All floors on ground level and below are assumed to be subject to flood.

The following Total Flood Area will be set up using the Total Measurements functionality.

Source Meas. Type	Source Name	Total Meas. Type	Total Name	Num.	Denom.
A500	Flood Area (Ground Level)	A400	Total Flood Area	1	**1**
A600	Flood Area (Basement)	A400	Total Flood Area	1	1

Master Data Management

SAP Real Estate Management provides two different views of real estate portfolios - the Architectural View and the Usage View.

The Architectural View is an optional view that is company code independent. It provides an architectural structure that represents the physical structure of a building. It is a user-defined hierarchical structure that is named according to an organization's specific nomenclature for the real estate objects they wish to represent, such as buildings, parts of a building, wing, floors, parts of a floor, rooms in a building, rooms on a floor, tower structures, linear structures, land parcels etc. These real estate objects are referred to as Architectural Objects (AO).

The Usage View (UO) is company code dependent. It is oriented top down with the Business Entity (BE) as the top node. Buildings (BU) and Land (PR) are subordinate objects that are further sub-divided into Rental Objects (RO), and which consist of Pooled Spaces (PS), Rental Spaces (RS), and Rental Units (RU). All real estate objects that make up this view are controlling objects. This means that both costs and revenues can be posted to these real estate objects. The Usage View is mandatory and cannot be changed or realigned.

These two views will be assigned to each other. There will be a 1:1 assignment between the Site (AO view) and the Business Entity (UO view), as well as between the respective land and building real estate objects. The usage objects (BE, BU, and PR) will be created from the existing / previously created architectural objects (Site, Land, and Building). The UO's will adopt the measurements of the assigned architectural objects (AO's). This will be done by the system copying the measurements from the architectural objects to the usage objects.

Architectural View

The Architectural View supplements the master data of the Usage View and is recommended in the following cases:

- There is a need to enter detailed information about the architectural structure, such as rooms or floors in a building (i.e. information that is not needed in the usage view).
- The usage of the objects changes frequently. In this case, the architectural view remains constant and new usage objects are created as needed.
- There is a need to reflect special architectural considerations.
- There is a need to generate functional locations automatically in PM or alternatively, once functional locations are created in PM, to link to a real estate object - in which case, the architectural view will better represent (on a 1:1 basis) the technical view of the building.
- There is a need to make use of the functionalities released with Enhancement Pack 2, such as, occupancy and move management, room reservations etc.
- There is a need to link to an external CAD/CAFM graphical system.
- There is a need for SAP's Graphical Space Management Solution

There are currently no business requirements for the state to implement the architectural view.

However, should the state at any time in the future decide to utilize functionality that is dependent upon the architectural view, the architectural view will need to be created and linked to the usage view. The assignment of the two views to each other is standard functionality. In the event the architectural view is only created when required, the end-user will need to ensure that the measurements for the real estate objects in the architectural view (site, land, building) are identical to the measurements in the usage view before the manual link/assignment is made. This is because the system always copies the measurements from the architectural objects to the usage objects.

To eliminate the risk of the usage objects' measurements from being overwritten by the architectural objects' measurements (that have, perhaps, not been maintained correctly), the state will create the architectural objects at the onset. In other words, the state will create the architectural objects first. This will be followed by the usage objects that will be created with reference to these architectural objects.

Architectural Object Types

The following user-defined architectural object types will be configured for the state. This table defines the different and distinct architectural levels or elements that the state will use to define their property portfolio (land and buildings). The table also defines their relationships to each other. The assignment of architectural objects to usage objects and their corresponding screens is also shown.

AO Type	Name of AO Type	AO=BE	AO=BU	AO=PR	Top Lvl	Global NA	Hi Level Obj Type	Screen
01ST	Site	X			X	X		**ZREAO**
03BU	Building		X				01ST	**ZREAOBU**
03LD	Land			X			01ST	**ZREAOPR**
04FL	Floor						03BU	**ZREAOFL**
04LP	Land Parcel						03LD	**ZREAO04**
05RM	Room						04FL	ZREAO05

Allowed Object Type Hierarchy

The architectural object types will also be assigned as higher-level object types (parent object types) within the hierarchy as follows:

Arch.Obj.Type	Name of AO Type	Hi Level Obj Type	Hi Level Obj Type Name
03BU	Building	01ST	**Site**
03LD	Land	01ST	**Site**
04FL	Floor	03BU	**Building**
04LP	Land Parcel	03LD	**Land**
05RM	Room	04FL	Floor

Rules for Determining Object ID

The following rules will be established for generating system-wide, unique architectural object ID's from the architectural object code (AOID code). The architectural object ID is assigned hierarchically. This means that a new architectural object ID contains the architectural object ID of the object above it in the hierarchy. This code can be separated by a separator (such as a slash or hyphen). These rules specify the maximum length of the architectural object type. If the object is used in an automatic numbering sequence, the separator allows for easy identification of a segment of the number.

Name of AO Type	Max	Default	Use	Separator	From AONR
Site	6		X	-	**X**
Building	5		X	-	**X**
Floor	2		X	.	**X**
Room	2		X		**X**
Land	5		X	.	**X**
Land Parcel	3		X	.	X

The maximum length of the architectural object types indicated above is not final. These lengths may be revised during the Realization Phase.

Screen Sequence

A custom screen sequence will be created for the site (ZREAO), building (ZREAOBU), property (ZREAOPR), floor (ZREAO04), and room (ZREAO05) levels. The SAP standard screens will be used as a basis for these screens (using standard views). No enhancement is required to create these screens.

Screens will be simplified by hiding fields and views (specific to the architectural object) that are not needed.

This will help end-user training and improve usability as only state relevant fields will be visible.

ZREAO (Site)

Item	Screen	Screen Title	Description	Comments
100000	REAO01	Initial Screen	Initial Screen	
200000	REAO02	General Data	General Data	
300000	REAO03	Number Assignment	Number Assignment	
400000	REAO04	Additional Data	Additional Data	**Hide**
500000	REAO05	Land	Land	**Hide**
600000	REAO06	Buildings	Buildings	**Hide**
700000	REAO07	Dates	Dates	**Hide**
800000	REAO87	Partners	Partners	
900000	REAO81	Measurements	Measurements	
1000000	REAO74	Infrastructure	Infrastructure	**Hide**
1100000	REAO75	Fix/Fitt. Chars.	Fix/Fitt. Chars.	**Hide**
1300000	REAO90	Assignments	Assignments	
1400000	REAO92	Usage	Usage	
1500000	REGI01	CAD	Graphical Integration	**Hide**
1600000	REAO85	Supplementary Texts	Supplementary Texts	
1700000	REAO97	Reminders	Reminders	
1800000	REAO9V	Overviews	Overviews	
1900000	**AOIT00**	**ICI Data**	**ICI Data**	**Hide**

ZREAOBU (Building)

Item	Screen	Screen Title	Description	Comments
100000	REAO01	Initial Screen	Initial Screen	
200000	REAO02	General Data	General Data	**Hide "Function"**
300000	REAO03	Number Assignment	Number Assignment	
400000	REAO04	Additional Data	Additional Data	**Hide "Location" stage** **Hide "Maintenance distr."**
600000	REAO06	Buildings	Buildings	
700000	REAO07	Dates	Dates	**Hide all except "Ready for Occupancy" and "Const. Year"**
800000	REAO87	Partners	Partners	
900000	REAO81	Measurements	Measurements	
1100000	REAO75	Fixt/Fitt. Char.	Fixt/Fitt. Char.	
1300000	REAO90	Assignments	Object Assignments	
1400000	REAO92	Usage	Usage	
1500000	REGI01	CAD	Graphical Integration	**Hide**

Item	Screen	Screen Title	Description	Comments
1600000	REAO85	Supplementary Texts	Supplementary Texts	
1700000	REAO97	Reminders	Reminders	
1800000	REAO9V	Overviews	Overviews	

ZREAOPR (Property)

Item	Screen	Screen Title	Description	Comments
100000	REAO01	Initial Screen	Initial Screen	
200000	REAO02	General Data	General Data	
300000	REAO03	Number Assignment	Number Assignment	
400000	REAO04	Additional Data	Additional Data	**Hide**
600000	REAO05	Land	Land	**Hide "Building Law" stage except for "Current Usage"** **Hide "Permitted Usage" stage** **Hide "Actual Usage" stage** **Hide "Ground type" and "Overall condition"**
700000	REAO07	Dates	Dates	**Hide**
800000	REAO87	Partners	Partners	**Hide**
900000	REAO81	Measurements	Measurements	
1300000	REAO90	Assignments	Assignments	
1400000	REAO92	Usage	Usage	
1500000	REGI01	CAD	Graphical Integration	**Hide**
1600000	REAO85	Supplementary Texts	Supplementary Texts	
1700000	REAO97	Reminders	Reminders	
1800000	REAO9V	Overviews	Overviews	

ZREAO04 (Floor)

Item	Screen	Screen Title	Description	Comments
100000	REAO01	Initial Screen	Initial Screen	
200000	REAO02	General Data	General Data	
300000	REAO03	Number Assignment	Number Assignment	
800000	REAO87	Partners	Partners	
900000	REAO81	Measurements	Measurements	
1100000	REAO75	Fix/Fitts. Char.	Fix/Fitts. Char.	
1300000	REAO90	Assignments	Assignments	
1400000	REAO92	Usage	Usage	
1500000	REGI01	CAD	Graphical Integration	**Hide**
1600000	REAO97	Reminders	Reminders	
1700000	REAO9V	Overviews	Overviews	

ZREAO05 (Room)

Item	Screen	Screen Title	Description	Comments
100000	REAO01	Initial Screen	Initial Screen	
200000	REAO02	General Data	General Data	
300000	REAO08	Additional Data	Additional Data	
500000	REAO87	Partners	Partners	
800000	REAO81	Measurements	Measurements	
900000	REAO75	Fix/Fitts. Char.	Fix/Fitts. Char.	
1100000	REAO90	Assignments	Assignments	
1300000	REAO92	Usage	Usage	
1400000	REAO95	Continuous Occupancy	Permanent Occupancy	**Hide**
1500000	REGI01	CAD	Graphical Integration	**Hide**
1600000	REAO97	Reminders	Reminders	

Functional Classifications

Functions will be assigned to an architectural object to help further classify the object type. This classification will be useful as a selection when running reports. It is informational only. The functional assignment made to an architectural object can be changed at any time.

This classification will only be used at the room level on a floor. This is in order to distinguish the function of that room.

Note: This list is not conclusive. Should the state in the future decide to use functionality that requires master data to be created below the floor level, such as rooms, this table will need to be updated.

Arch Ob Type	Arch Object Name	Function	Long Function Name	Short Function Name
05RM	Room	1	Office	**Office**
05RM	Room	2	Cubicle / Workstation	**Cubicle / Workstation**
05RM	Room	3	Conference Room	**Conference Rm**
05RM	Room	4	Mail / Printer Room	**Mail / Printer Room**
05RM	Room	5	Common Room	Common Room

Plant Maintenance (PM) Integration

The integration of RE-FX to PM is standard delivered functionality. Real estate objects in RE-FX are represented as functional locations in PM. These functional locations are assigned to real estate objects in RE-FX manually or automatically.

The automatic creation of functional locations (from RE-FX) will be considered during the Realization Phase. This is because of PM's preference for creating functional locations (FL) according to an edit mask of their choosing and not having a different looking edit mask that is automatically generated from RE-FX.

PM will be maintaining functional locations at the site, building, and floor levels only. They have no requirement to expand functional locations to lower levels, such as rooms on a floor. This is in line with the current approach of the state for the management of real estate - by only creating the site, building, and floors as architectural objects. There will be a 1:1 relationship between PM and RE-FX for these architectural objects.

In the event that the assignment is manual, PM will be responsible for notifying the appropriate person responsible for maintaining real estate master data of the functional location that is to be assigned to a specific site and building in RE-FX.

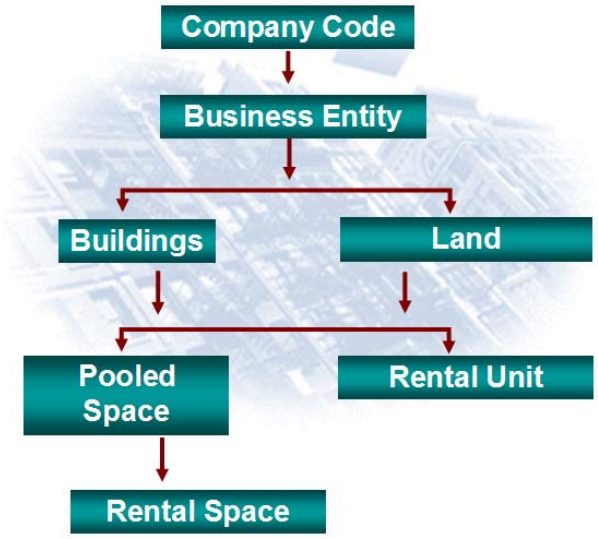
The integration of PM and RE-FX will allow the user to create notifications or work orders directly from within that real estate object's master data.

Usage View

The Usage View is company code dependent. All real estate objects that make up this view are controlling objects. This means that both costs and revenue can be posted to these real estate objects. The Usage View, as shown, is mandatory and cannot be changed or realigned.

The Usage View is top-down oriented. The Business Entity (BE) is the top node. Buildings (BU) and Land (PR) are at a level below the BE. They are further sub-divided into Rental Objects (RO), namely, Pooled Spaces (PS), Rental Spaces (RS), and Rental Units (RU).

The real estate objects from the Usage View will be mapped to the state's sites and buildings on a 1:1 basis as follows.

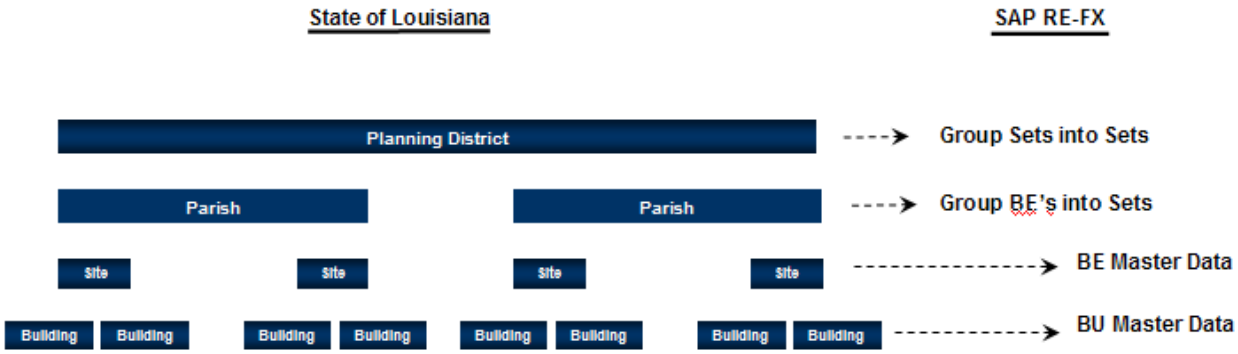


Business Entity (BE)

A Business Entity is a grouping characteristic that is used for a real estate object. It is a logical grouping of individual real estate objects that is grouped according to their economic (business) purpose or geographical location. It represents the smallest unit of common interest of a real estate cluster and managed as such. It typically consists of one campus or one location and is comprised of one or more buildings and one or more land records. A BE can have any number of buildings and/or land objects assigned.

The BE is uniquely assigned to one company code and cannot be reassigned to another company code at a later date. The BE is also subject to the same tax jurisdiction. The number ranges of buildings, land, and rental objects are unique within the BE. The system automatically creates a business entity as an internal Controlling object (i.e. an account assignment object).

The state will use the Business Entity to represent its Sites. Planning Districts and Parishes will be characteristics of the Business Entity (BE). They will be grouped into user-defined Sets for reporting purposes, as illustrated below.



Numbering Convention

The SAP system requires that you specify how number assignment is to be handled for usage objects (for the company code). Two options are available (SAP standard):

1. For internal number assignment, the system counts upward sequentially starting from a pre-defined (configured) number, and…
2. For external number assignment, you specify the number range that is available when you create the usage object

Based upon an in-depth evaluation of the options available for the state, the decision was made to use numbers that are internally assigned by the system. This is a non-intelligent numbering convention that is aligned with best-of-business practice, one in which system numbers are separate from the characteristics of that real estate object. Characteristics are, instead, captured as master data, such as state owned or non-state owned, building insured or not.

The use of a non-intelligent numbering convention is contrary to how the state currently numbers their sites and buildings in SLABS. Intelligence is currently built-in, as can be seen from the table below:

Ownership	Insurance	Building State ID Number	Site Code Number
State owned building	Building is insured	S12345	**2-17-057**
State owned building	Building is not insured	S54321	**2-17-057**
Non-state owned building	Building is insured	L67891	**2-17-057**
Non-state owned building	Building is <u>not</u> insured	L45679	2-17-

There are three parts to a “Site Code Number” in SLABS:

- The first part of a “Site Code Number” is a single digit number which identifies the Site Planning District in which the site/building is located.
- The second part of a “Site Code Number” is a two digit number which identifies the Parish in which the site/building is located.
- The third part is the Site Sequence Number - which is a number assigned numerically within a Parish as each site is created and set up in that Parish.

Similarly, the building's “State ID Number” in SLABS is comprised of two parts:

- The first part is the building Lease/Own Indicator - "S" means state owned and "L" means leased to the state. "L" also means a non-state owned building where the state is responsible to insure the building structure.
- The second part is the ID number - which is a five digit number series automatically assigned by SLABS.

"S" buildings and insured "L" buildings are required to be linked to the full Site Code Number of the site/facility upon which they are located. Uninsured "L" buildings are required to only have a partial Site Code Number comprised of the Planning District number and the Parish code number. The Site Sequence number is left blank.

The decision to assign numbers internally and not to replicate the legacy numbering convention (which would require a major enhancement), was based upon the following considerations:

- A site can be state owned or non-state owned
- A building can be state owned or non-state owned
- A building that is state owned can be constructed on a site that is state owned.
- A building that is state owned can be constructed on a site that is non-state owned.
- A building that is non-state owned can be constructed on a site that is state owned
- A building that is non-state owned can be constructed on a site that is non-state owned.
- The state can insure a state-owned building that is situated upon a site that is state owned.
- The state can insure a state-owned building that is situated upon a site that is non-state owned.
- The state can insure a non-state-owned building situated upon a site that is state owned.
- The state can insure a non-state-owned building situated upon a site that is non-state owned.
- The insurance of a state-owned building and a non-state-owned building can change from being insured to not being insured.
- The insurance of a state-owned building and a non-state-owned building can change from not being insured to being insured.

Note: Custom fields will be created that will allow legacy "Site Code Numbers" and "Building State ID Numbers" to be captured in SAP as part of the standard BE and BU master data. The SAP Search capability will also be enhanced to allow the end-users to search for their sites and buildings by the legacy numbers that they are familiar with; this is an addition to the standard search capabilities of SAP.

Regional Locations

This is a standard SAP field that is used to help classify sites into general geographic areas. This enables the interrogation of reports by regional location.

The State of Louisiana has 9 Planning Districts and 64 Parishes. Each Planning District consists of a number of Parishes. The relationship of which Parish belongs to which Planning District is predetermined and permanent.

SAP will be configured to accommodate the relationship of Planning District to Parishes, as well as capture Parishes and Planning Districts separately.

The following three SAP fields have been identified and will be used:

- Regional Location (to capture Planning District / Parish)
- Location (to capture Planning District)
- Maintenance District (to capture Parish)

Note: The state has a preference for the descriptions of these three fields to be changed. Name changes will result in an enhancement. This will be subject to further investigation during the Realization Phase.

The following "Regional Locations" (Planning Districts / Parishes) will be configured in SAP:

Reg. Location ID	Regional Location Long Text
1-26	**New Orleans / Jefferson**
1-36	**New Orleans / Orleans**
1-38	**New Orleans / Plaquemines**
1-44	**New Orleans / St. Bernard**
1-52	**New Orleans / Tammany**
2-03	**Baton Rouge / Ascension**
2-17	**Baton Rouge / East Baton Rouge**
2-19	**Baton Rouge / East Feliciana**
2-24	**Baton Rouge / Iberville**
2--32	**Baton Rouge / Livingston**
2-39	**Baton Rouge / Pointe Coupee**
2-46	**Baton Rouge / St. Helena**
2-53	**Baton Rouge / Tangipahoa**
2-59	**Baton Rouge / Washington**
2-61	**Baton Rouge / West Baton Rouge**
2-63	**Baton Rouge / West Feliciana**
3-04	**Houma / Assumption**
3-29	**Houma / Lafourche**
3-45	**Houma / St. Charles**
3-47	**Houma / St. James**
3-48	**Houma / St. John**
3-55	**Houma / Terrebonne**
4-01	**Lafayette / Acadia**
4-20	**Lafayette / Evangeline**
4-23	**Lafayette / Iberia**
4-28	**Lafayette / Lafayette**
4-49	**Lafayette / St. Landry**
4-50	**Lafayette / St. Martin**
4-51	**Lafayette / St. Mary**
4-57	**Lafayette / Vermilion**
5-02	**Lake Charles / Allen**
5-06	**Lake Charles / Beauregard**
5-10	**Lake Charles / Calcasieu**
5-12	**Lake Charles / Cameron**
5-27	**Lake Charles / Jefferson Davis**
6-05	**Alexandria / Avoyelles**
6-13	**Alexandria / Catahoula**
6-15	**Alexandria / Concordia**
6-22	**Alexandria / Grant**

Reg. Location ID	Regional Location Long Text
6-30	**Alexandria / Lasalle**
6-40	**Alexandria / Rapides**
6-58	**Alexandria / Vernon**
6-64	**Alexandria / Winn**
7-07	**Shreveport / Bienville**
7-08	**Shreveport / Bossier**
7-09	**Shreveport / Caddo**
7-14	**Shreveport / Claiborne**
7-16	**Shreveport / Desoto**
7-31	**Shreveport / Lincoln**
7-35	**Shreveport / Natchitoches**
7-41	**Shreveport / Red River**
7-43	**Shreveport / Sabine**
7-60	**Shreveport / Webster**
8-11	**Monroe / Caldwell**
8-18	**Monroe / East Carroll**
8-21	**Monroe / Franklin**
8-25	**Monroe / Jackson**
8-33	**Monroe / Madison**
8-34	**Monroe / Morehouse**
8-37	**Monroe / Quachita**
8-42	**Monroe / Richland**
8-54	**Monroe / Tensas**
8-56	**Monroe / Union**
8-62	**Monroe / West Carroll**
9-65	Out of State

Location

This is a standard SAP field that is used to help classify Regional Locations into smaller geographic areas, such as a location or town. The following “Locations” (Planning Districts) will be configured in SAP:

Location	Business Entity Location
1	**New Orleans**
2	**Baton Rouge**
3	**Houma**
4	**Lafayette**
5	**Lake Charles**
6	**Alexandria**
7	**Shreveport**
8	**Monroe**
9	Out of State

Maintenance District

This field will be used to represent the State's Parishes. The following "Maintenance Districts" (Parishes) will be configured in SAP:

MDist	Maintenance Distr.	MDist	Maintenance Distr.
1	Acadia	33	**Madison**
2	Allen	34	**Morehouse**
3	Ascension	35	**Natchitoches**
4	Assumption	36	**Orleans**
5	Avoyelles	37	**Ouachita**
6	Beauregard	38	**Plaquemines**
7	Bienville	39	**Pointe Coupee**
8	Bossier	40	**Rapides**
9	Caddo	41	**Red River**
10	Calcasieu	42	**Richland**
11	Caldwell	43	**Sabine**
12	Cameron	44	**St. Bernard**
13	Catahoula	45	**St. Charles**
14	Claiborne	46	**St. Helena**
15	Concordia	47	**St. James**
16	Desoto	48	**St. John the Baptist**
17	East Baton Rouge	49	**St. Landry**
18	East Caroll	50	**St. Martin**
19	East Feliciana	51	**St. Mary**
20	Evangeline	52	**St. Tammany**
21	Franklin	53	**Tangipahoa**
22	Grant	54	**Tensas**
23	Iberia	55	**Terrebonne**
24	Iberville	56	**Union**
25	Jackson	57	**Vermilion**
26	Jefferson	58	**Vernon**
27	Jefferson Davis	59	**Washington**
28	Lafayette	60	**Webster**
29	Lafourche	61	**West Baton Rouge**
30	Lasalle	62	**West Caroll**
31	Lincoln	63	**West Feliciana**
32	Livingston	64	**Winn**
		65	Out of State

Enhancement: Custom Field (BDT) – Business Entity

The following custom field will be created that will allow legacy "Site Code Numbers" to be captured in SAP as part of the standard BE master data. The preference is to have this field located on the standard "Reference Factors" tab and added to the "Location" stage. The creation of this field will be an enhancement.

Legacy Site Code Number

The SAP Search capability will also be enhanced to allow the end-users to search for their sites by the legacy numbers that they are familiar with; this is an addition to the standard search capabilities of SAP.

Screen Sequence

A custom screen sequence (based on standard views) called ZREBE will be used as a basis for a new screen version. Fields and views that will not be needed will be hidden. This will benefit end-user training as only the state-relevant fields will be visible. By simplifying the screens, usability will also be improved.

ZREBE

Item	Screen	Screen Title	Description	Comments
1	REBE00	Initial Screen	Initial Screen	
2	REBE02	General Data	General Data	
3	REBE03	Reference Factors	Reference Factors	**Hide "Rent Adjustment" and "Default Settlement Variants"**
4	REBE74	Infrastructure	Infrastructure	**Hide**
5	REBE81	Measurements	Measurements	
6	REBE82	Option Rate Methods	Option Rates Methods	**Hide**
7	REBE84	Posting Parameters	Posting Parameters	
8	REBE85	Supplementary Texts	Supplementary Texts	
9	REBE87	Partners	Partners	
10	REBE90	Object Assignments	Assignments	
11	REBE91	Link to Architecture	Architecture	
12	REBE95	Assignments to Contract	Assignments to Contract	
13	REBE97	Date Reminders	Reminders	
14	REBE97V	Overviews (Lists)	Overviews	

System Status

System status will be used to indicate current status of the site. The standard system statuses will be used:

- CRTE – created,
- REL – released, and
- AALK – Account Assignment Lock.

Based on the system status, end users may not be able to perform any activity against the BE, including financial postings. Only business entities that are in the REL system status will be open for financial postings.

User Status

A user status is a status set by the user to complement the system status for a given status object. User statuses will enable the state to extend the control of business processes managed by the system status.

A status of "sold" will be defined for the BE, to indicate that the site has been sold.

Buildings (BU)

The building real estate object in SAP represents any structure that is built upon land as an improvement of that land.

All state owned and non-state owned buildings will be mapped as building real estate objects in SAP.

Number Ranges

Building numbers are company code and Business Entity (BE) dependent. Internally assigned number ranges will be used for buildings. This will apply to all buildings, both state owned and non-state owned.

Naming Convention

The name of the building will be the name as currently found in SLABS. It will be created in UPPERCASE. The validity date of the building will be the date the building was acquired.

Main Usage Type

The main usage type describes the primary purpose of a building. This is a changeable attribute. In the event a building is re-purposed or undergoes major changes, the main usage type can be adjusted.

The main usage types that will be configured for the state will be as follows. The description of the field "Main usage type" will not be changed.

MUsagTyp	Main Usage Type
1	**Agricultural**
2	**Commercial**
3	**Educational**
4	**Government**
5	**Industrial**
6	**Medical**
7	**Military**
8	**Other**
9	**Parking**
10	**Recreational**
11	**Religious**
12	**Residential**
13	**Storage**
14	Transit Stations

Building Type

Building type is used to describe the type of building. The building types that will be configured for the state will be as follows. The description of the field "Building type" will not be changed.

No.	Building Type Long Name
1	**AGR - Barn**
2	**AGR - Chicken coop**
3	**AGR - Farm house**
4	**AGR - Grainery**
5	**AGR - Greenhouse**
6	**AGR - Hay loft**
7	**AGR - Horse mill**
8	**AGR - Other**
9	**AGR - Pigpen or sty**
10	**AGR - Root cellar**
11	**AGR - Shed**

No.	Building Type Long Name
12	AGR - Silo
13	AGR - Stable
14	AGR - Storm cellar
15	AGR - Tide mill
16	AGR - Watermill
17	AGR - Well house
18	AGR - Wind mill
19	COM - Bank
20	COM - Bar
21	COM - Casino
22	COM - Coffee house
23	COM - Convention center
24	COM - Forum
25	COM - Gas station
26	COM - Hotel
27	COM - Market
28	COM - Motel
29	COM - Nightclub
30	COM - Office building
31	COM - Other
32	COM - Restaurant
33	COM - Shopping mall
34	COM - Skyscraper
35	COM - Stock exchange
36	COM - Store
37	COM - Supermarket
38	COM - Warehouse
39	EDU - Amphitheater
40	EDU - Art gallery
41	EDU - Classroom Building
42	EDU - College
43	EDU - Concert hall
44	EDU - Dormitory
45	EDU - Gymnasium
46	EDU - Library
47	EDU - Museum
48	EDU - Other
49	EDU - School
50	EDU - Students' union
51	EDU - University
52	GOV - Capitol

No.	Building Type Long Name
53	GOV - City hall
54	GOV - Consulate
55	GOV - Correctional Institute
56	GOV - Courthouse
57	GOV - Embassy
58	GOV - Fire station
59	GOV - Other
60	GOV - Palace
61	GOV - Parliament
62	GOV - Police station
63	GOV - Post office
64	IND - Brewery
65	IND - Factory
66	IND - Foundry
67	IND - Mill
68	IND - Mining
69	IND - Other
70	IND - Power plant
71	IND - Refinery
72	MED - Clinic
73	MED - Hospice
74	MED - Hospital
75	MED - Other
76	MED - Outpatient facility
77	MIL - Barracks
78	MIL - Blockhouse
79	MIL - Bunker
80	MIL - Castle
81	MIL - Citadel
82	MIL - City gate
83	MIL - Defensive wall
84	MIL - Fort
85	MIL - Fortification
86	MIL - Other
87	MIL - Tower
88	OTH - Aqueduct
89	OTH - Water Tower
90	PRK - Aircraft hangar
91	PRK - Boathouse
92	PRK - Garage
93	PRK - Other

No.	Building Type Long Name
94	REC - Arena
95	REC - Bathhouse
96	REC - Marina
97	REC - Movie theater
98	REC - Opera house
99	REC - Other
100	REC - Other
101	REC - Stadium
102	REC - Symphony
103	REC - Theater
104	REL - Basilica
105	REL - Cathedral
106	REL - Chapel
107	REL - Church
108	REL - Duomo
109	REL - Fire Temple
110	REL - Gurdwara
111	REL - Imambargah
112	REL - Martyrium
113	REL - Mihrab
114	REL - Mithraeum
115	REL - Monastery
116	REL - Mosque
117	REL - Oratory
118	REL - Pagoda
119	REL - Pyramid
120	REL - Shrine
121	REL - Synagogue
122	REL - Temple
123	RES - Apartment block
124	RES - Asylum
125	RES - Condominium
126	RES - Dormitory
127	RES - Duplex
128	RES - House
129	RES - Nursing home
130	STR - Barn
131	STR - Other
132	STR - Shed
133	STR - Storage silo
134	STR - Warehouse

No.	Building Type Long Name
135	**TRN - Airport terminal**
136	**TRN - Bus station**
137	**TRN - Ferry**
138	**TRN - Metro (subway, underground) station**
139	**TRN - Other**
140	**TRN - Signal box**
141	TRN - Train station

Building Condition

The building condition field will be used by the state to classify its buildings according to the International Organization for Standardization (ISO) Classes 1 – 6.

Note: The state has a preference for the descriptions of this field to be changed to "ISO Class." Name changes will result in an enhancement. This will be subject to further investigation during the Realization Phase.

Bl_Cnd	Building Condition
1	**ISO Class 1**
2	**ISO Class 2**
3	**ISO Class 3**
4	**ISO Class 4**
5	**ISO Class 5**
6	ISO Class 6

Enhancement: Custom Fields (BDT) for Building

Custom fields will be created that will allow legacy "Building ID Numbers" to be captured in SAP as part of the standard BU master data, as well as whether the building is state owned or leased.

- Building ID Number
- Building Ownership (drop-down list)
    - a. Owned by the State
    - b. Leased to the State

The preference is to have these fields located on the standard "General Data" tab and added to the "Identification" stage. The creation of these fields will be an enhancement.

The SAP Search capability will also be enhanced to allow the end-users to search for their buildings by either the legacy "Building ID Numbers" that they are familiar with, or with any of SAP's standard search criteria that is available.

Enhancement: Custom Fields (BDT) for Building Insurance

The state is responsible for insuring state owned buildings, and in some cases, is also responsible for insuring non-state owned buildings.

The state currently uses the Marshall & Swift Commercial Estimator to value its property portfolio, i.e. to develop replacement costs and depreciated values of their buildings.

A number of fields are required to support the determination of the buildings' replacement costs. Some of these fields are not delivered as an SAP standard with RE-FX. These fields will be created and grouped under a new "Insurance" tab. The creation of these fields will be an enhancement.

The fields that are required are as follows:

- Building Insurance (drop-down list)
    - a. Building is insured
    - b. Building is not insured
- Flood Zone (drop down list)

A table will be created and entries added (configured) according to FEMA's classification of flood zones. These entries will be available for selection from a drop-down list when setting up the master data for a building. The following FEMA classifications will be configured:

Flood Zone	Flood Zone	Flood Zone	Flood Zone
Zone A	Zone A21	Zone AR/A11	**Zone AR/A**
Zone AO	Zone A22	Zone AR/A12	**Zone VE**
Zone AH	Zone A23	Zone AR/A13	**Zone V**
Zone A1	Zone A24	Zone AR/A14	**Zone B**
Zone A2	Zone A25	Zone AR/A15	**Zone C**
Zone A3	Zone A26	Zone AR/A16	**Zone X (shaded)**
Zone A4	Zone A27	Zone AR/A17	**Zone X (unshaded)**
Zone A5	Zone A28	Zone AR/A18	
Zone A6	Zone A29	Zone AR/A19	
Zone A7	Zone A30	Zone AR/A20	
Zone A8	Zone AE	Zone AR/A21	
Zone A9	Zone A99	Zone AR/A22	
Zone A10	Zone AR	Zone AR/A23	
Zone A11	Zone AR/A1	Zone AR/A24	
Zone A12	Zone AR/A2	Zone AR/A25	
Zone A13	Zone AR/A3	Zone AR/A26	
Zone A14	Zone AR/A4	Zone AR/A27	
Zone A15	Zone AR/A5	Zone AR/A28	
Zone A16	Zone AR/A6	Zone AR/A29	
Zone A17	Zone AR/A7	Zone AR/A30	
Zone A18	Zone AR/A8	Zone AR/AE	
Zone A19	Zone AR/A9	Zone AR/AO	
Zone A20	Zone AR/A10	Zone AR/AH	

- Building Shape (drop down list)

A table will be created and entries added (configured). These entries will be available for selection from a drop-down list when setting up the master data for a building. The following entries will be configured:

Building Shape
Square
Rectangular
Irregular
Very Irregular
Manual Perimeter

In the case of the latter (manual perimeter), two additional fields will be created so that the end-user can enter a value as well as the unit of measure.

- GIS Coordinates

Three fields will be created to capture latitude, longitude and altitude coordinates of a building:

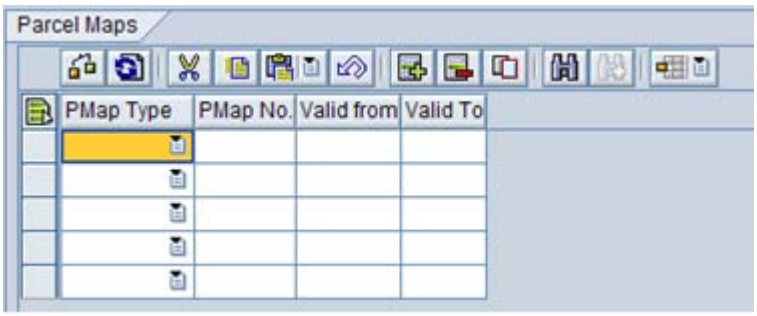
  - a. Latitude
  - b. Longitude
  - c. Altitude
  - d. Date last reading (GIS) (mm/dd/yy)

Note: Initially the state indicated a preference that these fields be uploaded from a handheld device (such as Garmin GPS). More recently, the state has indicated that they would obtain the coordinates from Google Earth, this in order to eliminate the need to travel long distances to wherever buildings are located so as to obtain the readings from a handheld device. This matter will be subject to further investigation during the Realization Phase.

- Coverage Code (drop-down list)
  - a. P10
  - b. P15
  - c. P31
- ORM Area (drop-down list)
  - a. Area 1
  - b. Area 2
  - c. Area 3
  - d. Area 4
  - e. Area 5
  - f. Area 6
  - g. Area 7
  - h. Area 8
  - i. Area 9
  - j. Area 10
- Marshall & Swift Indicator (drop-down list)
  - a. Yes
  - b. No
- Marshall & Swift Occupancy Codes (drop down list)

The following table will be created which will allow the capture of multiple occupancy codes per building. The fields of the table should look similar to the insert below.

Note: The (almost) identical table is currently available in the system for Land Use Management that is localized for Germany. This table allows for the capture of multiple attributes.



Three additional columns will be added to this table. The columns will look as follows (with example). The selection of the Occupancy Code Number will determine the Occupancy Code Description. The remainder of the fields are free text.

Occ.Code No.	Occ. Code Description	Valid From	Valid To	Rate ($/sq.ft)	Percentage
345	Parking Structure	01/01/04		$35.00	80%

The occupancy codes / occupancy code / value per sq.ft descriptions that will be configured in this table (as per Marshall & Swift) will be as follows:

Occ.Code	Marshall & Swift Occupancy Codes	Value per sq.ft
134	Greenhouse, Modified Hoop, Small (under 4,500 square feet)	
135	Greenhouse, Hoop, Arch-rib, Small (under 4,500 square feet)	
136	Greenhouse, Straight Wall, Small (under 4,500 square feet)	
137	Greenhouse, Modified Hoop, Large (over 9,000 square feet)	
138	Greenhouse, Hoop, Arch-rib, Large (over 9,000 square feet)	
139	Greenhouse, Straight Wall, Large (over 9,000 square feet)	
140	Greenhouse, Modified Hoop, Medium (4,500 - 9,000 square feet)	
141	Greenhouse, Hoop, Arch-Rib, Medium (4,500 - 9,000 square feet)	
142	Greenhouse, Straight Wall, Medium (4,500 - 9,000 square feet)	
156	Alternative School	
157	Maintenance Storage Building	
158	Special Education Classrooms	
170	Institutional Greenhouse, Small (under 4,500 square feet)	
171	Institutional Greenhouse, Medium (4,500 - 9,000 square feet)	
172	Institutional Greenhouse, Large (over 9,000 square feet)	
173	Church Educational Wing	
174	Pavilion	
300	Apartment (High Rise)	
301	Armory	
302	Auditorium	

Occ.Code	Marshall & Swift Occupancy Codes	Value per sq.ft
303	Automobile Showroom	
304	Bank	
305	Barn	
306	Bowling Alley	
308	Church with Sunday School	
309	Church	
310	City Club	
311	Clubhouse	
313	Convalescent Hospital	
314	Country Club	
315	Creamery	
316	Dairy	
317	Dairy Sales Building	
318	Department Store	
319	Discount Store	
320	Dispensary	
321	Dormitory	
322	Fire Station, Staffed	
323	Fraternal Building	
324	Fraternity House	
326	Storage Garage	
327	Governmental Building	
328	Storage Hangar	
329	Hangar, Maintenance and Office	
330	Home for the Elderly	
331	Hospital	
335	Jail, Correctional Facility	
336	Laundromat	
337	Library, Public	
338	Loft	
339	Lumber Storage Shed, Horizontal	
340	Market	
341	Medical Office	
342	Mortuary	
343	Motel	
344	Office Building	
345	Parking Structure	
348	Rectory	
349	Fast Food Restaurant	
350	Restaurant	
352	Multiple Residence, Low Rise	

Occ.Code	Marshall & Swift Occupancy Codes	Value per sq.ft
353	Retail Store	
355	Fine Arts and Crafts Building (Elementary and Secondary School)	
356	Classrooms (Elementary and Secondary School)	
357	Commons (Elementary and Secondary School)	
358	Gymnasium (Elementary and Secondary School)	
359	Lecture Classrooms (Elementary and Secondary School)	
360	Library, Media Center (Elementary and Secondary School)	
361	Manual Arts Building (Elementary and Secondary School)	
362	Multipurpose Building (Elementary and Secondary School)	
363	Physical Education Building (Elementary and Secondary School)	
364	Science Classrooms (Elementary and Secondary School)	
365	Elementary School (Entire)	
366	Junior High School (Entire)	
367	Arts and Crafts Building (College)	
368	Classrooms (College)	
369	Commons (College)	
370	Gymnasium (College)	
371	Lecture Hall (College)	
372	Library (College)	
373	Technical Trades Building (College)	
374	Multipurpose Building (College)	
375	Physical Education Building (College)	
376	Science Building (College)	
377	College (Entire)	
378	Stable	
379	Theater, Live Stage	
380	Theater, Cinema	
381	Veterinary Hospital	
383	Tobacco Barn	
384	Barber Shop	
386	Mini Warehouse	
387	Transit Warehouse	
388	Underground Parking Structure	
390	Lumber Storage Building, Vertical	
391	Material Storage Building	
392	Industrial Engineering Building	
393	Labor Dormitory	
394	Transient Labor Cabin	
395	Potato Storage	
396	Hog Barn	
397	Sheep Barn	

Occ.Code	Marshall & Swift Occupancy Codes	Value per sq.ft
398	Fruit Packing Barn	
403	Shower Building	
405	Skating Rink	
406	Storage Warehouse	
407	Distribution Warehouse	
408	Service Station	
409	T-Hangar	
410	Automotive Center	
412	Neighborhood Shopping Center	
413	Community Shopping Center	
414	Regional Shopping Center	
416	Indoor Tennis Club	
417	Racquetball-Handball Club	
418	Health Club	
419	Convenience Market	
420	Bulk Fertilizer Storage	
421	Grain Storage, Utility	
423	Mini-Lube Garage	
424	Group Care Home	
426	Day Care Center	
427	Fire Station (Volunteer)	
428	Horse Arena	
429	Modified Hog Shed	
430	Hog Shed	
431	Outpatient (Surgical) Center	
432	Restroom Building	
434	Car Wash, Self-Serve	
435	Car Wash, Drive-Thru	
436	Car Wash, Automatic	
440	Milkhouse	
441	Cocktail Lounge	
442	Bar/Tavern	
443	Central Bank	
444	Dental Office/Clinic	
446	Supermarket	
447	Cold Storage Facility	
448	Cold Storage, Farm	
450	Cotton Gin	
451	Multiple Residence, Senior Citizen (Low Rise)	
453	Industrial Flex Building	
454	Shell, Industrial Building	

Occ.Code	Marshall & Swift Occupancy Codes	Value per sq.ft
455	Auto Dealership, Complete	
456	Tool Shed	
458	Warehouse Discount Store	
459	Mixed Retail with Residential Units	
460	Shell, Neighborhood Shopping Center	
461	Shell, Community Shopping Center	
462	Shell, Regional Shopping Center	
465	Food Booth, Prefabricated	
466	Boat Storage Shed	
467	Boat Storage Building	
468	Material Storage Shed	
469	Freestall Barn	
470	Equipment (Shop) Building	
471	Light Commercial Utility Building	
472	Equipment Shed	
473	Material Shelter	
474	Poultry House, Enclosed Cage Operation, One Story	
476	Farm Implement Building	
477	Farm Utility Building	
478	Farm Implement Shed	
479	Farm Utility Storage Shed	
480	Vegetable Building, Environmental	
481	Museum	
482	Convention Center	
483	Fitness Center	
484	High School (Entire)	
485	Natatorium	
486	Field House	
487	Vocational School	
488	Bookstore (School)	
489	Jail, Police Station	
490	Kennel	
491	Government Community Service Building	
492	Shell, Office Building	
493	Flathouse	
494	Industrial Light Manufacturing	
495	Industrial Heavy Manufacturing	
496	Laboratory	
497	Computer Center	
498	Broadcast Facility	
499	Dry Cleaners/Laundry	

Occ.Code	Marshall & Swift Occupancy Codes	Value per sq.ft
508	Car Wash Canopy	
511	Drugstore	
513	Regional Discount Shopping Center	
514	Community Center	
515	Casino	
516	Fellowship Hall	
517	Narthex/Foyer	
518	Greenhouse Lath Shade House	
519	Greenhouse Shade Shelter	
523	Golf Cart Storage Building	
524	Corn Crib Building	
525	Mini Warehouse, High Rise	
526	Service Garage Shed	
527	Municipal Service Garage	
528	Service Repair Garage	
529	Snack Bar	
530	Cafeteria	
531	Mini-Mart Convenience Store	
532	Florist Shop	
533	Warehouse Food Store	
534	Warehouse Showroom Store	
537	Lodge	
538	Guest Cottage	
539	Bed and Breakfast Inn	
540	Motel Room, 2 Story, Double Row	
541	Motel Room, 2 Story, Single Row	
542	Motel Room, 1 Story, Double Row	
543	Motel Room, 1 Story, Single Row	
544	Office-Apartment (Motel)	
551	Rooming House	
552	Recreational Enclosure	
554	Shed Office Structure	
555	Light Commercial Arch-Rib, Quonset	
556	Bulk Oil Storage	
557	Farm Utility Arch-Rib, Quonset	
558	Farm Implement Arch-Rib, Quonset	
559	Stables, High-Value	
560	Equestrian Lean-To	
561	Feeder Barn	
562	Commodity Storage Shed, Farm	
563	Bag Fertilizer Storage	

Occ.Code	Marshall & Swift Occupancy Codes	Value per sq.ft
564	Dehydrator Building	
565	Farm Utility Shelter	
566	Farm Sun Shade Shelter	
567	Poultry House, Cage, Two Story	
568	Poultry House, Cage, Elevated Two Story	
569	Poultry House, Cage, Three Story	
570	Poultry House, Cage, Elevated One Story	
571	Passenger Terminal	
573	Arcade	
574	Visitor Center	
575	Dining Atrium	
576	Atrium	
577	Parking Levels	
578	Mini Bank	
580	Truck Stop	
581	Post Office, Main	
582	Post Office, Branch	
583	Mail Processing Facility	
584	Mega Warehouse	
585	Mechanical Penthouse	
586	Roadside Market	
587	Shell, Multiple Residence (Low Rise)	
588	Motel, Extended Stay	
589	Multiple Residence, Assisted Living (Low Rise)	
594	Hotel, Full Service	
595	Hotel, Limited Service	
596	Shell, Apartment (High Rise)	
597	Mixed Retail with Office Units	
598	Relocatable Classroom	
599	Relocatable Office	
600	Administration Building	
700	Mall Anchor Department Store	
710	Multiple Residence, Retirement Community Complex	
984	Luxury Apartment (High Rise)	
985	Senior Clubhouse Center	
987	Interior Space, Multiple Residence (Low Rise)	
989	Interior Space, Apartment (High Rise)	
990	Interior Space, Neighborhood Shopping Center	
991	Interior Space, Community Shopping Center	
992	Interior Space, Regional Shopping Center	
993	Interior Space, Office Building	

Occ.Code	Marshall & Swift Occupancy Codes	Value per sq.ft
994	Interior Space, Industrial Building	
998	Non Marshall & Swift (with contents)	
999	Non Marshall & Swift (no contents)	

- Building Replacement Cost ($)
- Value Date (mm/yy)
- Date last inspected (mm/dd/yy)

Fixtures and Fittings

Tracking information around a buildings fixtures and fittings, which can be structured in a hierarchy of characteristics, are often important for support organizations to meet risk management requirements and to assist real estate managers in maximizing building space.

Currently, the state does not capture this type of information for its buildings in SLABS. The state does, however, capture similar type of information (building components) in its FM and VFA systems. FM is with respect to roof construction, whereas VFA applies, among other things, to building construction and materials. A detailed evaluation of these systems has not been carried out. This matter will be addressed during the Realization Phase to determine what information, if any, needs to be captured from FM and VFA.

To date, only the fixtures and fittings that influence the insurability of buildings (as per ORM's requirements) have been identified and will be configured. They are as follows:

Category	Fixture & Fitting
Sprinklers	• **Sprinklers: Dry Sprinklers** • **Sprinklers: Wet Sprinklers**
Elevators	• **Elevators: Passenger Elevators** • **Elevators: Power Freight Elevators** • **Elevators: Manual Freight Elevators**
HVAC	• HVAC: Cooled Air • HVAC: Warmed Air • HVAC: Cooled and Warmed Air

Once configured, these characteristics will be selected during the set up of the building master data in SAP. This list is not complete. It will be updated when information becomes available from FM and VFA.

System Status

System status will be used to indicate current status of the building. The standard system statuses will be utilized:

- CRTE – created,
- REL – released, and
- AALK – Account Assignment Lock.

Based on the system status, end users may not be able to perform any activity against the BU (building), including financial postings. Only building objects that are in the REL system status will be open for financial postings.

User Status

A user status is a status set by the user to complement the system status for a given status object. User statuses will enable the state to extend the control of business processes managed by the system status.

A status of “sold” and “dem” will be defined for the BU, to indicate that the site has been sold or demolished.

Screen Sequence

A custom screen sequence (based on standard views) called ZREBU will be used as a basis for a new screen version.

Fields and views that will not be needed will be hidden. This will benefit end-user training as only the state-relevant fields will be visible. By simplifying the screens, usability will also be improved.

Item	Screen	Screen Title	Description	Comments
100000	REBU00	Initial Screen	Initial Screen	
200000	REBU02	General Data	General Data	
300000	REBU03	Dates	Dates	**Hide except for “Ready for occupancy” and “Final inspection.”**
400000	REBU04	Additional Data	Additional Data	**Hide “Municipality” stage**
500000	REBU05	Values	Values	
600000	REBU75	Fixtures and Fittings	Fixtures and Fittings	
700000	REBU74	Infrastructure	Infrastructure	**Hide**
800000	REBU81	Measurements	Measurements	
1000000	REBU84	Posting Parameters	Posting Parameters	
1200000	REBU87	Partners	Partners	
1300000	REBU90	Assignments	Assignments	
1400000	REBU91	Architecture	Architecture	**Hide**
1500000	REBU95	Assignments to Contract	Assignments to Contract	
1600000	REBU97	Reminders	Reminders	
1700000	REBU97V	Overviews	Overviews	
1800000	REBU85	Supplementary Texts	Supplementary Texts	

Land (Parcels)

Land or Property in SAP Real Estate Management (RE-FX) only refers to the ground or land and does not include any improvement or structure that may be built on the land.

The state will be using this real estate object to model a land parcel.

Number Ranges

Land numbers are company code and business entity dependent. Land numbers at the state will be internally assigned by the system.

Naming Convention

The name of the land will be as currently classified in SLABS. The validity date of the land will be the date the land was acquired. As there may be multiple land (parcels) assigned to a site, the dates for each individual land (parcel) will need to be maintained.

Main Usage Type

The main usage type describes the primary purpose of the land. The main usage types that will be configured for the state will be as follows. This table supplements the main usage types that will be configured for buildings.

MUsagTyp	Main Usage Type
15	**Timberlands**
16	Wetlands

Current Usage

This is a standard free text field that describes the intended / planned or current special type of property usage. This entry will be used for information purposes only.

Property Type

The following property types will be configured to distinguish land parcels associated with Right-of-Way or not:

Prop Type	Property Type Description
0001	**ROW**
0002	Not ROW

Ground Type

The following ground types will be configured to capture the contamination status of land.

Gr Type	Ground Type Description
0001	**No contamination**
0002	Contamination found

Overall Condition

The following table will be configured to capture the overall condition of a land parcel.

Cnd Type	Overall Condition Description
0001	**Environmentally cleaned**
0002	**Remediation required**
0003	Environmentally safe

Heritable Building Rights

This field will be used by the state to indicate if a building was constructed on land subject to heritable rights or not. The characteristic is informational only. The following data will be configured:

UsageDPlan	Description
0001	**Rights given**
0002	**Rights received**
0003	No Inheritable Rights

System Status

System status will be used to indicate current status of the land (parcel). The standard system statuses will be utilized:

- CRTE – created,
- REL – released, and
- AALK – Account Assignment Lock.

Based on the system status, end users may not be able to perform any activity against the PR (land) real estate object, including financial postings. Only land objects that are in the REL system status will be open for financial postings.

User Status

A user status is a status set by the user to complement the system status for a given status object. User statuses will enable the state to extend the control of business processes managed by the system status.

A status of "sold" will be defined for the PR (land), to indicate that the parcel of land has been sold.

Screen Sequence

A custom screen sequence (based on standard views) called ZREPR will be used as a basis for a new screen version. Fields and views that will not be needed will be hidden. This will benefit end-user training as only the state relevant fields will be visible. By simplifying the screens, usability will also be improved.

ZREPR

Item	Screen	Screen Title	Description	Comments
100000	REPR00	Initial Screen	Initial Screen	
200000	REPR02	General Data	General Data	
300000	REPR03	Building Law and Usage	Building Law and Usage	**Hide**
400000	REPR04	Values	Values	**Hide "Land quality" stage except for "property type" and "ground type" and "overall condition."** **Hide "Land value" stage**
500000	REPR05	Productive Holdings	Productive Holdings	**Hide except for "Topographical Location" stage**
600000	REPR74	Infrastructure	Infrastructure	**Hide**
700000	REPR81	Measurements	Measurements	
750000	REPR82	Option Rate Methods	Option Rate Methods	**Hide**
1000000	REPR84	Posting Parameters	Posting Parameters	
1200000	REPR87	Partners	Partners	
1300000	REPR90	Assignments	Assignments	
1400000	REPR91	Architecture	Architecture	**Hide**
1500000	REPR95	Assignments to Contract	Assignments to Contract	
1600000	REPR97	Reminders	Reminders	
1700000	REPR9V	Overviews	Overviews	
1800000	REPR85	Supplementary Texts	Supplementary Texts	

Enhancement: Custom Fields (BDT) - Property

A number of fields are required to accommodate the information that needs to be captured for land parcels. Some of these fields are not delivered as standard with RE-FX. These fields will need to be created. The creation of these fields will be an enhancement.

The preference is to group these fields under the "Productive Holdings" tab.

Fields that will be required are the following:

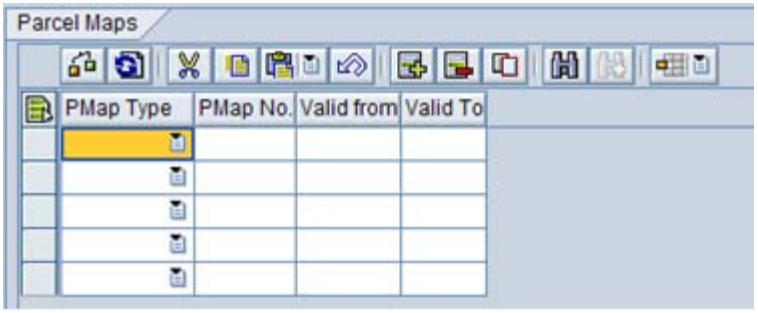
- Survey Office
- Survey Office Parcel Number
- Survey Office Parcel Name

In addition, a table (to be developed) will be created that will allow the capture of multiple attributes per parcel. These attributes are as follows:

- Section / Township / Range
- Latitude / Longitude
- Meridian
- Plat
- COB/Folio

The following table will be created which will allow the capture of multiple attributes per parcel. The fields of the table should look similar to the insert below.

Note: The identical table is currently available in the system for Land Use Management that is localized for Germany. This table allows for the capture of multiple attributes.



The capability must also exist for an end-user to search for a parcel according to any attribute listed above.

In addition, the following free text fields will need to be created:

- Metes and Bounds
- Rights / Restrictions (date sensitive)

These free text fields will be a minimum of 60 characters in length.

Rental Object

Rental Objects represent properties that may be leased. Rental objects are uniquely assigned to either a building or land record, and their number ranges are unique within the BE.

A rental object is the spatial entity which is subject to occupancy, either via space assignment to the State's agencies or external third parties via sub leases. Rental objects are occupied by means of so-called lease out's, i.e. real estate contracts that represent an agreement to allow occupancy of the space.

The main attribute of a rental object (RO) is its usage type. The usage type is a configurable classification and once selected (and the RO saved), it cannot be reassigned or changed. The usage type must be selected when creating the RO.

There are three types of rental objects:

- Pooled Space (PS) –

PS is the overall available space of a specific usage type, within a building or land record. The pooled space is used for space that is dynamically occupied, where changes in assignment take place often, and it does not require major structural changes. Examples are open floor office space, or parking space. The PS per se cannot be occupied and assigned to a real estate contract.

The state will set-up PS to represent each floor in its buildings. The PS will define the available space by floor according to a specific usage type.

- Rental Space (RS)

  RS is a subset of space of the Pooled Space. This space is extracted from the PS and can be occupied and assigned to a real estate contract. The RS can be extracted at the time the lease-out is created. The extraction of the RS is done based upon measurements (configurable units of a user-defined quantity, such as sq.ft, number of persons), with the PS showing the overall capacity and current availability, and the RS showing the occupied or assigned space.

  All occupiable and rentable space (by agencies) will be set-up by the state as a RS. The RS will be assigned to a contract – either an internal contract (agency occupied) or an external contract (third-party occupied).

  Should an agency or external tenant require space on a number of floors, a RS space will be extracted from each floor's PS (where applicable). A single occupancy agreement or lease-out will then have a number of RS's assigned to it.

- Rental Unit (RU)

  RU is an entity within a building or land parcel that may be occupied, and which would require major structural changes in order to change its dimensions. Typical RUs are apartments, housing units, one-car garages and storage units.

  All occupiable and rentable space of this nature (by agencies) will be set-up by the state as a RU. The RU will also be used in cases where the state does not have the information available to create a PS per floor. In this case, the RU will be assigned to a contract – either an internal contract (agency occupied) or an external contract (third-party occupied).

Usage Types

Usage types describe the purpose of a rental object (PS, RS, and RU). They describe how the space will be used by the external or internal tenant that occupies that space. Examples include office, store, warehouse, medical practice, advertising space, vending machine space, parking space, airport terminal, etc.

The state currently classifies the usage of its property portfolio according to Marshall & Swift's classification of occupancies, as outlined in Swift Estimator's Commercial Estimator Program dated September 2002.

<u>Usage Types - Pooled Space</u>

A single broad-usage type, such as "General All-Purpose Use" will be configured for the state.

<u>Usage Types - Rental Space / Rental Unit</u>

The usage types that will be configured for the state will be according to Marshall & Swift's classification of occupancies. These usage types will be a sub-set of the PS usage type.

The following usage types will be configured: These include 998 and 999 which are not Marshall & Swift specific but which are required by the state.

This is a standard SAP table. The table will be enhanced with an additional column to capture a value/sq.ft. This value will be used to determine the contents insurance of an agency, with respect to the space they occupy. This (grayed-out) value/sq.ft will be displayed on the new insurance tab.

Usage Type	Usage Type Text	Value per sq.ft
0001	General All-Purpose Use	
134	Greenhouse, Modified Hoop, Small (under 4,500 square feet)	
135	Greenhouse, Hoop, Arch-rib, Small (under 4,500 square feet)	
136	Greenhouse, Straight Wall, Small (under 4,500 square feet)	
137	Greenhouse, Modified Hoop, Large (over 9,000 square feet)	
138	Greenhouse, Hoop, Arch-rib, Large (over 9,000 square feet)	
139	Greenhouse, Straight Wall, Large (over 9,000 square feet)	
140	Greenhouse, Modified Hoop, Medium (4,500 - 9,000 square feet)	
141	Greenhouse, Hoop, Arch-Rib, Medium (4,500 - 9,000 square feet)	
142	Greenhouse, Straight Wall, Medium (4,500 - 9,000 square feet)	
156	Alternative School	
157	Maintenance Storage Building	
158	Special Education Classrooms	
170	Institutional Greenhouse, Small (under 4,500 square feet)	
171	Institutional Greenhouse, Medium (4,500 - 9,000 square feet)	
172	Institutional Greenhouse, Large (over 9,000 square feet)	
173	Church Educational Wing	
174	Pavilion	
300	Apartment (High Rise)	
301	Armory	
302	Auditorium	
303	Automobile Showroom	
304	Bank	
305	Barn	
306	Bowling Alley	
308	Church with Sunday School	
309	Church	
310	City Club	
311	Clubhouse	
313	Convalescent Hospital	
314	Country Club	
315	Creamery	
316	Dairy	
317	Dairy Sales Building	
318	Department Store	
319	Discount Store	
320	Dispensary	

Usage Type	Usage Type Text	Value per sq.ft
321	Dormitory	
322	Fire Station, Staffed	
323	Fraternal Building	
324	Fraternity House	
326	Storage Garage	
327	Governmental Building	
328	Storage Hangar	
329	Hangar, Maintenance and Office	
330	Home for the Elderly	
331	Hospital	
335	Jail, Correctional Facility	
336	Laundromat	
337	Library, Public	
338	Loft	
339	Lumber Storage Shed, Horizontal	
340	Market	
341	Medical Office	
342	Mortuary	
343	Motel	
344	Office Building	
345	Parking Structure	
348	Rectory	
349	Fast Food Restaurant	
350	Restaurant	
352	Multiple Residence, Low Rise	
353	Retail Store	
355	Fine Arts and Crafts Building (Elementary and Secondary School)	
356	Classrooms (Elementary and Secondary School)	
357	Commons (Elementary and Secondary School)	
358	Gymnasium (Elementary and Secondary School)	
359	Lecture Classrooms (Elementary and Secondary School)	
360	Library, Media Center (Elementary and Secondary School)	
361	Manual Arts Building (Elementary and Secondary School)	
362	Multipurpose Building (Elementary and Secondary School)	
363	Physical Education Building (Elementary and Secondary School)	
364	Science Classrooms (Elementary and Secondary School)	
365	Elementary School (Entire)	
366	Junior High School (Entire)	
367	Arts and Crafts Building (College)	
368	Classrooms (College)	
369	Commons (College)	

Usage Type	Usage Type Text	Value per sq.ft
370	Gymnasium (College)	
371	Lecture Hall (College)	
372	Library (College)	
373	Technical Trades Building (College)	
374	Multipurpose Building (College)	
375	Physical Education Building (College)	
376	Science Building (College)	
377	College (Entire)	
378	Stable	
379	Theater, Live Stage	
380	Theater, Cinema	
381	Veterinary Hospital	
383	Tobacco Barn	
384	Barber Shop	
386	Mini Warehouse	
387	Transit Warehouse	
388	Underground Parking Structure	
390	Lumber Storage Building, Vertical	
391	Material Storage Building	
392	Industrial Engineering Building	
393	Labor Dormitory	
394	Transient Labor Cabin	
395	Potato Storage	
396	Hog Barn	
397	Sheep Barn	
398	Fruit Packing Barn	
403	Shower Building	
405	Skating Rink	
406	Storage Warehouse	
407	Distribution Warehouse	
408	Service Station	
409	T-Hangar	
410	Automotive Center	
412	Neighborhood Shopping Center	
413	Community Shopping Center	
414	Regional Shopping Center	
416	Indoor Tennis Club	
417	Racquetball-Handball Club	
418	Health Club	
419	Convenience Market	
420	Bulk Fertilizer Storage	

Usage Type	Usage Type Text	Value per sq.ft
421	Grain Storage, Utility	
423	Mini-Lube Garage	
424	Group Care Home	
426	Day Care Center	
427	Fire Station (Volunteer)	
428	Horse Arena	
429	Modified Hog Shed	
430	Hog Shed	
431	Outpatient (Surgical) Center	
432	Restroom Building	
434	Car Wash, Self-Serve	
435	Car Wash, Drive-Thru	
436	Car Wash, Automatic	
440	Milkhouse	
441	Cocktail Lounge	
442	Bar/Tavern	
443	Central Bank	
444	Dental Office/Clinic	
446	Supermarket	
447	Cold Storage Facility	
448	Cold Storage, Farm	
450	Cotton Gin	
451	Multiple Residence, Senior Citizen (Low Rise)	
453	Industrial Flex Building	
454	Shell, Industrial Building	
455	Auto Dealership, Complete	
456	Tool Shed	
458	Warehouse Discount Store	
459	Mixed Retail with Residential Units	
460	Shell, Neighborhood Shopping Center	
461	Shell, Community Shopping Center	
462	Shell, Regional Shopping Center	
465	Food Booth, Prefabricated	
466	Boat Storage Shed	
467	Boat Storage Building	
468	Material Storage Shed	
469	Freestall Barn	
470	Equipment (Shop) Building	
471	Light Commercial Utility Building	
472	Equipment Shed	
473	Material Shelter	

Usage Type	Usage Type Text	Value per sq.ft
474	Poultry House, Enclosed Cage Operation, One Story	
476	Farm Implement Building	
477	Farm Utility Building	
478	Farm Implement Shed	
479	Farm Utility Storage Shed	
480	Vegetable Building, Environmental	
481	Museum	
482	Convention Center	
483	Fitness Center	
484	High School (Entire)	
485	Natatorium	
486	Field House	
487	Vocational School	
488	Bookstore (School)	
489	Jail, Police Station	
490	Kennel	
491	Government Community Service Building	
492	Shell, Office Building	
493	Flathouse	
494	Industrial Light Manufacturing	
495	Industrial Heavy Manufacturing	
496	Laboratory	
497	Computer Center	
498	Broadcast Facility	
499	Dry Cleaners/Laundry	
508	Car Wash Canopy	
511	Drugstore	
513	Regional Discount Shopping Center	
514	Community Center	
515	Casino	
516	Fellowship Hall	
517	Narthex/Foyer	
518	Greenhouse Lath Shade House	
519	Greenhouse Shade Shelter	
523	Golf Cart Storage Building	
524	Corn Crib Building	
525	Mini Warehouse, High Rise	
526	Service Garage Shed	
527	Municipal Service Garage	
528	Service Repair Garage	
529	Snack Bar	

Usage Type	Usage Type Text	Value per sq.ft
530	Cafeteria	
531	Mini-Mart Convenience Store	
532	Florist Shop	
533	Warehouse Food Store	
534	Warehouse Showroom Store	
537	Lodge	
538	Guest Cottage	
539	Bed and Breakfast Inn	
540	Motel Room, 2 Story, Double Row	
541	Motel Room, 2 Story, Single Row	
542	Motel Room, 1 Story, Double Row	
543	Motel Room, 1 Story, Single Row	
544	Office-Apartment (Motel)	
551	Rooming House	
552	Recreational Enclosure	
554	Shed Office Structure	
555	Light Commercial Arch-Rib, Quonset	
556	Bulk Oil Storage	
557	Farm Utility Arch-Rib, Quonset	
558	Farm Implement Arch-Rib, Quonset	
559	Stables, High-Value	
560	Equestrian Lean-To	
561	Feeder Barn	
562	Commodity Storage Shed, Farm	
563	Bag Fertilizer Storage	
564	Dehydrator Building	
565	Farm Utility Shelter	
566	Farm Sun Shade Shelter	
567	Poultry House, Cage, Two Story	
568	Poultry House, Cage, Elevated Two Story	
569	Poultry House, Cage, Three Story	
570	Poultry House, Cage, Elevated One Story	
571	Passenger Terminal	
573	Arcade	
574	Visitor Center	
575	Dining Atrium	
576	Atrium	
577	Parking Levels	
578	Mini Bank	
580	Truck Stop	
581	Post Office, Main	

Usage Type	Usage Type Text	Value per sq.ft
582	Post Office, Branch	
583	Mail Processing Facility	
584	Mega Warehouse	
585	Mechanical Penthouse	
586	Roadside Market	
587	Shell, Multiple Residence (Low Rise)	
588	Motel, Extended Stay	
589	Multiple Residence, Assisted Living (Low Rise)	
594	Hotel, Full Service	
595	Hotel, Limited Service	
596	Shell, Apartment (High Rise)	
597	Mixed Retail with Office Units	
598	Relocatable Classroom	
599	Relocatable Office	
600	Administration Building	
700	Mall Anchor Department Store	
710	Multiple Residence, Retirement Community Complex	
984	Luxury Apartment (High Rise)	
985	Senior Clubhouse Center	
987	Interior Space, Multiple Residence (Low Rise)	
989	Interior Space, Apartment (High Rise)	
990	Interior Space, Neighborhood Shopping Center	
991	Interior Space, Community Shopping Center	
992	Interior Space, Regional Shopping Center	
993	Interior Space, Office Building	
994	Interior Space, Industrial Building	
998	Non Marshall & Swift (with contents)	
999	Non Marshall & Swift (no contents)	

Assignment - Usage Types to Rental Object Types

Usage types will be assigned to each rental object type as follows:

Rental Object	Usage Type	Usage Type Text
PS	0001	**General All-Purpose Use**
RS	134	**Greenhouse, Modified Hoop, Small (under 4,500 square feet)**
RS	135	**Greenhouse, Hoop, Arch-rib, Small (under 4,500 square feet)**
RS	136	**Greenhouse, Straight Wall, Small (under 4,500 square feet)**
RS	137	**Greenhouse, Modified Hoop, Large (over 9,000 square feet)**
RS	138	**Greenhouse, Hoop, Arch-rib, Large (over 9,000 square feet)**
RS	139	**Greenhouse, Straight Wall, Large (over 9,000 square feet)**

Rental Object	Usage Type	Usage Type Text
RS	140	**Greenhouse, Modified Hoop, Medium (4,500 - 9,000 square feet)**
RS	141	**Greenhouse, Hoop, Arch-Rib, Medium (4,500 - 9,000 square feet)**
RS	142	**Greenhouse, Straight Wall, Medium (4,500 - 9,000 square feet)**
RS	156	**Alternative School**
RS	157	**Maintenance Storage Building**
RS	158	**Special Education Classrooms**
RS	170	**Institutional Greenhouse, Small (under 4,500 square feet)**
RS	171	**Institutional Greenhouse, Medium (4,500 - 9,000 square feet)**
RS	172	**Institutional Greenhouse, Large (over 9,000 square feet)**
RS	173	**Church Educational Wing**
RS	174	**Pavilion**
RS	300	**Apartment (High Rise)**
RS	301	**Armory**
RS	302	**Auditorium**
RS	303	**Automobile Showroom**
RS	304	**Bank**
RS	305	**Barn**
RS	306	**Bowling Alley**
RS	308	**Church with Sunday School**
RS	309	**Church**
RS	310	**City Club**
RS	311	**Clubhouse**
RS	313	**Convalescent Hospital**
RS	314	**Country Club**
RS	315	**Creamery**
RS	316	**Dairy**
RS	317	**Dairy Sales Building**
RS	318	**Department Store**
RS	319	**Discount Store**
RS	320	**Dispensary**
RS	321	**Dormitory**
RS	322	**Fire Station, Staffed**
RS	323	**Fraternal Building**
RS	324	**Fraternity House**
RS	326	**Storage Garage**
RS	327	**Governmental Building**
RS	328	**Storage Hangar**
RS	329	**Hangar, Maintenance and Office**
RS	330	**Home for the Elderly**

Rental Object	Usage Type	Usage Type Text
RS	331	**Hospital**
RS	335	**Jail, Correctional Facility**
RS	336	**Laundromat**
RS	337	**Library, Public**
RS	338	**Loft**
RS	339	**Lumber Storage Shed, Horizontal**
RS	340	**Market**
RS	341	**Medical Office**
RS	342	**Mortuary**
RS	343	**Motel**
RS	344	**Office Building**
RS	345	**Parking Structure**
RS	348	**Rectory**
RS	349	**Fast Food Restaurant**
RS	350	**Restaurant**
RS	352	**Multiple Residence, Low Rise**
RS	353	**Retail Store**
RS	355	**Fine Arts and Crafts Building (Elementary and Secondary School)**
RS	356	**Classrooms (Elementary and Secondary School)**
RS	357	**Commons (Elementary and Secondary School)**
RS	358	**Gymnasium (Elementary and Secondary School)**
RS	359	**Lecture Classrooms (Elementary and Secondary School)**
RS	360	**Library, Media Center (Elementary and Secondary School)**
RS	361	**Manual Arts Building (Elementary and Secondary School)**
RS	362	**Multipurpose Building (Elementary and Secondary School)**
RS	363	**Physical Education Building (Elementary and Secondary School)**
RS	364	**Science Classrooms (Elementary and Secondary School)**
RS	365	**Elementary School (Entire)**
RS	366	**Junior High School (Entire)**
RS	367	**Arts and Crafts Building (College)**
RS	368	**Classrooms (College)**
RS	369	**Commons (College)**
RS	370	**Gymnasium (College)**
RS	371	**Lecture Hall (College)**
RS	372	**Library (College)**
RS	373	**Technical Trades Building (College)**
RS	374	**Multipurpose Building (College)**
RS	375	**Physical Education Building (College)**
RS	376	**Science Building (College)**

Rental Object	Usage Type	Usage Type Text
RS	377	**College (Entire)**
RS	378	**Stable**
RS	379	**Theater, Live Stage**
RS	380	**Theater, Cinema**
RS	381	**Veterinary Hospital**
RS	383	**Tobacco Barn**
RS	384	**Barber Shop**
RS	386	**Mini Warehouse**
RS	387	**Transit Warehouse**
RS	388	**Underground Parking Structure**
RS	390	**Lumber Storage Building, Vertical**
RS	391	**Material Storage Building**
RS	392	**Industrial Engineering Building**
RS	393	**Labor Dormitory**
RS	394	**Transient Labor Cabin**
RS	395	**Potato Storage**
RS	396	**Hog Barn**
RS	397	**Sheep Barn**
RS	398	**Fruit Packing Barn**
RS	403	**Shower Building**
RS	405	**Skating Rink**
RS	406	**Storage Warehouse**
RS	407	**Distribution Warehouse**
RS	408	**Service Station**
RS	409	**T-Hangar**
RS	410	**Automotive Center**
RS	412	**Neighborhood Shopping Center**
RS	413	**Community Shopping Center**
RS	414	**Regional Shopping Center**
RS	416	**Indoor Tennis Club**
RS	417	**Racquetball-Handball Club**
RS	418	**Health Club**
RS	419	**Convenience Market**
RS	420	**Bulk Fertilizer Storage**
RS	421	**Grain Storage, Utility**
RS	423	**Mini-Lube Garage**
RS	424	**Group Care Home**
RS	426	**Day Care Center**
RS	427	**Fire Station (Volunteer)**
RS	428	**Horse Arena**
RS	429	**Modified Hog Shed**

Rental Object	Usage Type	Usage Type Text
RS	430	**Hog Shed**
RS	431	**Outpatient (Surgical) Center**
RS	432	**Restroom Building**
RS	434	**Car Wash, Self-Serve**
RS	435	**Car Wash, Drive-Thru**
RS	436	**Car Wash, Automatic**
RS	440	**Milkhouse**
RS	441	**Cocktail Lounge**
RS	442	**Bar/Tavern**
RS	443	**Central Bank**
RS	444	**Dental Office/Clinic**
RS	446	**Supermarket**
RS	447	**Cold Storage Facility**
RS	448	**Cold Storage, Farm**
RS	450	**Cotton Gin**
RS	451	**Multiple Residence, Senior Citizen (Low Rise)**
RS	453	**Industrial Flex Building**
RS	454	**Shell, Industrial Building**
RS	455	**Auto Dealership, Complete**
RS	456	**Tool Shed**
RS	458	**Warehouse Discount Store**
RS	459	**Mixed Retail with Residential Units**
RS	460	**Shell, Neighborhood Shopping Center**
RS	461	**Shell, Community Shopping Center**
RS	462	**Shell, Regional Shopping Center**
RS	465	**Food Booth, Prefabricated**
RS	466	**Boat Storage Shed**
RS	467	**Boat Storage Building**
RS	468	**Material Storage Shed**
RS	469	**Freestall Barn**
RS	470	**Equipment (Shop) Building**
RS	471	**Light Commercial Utility Building**
RS	472	**Equipment Shed**
RS	473	**Material Shelter**
RS	474	**Poultry House, Enclosed Cage Operation, One Story**
RS	476	**Farm Implement Building**
RS	477	**Farm Utility Building**
RS	478	**Farm Implement Shed**
RS	479	**Farm Utility Storage Shed**
RS	480	**Vegetable Building, Environmental**
RS	481	**Museum**

Rental Object	Usage Type	Usage Type Text
RS	482	**Convention Center**
RS	483	**Fitness Center**
RS	484	**High School (Entire)**
RS	485	**Natatorium**
RS	486	**Field House**
RS	487	**Vocational School**
RS	488	**Bookstore (School)**
RS	489	**Jail, Police Station**
RS	490	**Kennel**
RS	491	**Government Community Service Building**
RS	492	**Shell, Office Building**
RS	493	**Flathouse**
RS	494	**Industrial Light Manufacturing**
RS	495	**Industrial Heavy Manufacturing**
RS	496	**Laboratory**
RS	497	**Computer Center**
RS	498	**Broadcast Facility**
RS	499	**Dry Cleaners/Laundry**
RS	508	**Car Wash Canopy**
RS	511	**Drugstore**
RS	513	**Regional Discount Shopping Center**
RS	514	**Community Center**
RS	515	**Casino**
RS	516	**Fellowship Hall**
RS	517	**Narthex/Foyer**
RS	518	**Greenhouse Lath Shade House**
RS	519	**Greenhouse Shade Shelter**
RS	523	**Golf Cart Storage Building**
RS	524	**Corn Crib Building**
RS	525	**Mini Warehouse, High Rise**
RS	526	**Service Garage Shed**
RS	527	**Municipal Service Garage**
RS	528	**Service Repair Garage**
RS	529	**Snack Bar**
RS	530	**Cafeteria**
RS	531	**Mini-Mart Convenience Store**
RS	532	**Florist Shop**
RS	533	**Warehouse Food Store**
RS	534	**Warehouse Showroom Store**
RS	537	**Lodge**
RS	538	**Guest Cottage**

Rental Object	Usage Type	Usage Type Text
RS	539	**Bed and Breakfast Inn**
RS	540	**Motel Room, 2 Story, Double Row**
RS	541	**Motel Room, 2 Story, Single Row**
RS	542	**Motel Room, 1 Story, Double Row**
RS	543	**Motel Room, 1 Story, Single Row**
RS	544	**Office-Apartment (Motel)**
RS	551	**Rooming House**
RS	552	**Recreational Enclosure**
RS	554	**Shed Office Structure**
RS	555	**Light Commercial Arch-Rib, Quonset**
RS	556	**Bulk Oil Storage**
RS	557	**Farm Utility Arch-Rib, Quonset**
RS	558	**Farm Implement Arch-Rib, Quonset**
RS	559	**Stables, High-Value**
RS	560	**Equestrian Lean-To**
RS	561	**Feeder Barn**
RS	562	**Commodity Storage Shed, Farm**
RS	563	**Bag Fertilizer Storage**
RS	564	**Dehydrator Building**
RS	565	**Farm Utility Shelter**
RS	566	**Farm Sun Shade Shelter**
RS	567	**Poultry House, Cage, Two Story**
RS	568	**Poultry House, Cage, Elevated Two Story**
RS	569	**Poultry House, Cage, Three Story**
RS	570	**Poultry House, Cage, Elevated One Story**
RS	571	**Passenger Terminal**
RS	573	**Arcade**
RS	574	**Visitor Center**
RS	575	**Dining Atrium**
RS	576	**Atrium**
RS	577	**Parking Levels**
RS	578	**Mini Bank**
RS	580	**Truck Stop**
RS	581	**Post Office, Main**
RS	582	**Post Office, Branch**
RS	583	**Mail Processing Facility**
RS	584	**Mega Warehouse**
RS	585	**Mechanical Penthouse**
RS	586	**Roadside Market**
RS	587	**Shell, Multiple Residence (Low Rise)**
RS	588	**Motel, Extended Stay**

Rental Object	Usage Type	Usage Type Text
RS	589	**Multiple Residence, Assisted Living (Low Rise)**
RS	594	**Hotel, Full Service**
RS	595	**Hotel, Limited Service**
RS	596	**Shell, Apartment (High Rise)**
RS	597	**Mixed Retail with Office Units**
RS	598	**Relocatable Classroom**
RS	599	**Relocatable Office**
RS	600	**Administration Building**
RS	700	**Mall Anchor Department Store**
RS	710	**Multiple Residence, Retirement Community Complex**
RS	984	**Luxury Apartment (High Rise)**
RS	985	**Senior Clubhouse Center**
RS	987	**Interior Space, Multiple Residence (Low Rise)**
RS	989	**Interior Space, Apartment (High Rise)**
RS	990	**Interior Space, Neighborhood Shopping Center**
RS	991	**Interior Space, Community Shopping Center**
RS	992	**Interior Space, Regional Shopping Center**
RS	993	**Interior Space, Office Building**
RS	994	**Interior Space, Industrial Building**
RS	998	**Non Marshall & Swift (with contents)**
RS	999	**Non Marshall & Swift (no contents)**
RU	134	**Greenhouse, Modified Hoop, Small (under 4,500 square feet)**
RU	135	**Greenhouse, Hoop, Arch-rib, Small (under 4,500 square feet)**
RU	136	**Greenhouse, Straight Wall, Small (under 4,500 square feet)**
RU	137	**Greenhouse, Modified Hoop, Large (over 9,000 square feet)**
RU	138	**Greenhouse, Hoop, Arch-rib, Large (over 9,000 square feet)**
RU	139	**Greenhouse, Straight Wall, Large (over 9,000 square feet)**
RU	140	**Greenhouse, Modified Hoop, Medium (4,500 - 9,000 square feet)**
RU	141	**Greenhouse, Hoop, Arch-Rib, Medium (4,500 - 9,000 square feet)**
RU	142	**Greenhouse, Straight Wall, Medium (4,500 - 9,000 square feet)**
RU	156	**Alternative School**
RU	157	**Maintenance Storage Building**
RU	158	**Special Education Classrooms**
RU	170	**Institutional Greenhouse, Small (under 4,500 square feet)**
RU	171	**Institutional Greenhouse, Medium (4,500 - 9,000 square feet)**
RU	172	**Institutional Greenhouse, Large (over 9,000 square feet)**
RU	173	**Church Educational Wing**
RU	174	**Pavilion**
RU	300	**Apartment (High Rise)**

Rental Object	Usage Type	Usage Type Text
RU	301	**Armory**
RU	302	**Auditorium**
RU	303	**Automobile Showroom**
RU	304	**Bank**
RU	305	**Barn**
RU	306	**Bowling Alley**
RU	308	**Church with Sunday School**
RU	309	**Church**
RU	310	**City Club**
RU	311	**Clubhouse**
RU	313	**Convalescent Hospital**
RU	314	**Country Club**
RU	315	**Creamery**
RU	316	**Dairy**
RU	317	**Dairy Sales Building**
RU	318	**Department Store**
RU	319	**Discount Store**
RU	320	**Dispensary**
RU	321	**Dormitory**
RU	322	**Fire Station, Staffed**
RU	323	**Fraternal Building**
RU	324	**Fraternity House**
RU	326	**Storage Garage**
RU	327	**Governmental Building**
RU	328	**Storage Hangar**
RU	329	**Hangar, Maintenance and Office**
RU	330	**Home for the Elderly**
RU	331	**Hospital**
RU	335	**Jail, Correctional Facility**
RU	336	**Laundromat**
RU	337	**Library, Public**
RU	338	**Loft**
RU	339	**Lumber Storage Shed, Horizontal**
RU	340	**Market**
RU	341	**Medical Office**
RU	342	**Mortuary**
RU	343	**Motel**
RU	344	**Office Building**
RU	345	**Parking Structure**
RU	348	**Rectory**
RU	349	**Fast Food Restaurant**

Rental Object	Usage Type	Usage Type Text
RU	350	**Restaurant**
RU	352	**Multiple Residence, Low Rise**
RU	353	**Retail Store**
RU	355	**Fine Arts and Crafts Building (Elementary and Secondary School)**
RU	356	**Classrooms (Elementary and Secondary School)**
RU	357	**Commons (Elementary and Secondary School)**
RU	358	**Gymnasium (Elementary and Secondary School)**
RU	359	**Lecture Classrooms (Elementary and Secondary School)**
RU	360	**Library, Media Center (Elementary and Secondary School)**
RU	361	**Manual Arts Building (Elementary and Secondary School)**
RU	362	**Multipurpose Building (Elementary and Secondary School)**
RU	363	**Physical Education Building (Elementary and Secondary School)**
RU	364	**Science Classrooms (Elementary and Secondary School)**
RU	365	**Elementary School (Entire)**
RU	366	**Junior High School (Entire)**
RU	367	**Arts and Crafts Building (College)**
RU	368	**Classrooms (College)**
RU	369	**Commons (College)**
RU	370	**Gymnasium (College)**
RU	371	**Lecture Hall (College)**
RU	372	**Library (College)**
RU	373	**Technical Trades Building (College)**
RU	374	**Multipurpose Building (College)**
RU	375	**Physical Education Building (College)**
RU	376	**Science Building (College)**
RU	377	**College (Entire)**
RU	378	**Stable**
RU	379	**Theater, Live Stage**
RU	380	**Theater, Cinema**
RU	381	**Veterinary Hospital**
RU	383	**Tobacco Barn**
RU	384	**Barber Shop**
RU	386	**Mini Warehouse**
RU	387	**Transit Warehouse**
RU	388	**Underground Parking Structure**
RU	390	**Lumber Storage Building, Vertical**
RU	391	**Material Storage Building**
RU	392	**Industrial Engineering Building**
RU	393	**Labor Dormitory**

Rental Object	Usage Type	Usage Type Text
RU	394	**Transient Labor Cabin**
RU	395	**Potato Storage**
RU	396	**Hog Barn**
RU	397	**Sheep Barn**
RU	398	**Fruit Packing Barn**
RU	403	**Shower Building**
RU	405	**Skating Rink**
RU	406	**Storage Warehouse**
RU	407	**Distribution Warehouse**
RU	408	**Service Station**
RU	409	**T-Hangar**
RU	410	**Automotive Center**
RU	412	**Neighborhood Shopping Center**
RU	413	**Community Shopping Center**
RU	414	**Regional Shopping Center**
RU	416	**Indoor Tennis Club**
RU	417	**Racquetball-Handball Club**
RU	418	**Health Club**
RU	419	**Convenience Market**
RU	420	**Bulk Fertilizer Storage**
RU	421	**Grain Storage, Utility**
RU	423	**Mini-Lube Garage**
RU	424	**Group Care Home**
RU	426	**Day Care Center**
RU	427	**Fire Station (Volunteer)**
RU	428	**Horse Arena**
RU	429	**Modified Hog Shed**
RU	430	**Hog Shed**
RU	431	**Outpatient (Surgical) Center**
RU	432	**Restroom Building**
RU	434	**Car Wash, Self-Serve**
RU	435	**Car Wash, Drive-Thru**
RU	436	**Car Wash, Automatic**
RU	440	**Milkhouse**
RU	441	**Cocktail Lounge**
RU	442	**Bar/Tavern**
RU	443	**Central Bank**
RU	444	**Dental Office/Clinic**
RU	446	**Supermarket**
RU	447	**Cold Storage Facility**
RU	448	**Cold Storage, Farm**

Rental Object	Usage Type	Usage Type Text
RU	450	**Cotton Gin**
RU	451	**Multiple Residence, Senior Citizen (Low Rise)**
RU	453	**Industrial Flex Building**
RU	454	**Shell, Industrial Building**
RU	455	**Auto Dealership, Complete**
RU	456	**Tool Shed**
RU	458	**Warehouse Discount Store**
RU	459	**Mixed Retail with Residential Units**
RU	460	**Shell, Neighborhood Shopping Center**
RU	461	**Shell, Community Shopping Center**
RU	462	**Shell, Regional Shopping Center**
RU	465	**Food Booth, Prefabricated**
RU	466	**Boat Storage Shed**
RU	467	**Boat Storage Building**
RU	468	**Material Storage Shed**
RU	469	**Freestall Barn**
RU	470	**Equipment (Shop) Building**
RU	471	**Light Commercial Utility Building**
RU	472	**Equipment Shed**
RU	473	**Material Shelter**
RU	474	**Poultry House, Enclosed Cage Operation, One Story**
RU	476	**Farm Implement Building**
RU	477	**Farm Utility Building**
RU	478	**Farm Implement Shed**
RU	479	**Farm Utility Storage Shed**
RU	480	**Vegetable Building, Environmental**
RU	481	**Museum**
RU	482	**Convention Center**
RU	483	**Fitness Center**
RU	484	**High School (Entire)**
RU	485	**Natatorium**
RU	486	**Field House**
RU	487	**Vocational School**
RU	488	**Bookstore (School)**
RU	489	**Jail, Police Station**
RU	490	**Kennel**
RU	491	**Government Community Service Building**
RU	492	**Shell, Office Building**
RU	493	**Flathouse**
RU	494	**Industrial Light Manufacturing**
RU	495	**Industrial Heavy Manufacturing**

Rental Object	Usage Type	Usage Type Text
RU	496	**Laboratory**
RU	497	**Computer Center**
RU	498	**Broadcast Facility**
RU	499	**Dry Cleaners/Laundry**
RU	508	**Car Wash Canopy**
RU	511	**Drugstore**
RU	513	**Regional Discount Shopping Center**
RU	514	**Community Center**
RU	515	**Casino**
RU	516	**Fellowship Hall**
RU	517	**Narthex/Foyer**
RU	518	**Greenhouse Lath Shade House**
RU	519	**Greenhouse Shade Shelter**
RU	523	**Golf Cart Storage Building**
RU	524	**Corn Crib Building**
RU	525	**Mini Warehouse, High Rise**
RU	526	**Service Garage Shed**
RU	527	**Municipal Service Garage**
RU	528	**Service Repair Garage**
RU	529	**Snack Bar**
RU	530	**Cafeteria**
RU	531	**Mini-Mart Convenience Store**
RU	532	**Florist Shop**
RU	533	**Warehouse Food Store**
RU	534	**Warehouse Showroom Store**
RU	537	**Lodge**
RU	538	**Guest Cottage**
RU	539	**Bed and Breakfast Inn**
RU	540	**Motel Room, 2 Story, Double Row**
RU	541	**Motel Room, 2 Story, Single Row**
RU	542	**Motel Room, 1 Story, Double Row**
RU	543	**Motel Room, 1 Story, Single Row**
RU	544	**Office-Apartment (Motel)**
RU	551	**Rooming House**
RU	552	**Recreational Enclosure**
RU	554	**Shed Office Structure**
RU	555	**Light Commercial Arch-Rib, Quonset**
RU	556	**Bulk Oil Storage**
RU	557	**Farm Utility Arch-Rib, Quonset**
RU	558	**Farm Implement Arch-Rib, Quonset**
RU	559	**Stables, High-Value**

Rental Object	Usage Type	Usage Type Text
RU	560	**Equestrian Lean-To**
RU	561	**Feeder Barn**
RU	562	**Commodity Storage Shed, Farm**
RU	563	**Bag Fertilizer Storage**
RU	564	**Dehydrator Building**
RU	565	**Farm Utility Shelter**
RU	566	**Farm Sun Shade Shelter**
RU	567	**Poultry House, Cage, Two Story**
RU	568	**Poultry House, Cage, Elevated Two Story**
RU	569	**Poultry House, Cage, Three Story**
RU	570	**Poultry House, Cage, Elevated One Story**
RU	571	**Passenger Terminal**
RU	573	**Arcade**
RU	574	**Visitor Center**
RU	575	**Dining Atrium**
RU	576	**Atrium**
RU	577	**Parking Levels**
RU	578	**Mini Bank**
RU	580	**Truck Stop**
RU	581	**Post Office, Main**
RU	582	**Post Office, Branch**
RU	583	**Mail Processing Facility**
RU	584	**Mega Warehouse**
RU	585	**Mechanical Penthouse**
RU	586	**Roadside Market**
RU	587	**Shell, Multiple Residence (Low Rise)**
RU	588	**Motel, Extended Stay**
RU	589	**Multiple Residence, Assisted Living (Low Rise)**
RU	594	**Hotel, Full Service**
RU	595	**Hotel, Limited Service**
RU	596	**Shell, Apartment (High Rise)**
RU	597	**Mixed Retail with Office Units**
RU	598	**Relocatable Classroom**
RU	599	**Relocatable Office**
RU	600	**Administration Building**
RU	700	**Mall Anchor Department Store**
RU	710	**Multiple Residence, Retirement Community Complex**
RU	984	**Luxury Apartment (High Rise)**
RU	985	**Senior Clubhouse Center**
RU	987	**Interior Space, Multiple Residence (Low Rise)**
RU	989	**Interior Space, Apartment (High Rise)**

Rental Object	Usage Type	Usage Type Text
RU	990	**Interior Space, Neighborhood Shopping Center**
RU	991	**Interior Space, Community Shopping Center**
RU	992	**Interior Space, Regional Shopping Center**
RU	993	**Interior Space, Office Building**
RU	994	**Interior Space, Industrial Building**
RU	998	**Non Marshall & Swift (with contents)**
RU	999	Non Marshall & Swift (no contents)

Usage Types Allowed for Rental Spaces per Pooled Space

In order to extract multiple usage types for RS's from a PS, the following relationship will be established in the system for the state.

Pooled Space Usage	Pooled Space Text	Rental Space Usage	Rental Space Text
0001	General All-Purpose Use	0001	**General All-Purpose Use**
0001	General All-Purpose Use	134	**Greenhouse, Modified Hoop, Small (under 4,500 square feet)**
0001	General All-Purpose Use	135	**Greenhouse, Hoop, Arch-rib, Small (under 4,500 square feet)**
0001	General All-Purpose Use	136	**Greenhouse, Straight Wall, Small (under 4,500 square feet)**
0001	General All-Purpose Use	137	**Greenhouse, Modified Hoop, Large (over 9,000 square feet)**
0001	General All-Purpose Use	138	**Greenhouse, Hoop, Arch-rib, Large (over 9,000 square feet)**
0001	General All-Purpose Use	139	**Greenhouse, Straight Wall, Large (over 9,000 square feet)**
0001	General All-Purpose Use	140	**Greenhouse, Modified Hoop, Medium (4,500 - 9,000 square feet)**
0001	General All-Purpose Use	141	**Greenhouse, Hoop, Arch-Rib, Medium (4,500 - 9,000 square feet)**
0001	General All-Purpose Use	142	**Greenhouse, Straight Wall, Medium (4,500 - 9,000 square feet)**
0001	General All-Purpose Use	156	**Alternative School**
0001	General All-Purpose Use	157	**Maintenance Storage Building**
0001	General All-Purpose Use	158	**Special Education Classrooms**
0001	General All-Purpose Use	170	**Institutional Greenhouse, Small (under 4,500 square feet)**
0001	General All-Purpose Use	171	**Institutional Greenhouse, Medium (4,500 - 9,000 square feet)**
0001	General All-Purpose Use	172	**Institutional Greenhouse, Large (over 9,000 square feet)**
0001	General All-Purpose Use	173	**Church Educational Wing**
0001	General All-Purpose Use	174	**Pavilion**
0001	General All-Purpose Use	300	**Apartment (High Rise)**
0001	General All-Purpose Use	301	**Armory**
0001	General All-Purpose Use	302	**Auditorium**
0001	General All-Purpose Use	303	**Automobile Showroom**
0001	General All-Purpose Use	304	**Bank**
0001	General All-Purpose Use	305	**Barn**
0001	General All-Purpose Use	306	**Bowling Alley**

Pooled Space Usage	Pooled Space Text	Rental Space Usage	Rental Space Text
0001	General All-Purpose Use	308	**Church with Sunday School**
0001	General All-Purpose Use	309	**Church**
0001	General All-Purpose Use	310	**City Club**
0001	General All-Purpose Use	311	**Clubhouse**
0001	General All-Purpose Use	313	**Convalescent Hospital**
0001	General All-Purpose Use	314	**Country Club**
0001	General All-Purpose Use	315	**Creamery**
0001	General All-Purpose Use	316	**Dairy**
0001	General All-Purpose Use	317	**Dairy Sales Building**
0001	General All-Purpose Use	318	**Department Store**
0001	General All-Purpose Use	319	**Discount Store**
0001	General All-Purpose Use	320	**Dispensary**
0001	General All-Purpose Use	321	**Dormitory**
0001	General All-Purpose Use	322	**Fire Station, Staffed**
0001	General All-Purpose Use	323	**Fraternal Building**
0001	General All-Purpose Use	324	**Fraternity House**
0001	General All-Purpose Use	326	**Storage Garage**
0001	General All-Purpose Use	327	**Governmental Building**
0001	General All-Purpose Use	328	**Storage Hangar**
0001	General All-Purpose Use	329	**Hangar, Maintenance and Office**
0001	General All-Purpose Use	330	**Home for the Elderly**
0001	General All-Purpose Use	331	**Hospital**
0001	General All-Purpose Use	335	**Jail, Correctional Facility**
0001	General All-Purpose Use	336	**Laundromat**
0001	General All-Purpose Use	337	**Library, Public**
0001	General All-Purpose Use	338	**Loft**
0001	General All-Purpose Use	339	**Lumber Storage Shed, Horizontal**
0001	General All-Purpose Use	340	**Market**
0001	General All-Purpose Use	341	**Medical Office**
0001	General All-Purpose Use	342	**Mortuary**
0001	General All-Purpose Use	343	**Motel**
0001	General All-Purpose Use	344	**Office Building**
0001	General All-Purpose Use	345	**Parking Structure**
0001	General All-Purpose Use	348	**Rectory**
0001	General All-Purpose Use	349	**Fast Food Restaurant**
0001	General All-Purpose Use	350	**Restaurant**
0001	General All-Purpose Use	352	**Multiple Residence, Low Rise**
0001	General All-Purpose Use	353	**Retail Store**
0001	General All-Purpose Use	355	**Fine Arts and Crafts Building (Elementary and Secondary School)**

Pooled Space Usage	Pooled Space Text	Rental Space Usage	Rental Space Text
0001	General All-Purpose Use	356	**Classrooms (Elementary and Secondary School)**
0001	General All-Purpose Use	357	**Commons (Elementary and Secondary School)**
0001	General All-Purpose Use	358	**Gymnasium (Elementary and Secondary School)**
0001	General All-Purpose Use	359	**Lecture Classrooms (Elementary and Secondary School)**
0001	General All-Purpose Use	360	**Library, Media Center (Elementary and Secondary School)**
0001	General All-Purpose Use	361	**Manual Arts Building (Elementary and Secondary School)**
0001	General All-Purpose Use	362	**Multipurpose Building (Elementary and Secondary School)**
0001	General All-Purpose Use	363	**Physical Education Building (Elementary and Secondary School)**
0001	General All-Purpose Use	364	**Science Classrooms (Elementary and Secondary School)**
0001	General All-Purpose Use	365	**Elementary School (Entire)**
0001	General All-Purpose Use	366	**Junior High School (Entire)**
0001	General All-Purpose Use	367	**Arts and Crafts Building (College)**
0001	General All-Purpose Use	368	**Classrooms (College)**
0001	General All-Purpose Use	369	**Commons (College)**
0001	General All-Purpose Use	370	**Gymnasium (College)**
0001	General All-Purpose Use	371	**Lecture Hall (College)**
0001	General All-Purpose Use	372	**Library (College)**
0001	General All-Purpose Use	373	**Technical Trades Building (College)**
0001	General All-Purpose Use	374	**Multipurpose Building (College)**
0001	General All-Purpose Use	375	**Physical Education Building (College)**
0001	General All-Purpose Use	376	**Science Building (College)**
0001	General All-Purpose Use	377	**College (Entire)**
0001	General All-Purpose Use	378	**Stable**
0001	General All-Purpose Use	379	**Theater, Live Stage**
0001	General All-Purpose Use	380	**Theater, Cinema**
0001	General All-Purpose Use	381	**Veterinary Hospital**
0001	General All-Purpose Use	383	**Tobacco Barn**
0001	General All-Purpose Use	384	**Barber Shop**
0001	General All-Purpose Use	386	**Mini Warehouse**
0001	General All-Purpose Use	387	**Transit Warehouse**
0001	General All-Purpose Use	388	**Underground Parking Structure**
0001	General All-Purpose Use	390	**Lumber Storage Building, Vertical**
0001	General All-Purpose Use	391	**Material Storage Building**
0001	General All-Purpose Use	392	**Industrial Engineering Building**
0001	General All-Purpose Use	393	**Labor Dormitory**
0001	General All-Purpose Use	394	**Transient Labor Cabin**
0001	General All-Purpose Use	395	**Potato Storage**
0001	General All-Purpose Use	396	**Hog Barn**
0001	General All-Purpose Use	397	**Sheep Barn**

Pooled Space Usage	Pooled Space Text	Rental Space Usage	Rental Space Text
0001	General All-Purpose Use	398	**Fruit Packing Barn**
0001	General All-Purpose Use	403	**Shower Building**
0001	General All-Purpose Use	405	**Skating Rink**
0001	General All-Purpose Use	406	**Storage Warehouse**
0001	General All-Purpose Use	407	**Distribution Warehouse**
0001	General All-Purpose Use	408	**Service Station**
0001	General All-Purpose Use	409	**T-Hangar**
0001	General All-Purpose Use	410	**Automotive Center**
0001	General All-Purpose Use	412	**Neighborhood Shopping Center**
0001	General All-Purpose Use	413	**Community Shopping Center**
0001	General All-Purpose Use	414	**Regional Shopping Center**
0001	General All-Purpose Use	416	**Indoor Tennis Club**
0001	General All-Purpose Use	417	**Racquetball-Handball Club**
0001	General All-Purpose Use	418	**Health Club**
0001	General All-Purpose Use	419	**Convenience Market**
0001	General All-Purpose Use	420	**Bulk Fertilizer Storage**
0001	General All-Purpose Use	421	**Grain Storage, Utility**
0001	General All-Purpose Use	423	**Mini-Lube Garage**
0001	General All-Purpose Use	424	**Group Care Home**
0001	General All-Purpose Use	426	**Day Care Center**
0001	General All-Purpose Use	427	**Fire Station (Volunteer)**
0001	General All-Purpose Use	428	**Horse Arena**
0001	General All-Purpose Use	429	**Modified Hog Shed**
0001	General All-Purpose Use	430	**Hog Shed**
0001	General All-Purpose Use	431	**Outpatient (Surgical) Center**
0001	General All-Purpose Use	432	**Restroom Building**
0001	General All-Purpose Use	434	**Car Wash, Self-Serve**
0001	General All-Purpose Use	435	**Car Wash, Drive-Thru**
0001	General All-Purpose Use	436	**Car Wash, Automatic**
0001	General All-Purpose Use	440	**Milkhouse**
0001	General All-Purpose Use	441	**Cocktail Lounge**
0001	General All-Purpose Use	442	**Bar/Tavern**
0001	General All-Purpose Use	443	**Central Bank**
0001	General All-Purpose Use	444	**Dental Office/Clinic**
0001	General All-Purpose Use	446	**Supermarket**
0001	General All-Purpose Use	447	**Cold Storage Facility**
0001	General All-Purpose Use	448	**Cold Storage, Farm**
0001	General All-Purpose Use	450	**Cotton Gin**
0001	General All-Purpose Use	451	**Multiple Residence, Senior Citizen (Low Rise)**
0001	General All-Purpose Use	453	**Industrial Flex Building**

Pooled Space Usage	Pooled Space Text	Rental Space Usage	Rental Space Text
0001	General All-Purpose Use	454	**Shell, Industrial Building**
0001	General All-Purpose Use	455	**Auto Dealership, Complete**
0001	General All-Purpose Use	456	**Tool Shed**
0001	General All-Purpose Use	458	**Warehouse Discount Store**
0001	General All-Purpose Use	459	**Mixed Retail with Residential Units**
0001	General All-Purpose Use	460	**Shell, Neighborhood Shopping Center**
0001	General All-Purpose Use	461	**Shell, Community Shopping Center**
0001	General All-Purpose Use	462	**Shell, Regional Shopping Center**
0001	General All-Purpose Use	465	**Food Booth, Prefabricated**
0001	General All-Purpose Use	466	**Boat Storage Shed**
0001	General All-Purpose Use	467	**Boat Storage Building**
0001	General All-Purpose Use	468	**Material Storage Shed**
0001	General All-Purpose Use	469	**Freestall Barn**
0001	General All-Purpose Use	470	**Equipment (Shop) Building**
0001	General All-Purpose Use	471	**Light Commercial Utility Building**
0001	General All-Purpose Use	472	**Equipment Shed**
0001	General All-Purpose Use	473	**Material Shelter**
0001	General All-Purpose Use	474	**Poultry House, Enclosed Cage Operation, One Story**
0001	General All-Purpose Use	476	**Farm Implement Building**
0001	General All-Purpose Use	477	**Farm Utility Building**
0001	General All-Purpose Use	478	**Farm Implement Shed**
0001	General All-Purpose Use	479	**Farm Utility Storage Shed**
0001	General All-Purpose Use	480	**Vegetable Building, Environmental**
0001	General All-Purpose Use	481	**Museum**
0001	General All-Purpose Use	482	**Convention Center**
0001	General All-Purpose Use	483	**Fitness Center**
0001	General All-Purpose Use	484	**High School (Entire)**
0001	General All-Purpose Use	485	**Natatorium**
0001	General All-Purpose Use	486	**Field House**
0001	General All-Purpose Use	487	**Vocational School**
0001	General All-Purpose Use	488	**Bookstore (School)**
0001	General All-Purpose Use	489	**Jail, Police Station**
0001	General All-Purpose Use	490	**Kennel**
0001	General All-Purpose Use	491	**Government Community Service Building**
0001	General All-Purpose Use	492	**Shell, Office Building**
0001	General All-Purpose Use	493	**Flathouse**
0001	General All-Purpose Use	494	**Industrial Light Manufacturing**
0001	General All-Purpose Use	495	**Industrial Heavy Manufacturing**
0001	General All-Purpose Use	496	**Laboratory**
0001	General All-Purpose Use	497	**Computer Center**

Pooled Space Usage	Pooled Space Text	Rental Space Usage	Rental Space Text
0001	General All-Purpose Use	498	**Broadcast Facility**
0001	General All-Purpose Use	499	**Dry Cleaners/Laundry**
0001	General All-Purpose Use	508	**Car Wash Canopy**
0001	General All-Purpose Use	511	**Drugstore**
0001	General All-Purpose Use	513	**Regional Discount Shopping Center**
0001	General All-Purpose Use	514	**Community Center**
0001	General All-Purpose Use	515	**Casino**
0001	General All-Purpose Use	516	**Fellowship Hall**
0001	General All-Purpose Use	517	**Narthex/Foyer**
0001	General All-Purpose Use	518	**Greenhouse Lath Shade House**
0001	General All-Purpose Use	519	**Greenhouse Shade Shelter**
0001	General All-Purpose Use	523	**Golf Cart Storage Building**
0001	General All-Purpose Use	524	**Corn Crib Building**
0001	General All-Purpose Use	525	**Mini Warehouse, High Rise**
0001	General All-Purpose Use	526	**Service Garage Shed**
0001	General All-Purpose Use	527	**Municipal Service Garage**
0001	General All-Purpose Use	528	**Service Repair Garage**
0001	General All-Purpose Use	529	**Snack Bar**
0001	General All-Purpose Use	530	**Cafeteria**
0001	General All-Purpose Use	531	**Mini-Mart Convenience Store**
0001	General All-Purpose Use	532	**Florist Shop**
0001	General All-Purpose Use	533	**Warehouse Food Store**
0001	General All-Purpose Use	534	**Warehouse Showroom Store**
0001	General All-Purpose Use	537	**Lodge**
0001	General All-Purpose Use	538	**Guest Cottage**
0001	General All-Purpose Use	539	**Bed and Breakfast Inn**
0001	General All-Purpose Use	540	**Motel Room, 2 Story, Double Row**
0001	General All-Purpose Use	541	**Motel Room, 2 Story, Single Row**
0001	General All-Purpose Use	542	**Motel Room, 1 Story, Double Row**
0001	General All-Purpose Use	543	**Motel Room, 1 Story, Single Row**
0001	General All-Purpose Use	544	**Office-Apartment (Motel)**
0001	General All-Purpose Use	551	**Rooming House**
0001	General All-Purpose Use	552	**Recreational Enclosure**
0001	General All-Purpose Use	554	**Shed Office Structure**
0001	General All-Purpose Use	555	**Light Commercial Arch-Rib, Quonset**
0001	General All-Purpose Use	556	**Bulk Oil Storage**
0001	General All-Purpose Use	557	**Farm Utility Arch-Rib, Quonset**
0001	General All-Purpose Use	558	**Farm Implement Arch-Rib, Quonset**
0001	General All-Purpose Use	559	**Stables, High-Value**
0001	General All-Purpose Use	560	**Equestrian Lean-To**

Pooled Space Usage	Pooled Space Text	Rental Space Usage	Rental Space Text
0001	General All-Purpose Use	561	**Feeder Barn**
0001	General All-Purpose Use	562	**Commodity Storage Shed, Farm**
0001	General All-Purpose Use	563	**Bag Fertilizer Storage**
0001	General All-Purpose Use	564	**Dehydrator Building**
0001	General All-Purpose Use	565	**Farm Utility Shelter**
0001	General All-Purpose Use	566	**Farm Sun Shade Shelter**
0001	General All-Purpose Use	567	**Poultry House, Cage, Two Story**
0001	General All-Purpose Use	568	**Poultry House, Cage, Elevated Two Story**
0001	General All-Purpose Use	569	**Poultry House, Cage, Three Story**
0001	General All-Purpose Use	570	**Poultry House, Cage, Elevated One Story**
0001	General All-Purpose Use	571	**Passenger Terminal**
0001	General All-Purpose Use	573	**Arcade**
0001	General All-Purpose Use	574	**Visitor Center**
0001	General All-Purpose Use	575	**Dining Atrium**
0001	General All-Purpose Use	576	**Atrium**
0001	General All-Purpose Use	577	**Parking Levels**
0001	General All-Purpose Use	578	**Mini Bank**
0001	General All-Purpose Use	580	**Truck Stop**
0001	General All-Purpose Use	581	**Post Office, Main**
0001	General All-Purpose Use	582	**Post Office, Branch**
0001	General All-Purpose Use	583	**Mail Processing Facility**
0001	General All-Purpose Use	584	**Mega Warehouse**
0001	General All-Purpose Use	585	**Mechanical Penthouse**
0001	General All-Purpose Use	586	**Roadside Market**
0001	General All-Purpose Use	587	**Shell, Multiple Residence (Low Rise)**
0001	General All-Purpose Use	588	**Motel, Extended Stay**
0001	General All-Purpose Use	589	**Multiple Residence, Assisted Living (Low Rise)**
0001	General All-Purpose Use	594	**Hotel, Full Service**
0001	General All-Purpose Use	595	**Hotel, Limited Service**
0001	General All-Purpose Use	596	**Shell, Apartment (High Rise)**
0001	General All-Purpose Use	597	**Mixed Retail with Office Units**
0001	General All-Purpose Use	598	**Relocatable Classroom**
0001	General All-Purpose Use	599	**Relocatable Office**
0001	General All-Purpose Use	600	**Administration Building**
0001	General All-Purpose Use	700	**Mall Anchor Department Store**
0001	General All-Purpose Use	710	**Multiple Residence, Retirement Community Complex**
0001	General All-Purpose Use	984	**Luxury Apartment (High Rise)**
0001	General All-Purpose Use	985	**Senior Clubhouse Center**
0001	General All-Purpose Use	987	**Interior Space, Multiple Residence (Low Rise)**
0001	General All-Purpose Use	989	**Interior Space, Apartment (High Rise)**

Pooled Space Usage	Pooled Space Text	Rental Space Usage	Rental Space Text
0001	General All-Purpose Use	990	**Interior Space, Neighborhood Shopping Center**
0001	General All-Purpose Use	991	**Interior Space, Community Shopping Center**
0001	General All-Purpose Use	992	**Interior Space, Regional Shopping Center**
0001	General All-Purpose Use	993	**Interior Space, Office Building**
0001	General All-Purpose Use	994	**Interior Space, Industrial Building**
0001	General All-Purpose Use	998	**Non Marshall & Swift (with contents)**
0001	General All-Purpose Use	999	Non Marshall & Swift (no contents)

Measurement Types Allowed Per Rental Object Type

The following relationship of which measurement types are allowed per RO will be configured for the state.

RO Type	Measurement Type	Measurement Type Text
PS	A200	**Rentable Area**
PS	A300	**Useable Area**
PS	A500	**Flood Area (Ground Level)**
PS	A600	**Flood Area (Basement)**
RS	A200	**Rentable Area**
RS	A300	**Useable Area**
RU	A200	**Rentable Area**
RU	A300	Useable Area

Measurement Types per Usage Type

The following relationship of which measurement types are allowed per usage type will be configured for the state.

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A200	Rentable Area	0001	**General All-Purpose Use**
A300	Useable Area	0001	**General All-Purpose Use**
A200	Rentable Area	134	**Greenhouse, Modified Hoop, Small (under 4,500 square feet)**
A200	Rentable Area	135	**Greenhouse, Hoop, Arch-rib, Small (under 4,500 square feet)**
A200	Rentable Area	136	**Greenhouse, Straight Wall, Small (under 4,500 square feet)**
A200	Rentable Area	137	**Greenhouse, Modified Hoop, Large (over 9,000 square feet)**
A200	Rentable Area	138	**Greenhouse, Hoop, Arch-rib, Large (over 9,000 square feet)**
A200	Rentable Area	139	**Greenhouse, Straight Wall, Large (over 9,000 square feet)**
A200	Rentable Area	140	**Greenhouse, Modified Hoop, Medium (4,500 - 9,000 square feet)**
A200	Rentable Area	141	**Greenhouse, Hoop, Arch-Rib, Medium (4,500 - 9,000 square feet)**
A200	Rentable Area	142	**Greenhouse, Straight Wall, Medium (4,500 - 9,000 square feet)**
A200	Rentable Area	156	**Alternative School**
A200	Rentable Area	157	**Maintenance Storage Building**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A200	Rentable Area	158	**Special Education Classrooms**
A200	Rentable Area	170	**Institutional Greenhouse, Small (under 4,500 square feet)**
A200	Rentable Area	171	**Institutional Greenhouse, Medium (4,500 - 9,000 square feet)**
A200	Rentable Area	172	**Institutional Greenhouse, Large (over 9,000 square feet)**
A200	Rentable Area	173	**Church Educational Wing**
A200	Rentable Area	174	**Pavilion**
A200	Rentable Area	300	**Apartment (High Rise)**
A200	Rentable Area	301	**Armory**
A200	Rentable Area	302	**Auditorium**
A200	Rentable Area	303	**Automobile Showroom**
A200	Rentable Area	304	**Bank**
A200	Rentable Area	305	**Barn**
A200	Rentable Area	306	**Bowling Alley**
A200	Rentable Area	308	**Church with Sunday School**
A200	Rentable Area	309	**Church**
A200	Rentable Area	310	**City Club**
A200	Rentable Area	311	**Clubhouse**
A200	Rentable Area	313	**Convalescent Hospital**
A200	Rentable Area	314	**Country Club**
A200	Rentable Area	315	**Creamery**
A200	Rentable Area	316	**Dairy**
A200	Rentable Area	317	**Dairy Sales Building**
A200	Rentable Area	318	**Department Store**
A200	Rentable Area	319	**Discount Store**
A200	Rentable Area	320	**Dispensary**
A200	Rentable Area	321	**Dormitory**
A200	Rentable Area	322	**Fire Station, Staffed**
A200	Rentable Area	323	**Fraternal Building**
A200	Rentable Area	324	**Fraternity House**
A200	Rentable Area	326	**Storage Garage**
A200	Rentable Area	327	**Governmental Building**
A200	Rentable Area	328	**Storage Hangar**
A200	Rentable Area	329	**Hangar, Maintenance and Office**
A200	Rentable Area	330	**Home for the Elderly**
A200	Rentable Area	331	**Hospital**
A200	Rentable Area	335	**Jail, Correctional Facility**
A200	Rentable Area	336	**Laundromat**
A200	Rentable Area	337	**Library, Public**
A200	Rentable Area	338	**Loft**
A200	Rentable Area	339	**Lumber Storage Shed, Horizontal**
A200	Rentable Area	340	**Market**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A200	Rentable Area	341	**Medical Office**
A200	Rentable Area	342	**Mortuary**
A200	Rentable Area	343	**Motel**
A200	Rentable Area	344	**Office Building**
A200	Rentable Area	345	**Parking Structure**
A200	Rentable Area	348	**Rectory**
A200	Rentable Area	349	**Fast Food Restaurant**
A200	Rentable Area	350	**Restaurant**
A200	Rentable Area	352	**Multiple Residence, Low Rise**
A200	Rentable Area	353	**Retail Store**
A200	Rentable Area	355	**Fine Arts and Crafts Building (Elementary and Secondary School)**
A200	Rentable Area	356	**Classrooms (Elementary and Secondary School)**
A200	Rentable Area	357	**Commons (Elementary and Secondary School)**
A200	Rentable Area	358	**Gymnasium (Elementary and Secondary School)**
A200	Rentable Area	359	**Lecture Classrooms (Elementary and Secondary School)**
A200	Rentable Area	360	**Library, Media Center (Elementary and Secondary School)**
A200	Rentable Area	361	**Manual Arts Building (Elementary and Secondary School)**
A200	Rentable Area	362	**Multipurpose Building (Elementary and Secondary School)**
A200	Rentable Area	363	**Physical Education Building (Elementary and Secondary School)**
A200	Rentable Area	364	**Science Classrooms (Elementary and Secondary School)**
A200	Rentable Area	365	**Elementary School (Entire)**
A200	Rentable Area	366	**Junior High School (Entire)**
A200	Rentable Area	367	**Arts and Crafts Building (College)**
A200	Rentable Area	368	**Classrooms (College)**
A200	Rentable Area	369	**Commons (College)**
A200	Rentable Area	370	**Gymnasium (College)**
A200	Rentable Area	371	**Lecture Hall (College)**
A200	Rentable Area	372	**Library (College)**
A200	Rentable Area	373	**Technical Trades Building (College)**
A200	Rentable Area	374	**Multipurpose Building (College)**
A200	Rentable Area	375	**Physical Education Building (College)**
A200	Rentable Area	376	**Science Building (College)**
A200	Rentable Area	377	**College (Entire)**
A200	Rentable Area	378	**Stable**
A200	Rentable Area	379	**Theater, Live Stage**
A200	Rentable Area	380	**Theater, Cinema**
A200	Rentable Area	381	**Veterinary Hospital**
A200	Rentable Area	383	**Tobacco Barn**
A200	Rentable Area	384	**Barber Shop**
A200	Rentable Area	386	**Mini Warehouse**
A200	Rentable Area	387	**Transit Warehouse**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A200	Rentable Area	388	**Underground Parking Structure**
A200	Rentable Area	390	**Lumber Storage Building, Vertical**
A200	Rentable Area	391	**Material Storage Building**
A200	Rentable Area	392	**Industrial Engineering Building**
A200	Rentable Area	393	**Labor Dormitory**
A200	Rentable Area	394	**Transient Labor Cabin**
A200	Rentable Area	395	**Potato Storage**
A200	Rentable Area	396	**Hog Barn**
A200	Rentable Area	397	**Sheep Barn**
A200	Rentable Area	398	**Fruit Packing Barn**
A200	Rentable Area	403	**Shower Building**
A200	Rentable Area	405	**Skating Rink**
A200	Rentable Area	406	**Storage Warehouse**
A200	Rentable Area	407	**Distribution Warehouse**
A200	Rentable Area	408	**Service Station**
A200	Rentable Area	409	**T-Hangar**
A200	Rentable Area	410	**Automotive Center**
A200	Rentable Area	412	**Neighborhood Shopping Center**
A200	Rentable Area	413	**Community Shopping Center**
A200	Rentable Area	414	**Regional Shopping Center**
A200	Rentable Area	416	**Indoor Tennis Club**
A200	Rentable Area	417	**Racquetball-Handball Club**
A200	Rentable Area	418	**Health Club**
A200	Rentable Area	419	**Convenience Market**
A200	Rentable Area	420	**Bulk Fertilizer Storage**
A200	Rentable Area	421	**Grain Storage, Utility**
A200	Rentable Area	423	**Mini-Lube Garage**
A200	Rentable Area	424	**Group Care Home**
A200	Rentable Area	426	**Day Care Center**
A200	Rentable Area	427	**Fire Station (Volunteer)**
A200	Rentable Area	428	**Horse Arena**
A200	Rentable Area	429	**Modified Hog Shed**
A200	Rentable Area	430	**Hog Shed**
A200	Rentable Area	431	**Outpatient (Surgical) Center**
A200	Rentable Area	432	**Restroom Building**
A200	Rentable Area	434	**Car Wash, Self-Serve**
A200	Rentable Area	435	**Car Wash, Drive-Thru**
A200	Rentable Area	436	**Car Wash, Automatic**
A200	Rentable Area	440	**Milkhouse**
A200	Rentable Area	441	**Cocktail Lounge**
A200	Rentable Area	442	**Bar/Tavern**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A200	Rentable Area	443	**Central Bank**
A200	Rentable Area	444	**Dental Office/Clinic**
A200	Rentable Area	446	**Supermarket**
A200	Rentable Area	447	**Cold Storage Facility**
A200	Rentable Area	448	**Cold Storage, Farm**
A200	Rentable Area	450	**Cotton Gin**
A200	Rentable Area	451	**Multiple Residence, Senior Citizen (Low Rise)**
A200	Rentable Area	453	**Industrial Flex Building**
A200	Rentable Area	454	**Shell, Industrial Building**
A200	Rentable Area	455	**Auto Dealership, Complete**
A200	Rentable Area	456	**Tool Shed**
A200	Rentable Area	458	**Warehouse Discount Store**
A200	Rentable Area	459	**Mixed Retail with Residential Units**
A200	Rentable Area	460	**Shell, Neighborhood Shopping Center**
A200	Rentable Area	461	**Shell, Community Shopping Center**
A200	Rentable Area	462	**Shell, Regional Shopping Center**
A200	Rentable Area	465	**Food Booth, Prefabricated**
A200	Rentable Area	466	**Boat Storage Shed**
A200	Rentable Area	467	**Boat Storage Building**
A200	Rentable Area	468	**Material Storage Shed**
A200	Rentable Area	469	**Freestall Barn**
A200	Rentable Area	470	**Equipment (Shop) Building**
A200	Rentable Area	471	**Light Commercial Utility Building**
A200	Rentable Area	472	**Equipment Shed**
A200	Rentable Area	473	**Material Shelter**
A200	Rentable Area	474	**Poultry House, Enclosed Cage Operation, One Story**
A200	Rentable Area	476	**Farm Implement Building**
A200	Rentable Area	477	**Farm Utility Building**
A200	Rentable Area	478	**Farm Implement Shed**
A200	Rentable Area	479	**Farm Utility Storage Shed**
A200	Rentable Area	480	**Vegetable Building, Environmental**
A200	Rentable Area	481	**Museum**
A200	Rentable Area	482	**Convention Center**
A200	Rentable Area	483	**Fitness Center**
A200	Rentable Area	484	**High School (Entire)**
A200	Rentable Area	485	**Natatorium**
A200	Rentable Area	486	**Field House**
A200	Rentable Area	487	**Vocational School**
A200	Rentable Area	488	**Bookstore (School)**
A200	Rentable Area	489	**Jail, Police Station**
A200	Rentable Area	490	**Kennel**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A200	Rentable Area	491	**Government Community Service Building**
A200	Rentable Area	492	**Shell, Office Building**
A200	Rentable Area	493	**Flathouse**
A200	Rentable Area	494	**Industrial Light Manufacturing**
A200	Rentable Area	495	**Industrial Heavy Manufacturing**
A200	Rentable Area	496	**Laboratory**
A200	Rentable Area	497	**Computer Center**
A200	Rentable Area	498	**Broadcast Facility**
A200	Rentable Area	499	**Dry Cleaners/Laundry**
A200	Rentable Area	508	**Car Wash Canopy**
A200	Rentable Area	511	**Drugstore**
A200	Rentable Area	513	**Regional Discount Shopping Center**
A200	Rentable Area	514	**Community Center**
A200	Rentable Area	515	**Casino**
A200	Rentable Area	516	**Fellowship Hall**
A200	Rentable Area	517	**Narthex/Foyer**
A200	Rentable Area	518	**Greenhouse Lath Shade House**
A200	Rentable Area	519	**Greenhouse Shade Shelter**
A200	Rentable Area	523	**Golf Cart Storage Building**
A200	Rentable Area	524	**Corn Crib Building**
A200	Rentable Area	525	**Mini Warehouse, High Rise**
A200	Rentable Area	526	**Service Garage Shed**
A200	Rentable Area	527	**Municipal Service Garage**
A200	Rentable Area	528	**Service Repair Garage**
A200	Rentable Area	529	**Snack Bar**
A200	Rentable Area	530	**Cafeteria**
A200	Rentable Area	531	**Mini-Mart Convenience Store**
A200	Rentable Area	532	**Florist Shop**
A200	Rentable Area	533	**Warehouse Food Store**
A200	Rentable Area	534	**Warehouse Showroom Store**
A200	Rentable Area	537	**Lodge**
A200	Rentable Area	538	**Guest Cottage**
A200	Rentable Area	539	**Bed and Breakfast Inn**
A200	Rentable Area	540	**Motel Room, 2 Story, Double Row**
A200	Rentable Area	541	**Motel Room, 2 Story, Single Row**
A200	Rentable Area	542	**Motel Room, 1 Story, Double Row**
A200	Rentable Area	543	**Motel Room, 1 Story, Single Row**
A200	Rentable Area	544	**Office-Apartment (Motel)**
A200	Rentable Area	551	**Rooming House**
A200	Rentable Area	552	**Recreational Enclosure**
A200	Rentable Area	554	**Shed Office Structure**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A200	Rentable Area	555	**Light Commercial Arch-Rib, Quonset**
A200	Rentable Area	556	**Bulk Oil Storage**
A200	Rentable Area	557	**Farm Utility Arch-Rib, Quonset**
A200	Rentable Area	558	**Farm Implement Arch-Rib, Quonset**
A200	Rentable Area	559	**Stables, High-Value**
A200	Rentable Area	560	**Equestrian Lean-To**
A200	Rentable Area	561	**Feeder Barn**
A200	Rentable Area	562	**Commodity Storage Shed, Farm**
A200	Rentable Area	563	**Bag Fertilizer Storage**
A200	Rentable Area	564	**Dehydrator Building**
A200	Rentable Area	565	**Farm Utility Shelter**
A200	Rentable Area	566	**Farm Sun Shade Shelter**
A200	Rentable Area	567	**Poultry House, Cage, Two Story**
A200	Rentable Area	568	**Poultry House, Cage, Elevated Two Story**
A200	Rentable Area	569	**Poultry House, Cage, Three Story**
A200	Rentable Area	570	**Poultry House, Cage, Elevated One Story**
A200	Rentable Area	571	**Passenger Terminal**
A200	Rentable Area	573	**Arcade**
A200	Rentable Area	574	**Visitor Center**
A200	Rentable Area	575	**Dining Atrium**
A200	Rentable Area	576	**Atrium**
A200	Rentable Area	577	**Parking Levels**
A200	Rentable Area	578	**Mini Bank**
A200	Rentable Area	580	**Truck Stop**
A200	Rentable Area	581	**Post Office, Main**
A200	Rentable Area	582	**Post Office, Branch**
A200	Rentable Area	583	**Mail Processing Facility**
A200	Rentable Area	584	**Mega Warehouse**
A200	Rentable Area	585	**Mechanical Penthouse**
A200	Rentable Area	586	**Roadside Market**
A200	Rentable Area	587	**Shell, Multiple Residence (Low Rise)**
A200	Rentable Area	588	**Motel, Extended Stay**
A200	Rentable Area	589	**Multiple Residence, Assisted Living (Low Rise)**
A200	Rentable Area	594	**Hotel, Full Service**
A200	Rentable Area	595	**Hotel, Limited Service**
A200	Rentable Area	596	**Shell, Apartment (High Rise)**
A200	Rentable Area	597	**Mixed Retail with Office Units**
A200	Rentable Area	598	**Relocatable Classroom**
A200	Rentable Area	599	**Relocatable Office**
A200	Rentable Area	600	**Administration Building**
A200	Rentable Area	700	**Mall Anchor Department Store**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A200	Rentable Area	710	**Multiple Residence, Retirement Community Complex**
A200	Rentable Area	984	**Luxury Apartment (High Rise)**
A200	Rentable Area	985	**Senior Clubhouse Center**
A200	Rentable Area	987	**Interior Space, Multiple Residence (Low Rise)**
A200	Rentable Area	989	**Interior Space, Apartment (High Rise)**
A200	Rentable Area	990	**Interior Space, Neighborhood Shopping Center**
A200	Rentable Area	991	**Interior Space, Community Shopping Center**
A200	Rentable Area	992	**Interior Space, Regional Shopping Center**
A200	Rentable Area	993	**Interior Space, Office Building**
A200	Rentable Area	994	**Interior Space, Industrial Building**
A200	Rentable Area	998	**Non Marshall & Swift (with contents)**
A200	Rentable Area	999	**Non Marshall & Swift (no contents)**
A300	Useable Area	134	**Greenhouse, Modified Hoop, Small (under 4,500 square feet)**
A300	Useable Area	135	**Greenhouse, Hoop, Arch-rib, Small (under 4,500 square feet)**
A300	Useable Area	136	**Greenhouse, Straight Wall, Small (under 4,500 square feet)**
A300	Useable Area	137	**Greenhouse, Modified Hoop, Large (over 9,000 square feet)**
A300	Useable Area	138	**Greenhouse, Hoop, Arch-rib, Large (over 9,000 square feet)**
A300	Useable Area	139	**Greenhouse, Straight Wall, Large (over 9,000 square feet)**
A300	Useable Area	140	**Greenhouse, Modified Hoop, Medium (4,500 - 9,000 square feet)**
A300	Useable Area	141	**Greenhouse, Hoop, Arch-Rib, Medium (4,500 - 9,000 square feet)**
A300	Useable Area	142	**Greenhouse, Straight Wall, Medium (4,500 - 9,000 square feet)**
A300	Useable Area	156	**Alternative School**
A300	Useable Area	157	**Maintenance Storage Building**
A300	Useable Area	158	**Special Education Classrooms**
A300	Useable Area	170	**Institutional Greenhouse, Small (under 4,500 square feet)**
A300	Useable Area	171	**Institutional Greenhouse, Medium (4,500 - 9,000 square feet)**
A300	Useable Area	172	**Institutional Greenhouse, Large (over 9,000 square feet)**
A300	Useable Area	173	**Church Educational Wing**
A300	Useable Area	174	**Pavilion**
A300	Useable Area	300	**Apartment (High Rise)**
A300	Useable Area	301	**Armory**
A300	Useable Area	302	**Auditorium**
A300	Useable Area	303	**Automobile Showroom**
A300	Useable Area	304	**Bank**
A300	Useable Area	305	**Barn**
A300	Useable Area	306	**Bowling Alley**
A300	Useable Area	308	**Church with Sunday School**
A300	Useable Area	309	**Church**
A300	Useable Area	310	**City Club**
A300	Useable Area	311	**Clubhouse**
A300	Useable Area	313	**Convalescent Hospital**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A300	Useable Area	314	**Country Club**
A300	Useable Area	315	**Creamery**
A300	Useable Area	316	**Dairy**
A300	Useable Area	317	**Dairy Sales Building**
A300	Useable Area	318	**Department Store**
A300	Useable Area	319	**Discount Store**
A300	Useable Area	320	**Dispensary**
A300	Useable Area	321	**Dormitory**
A300	Useable Area	322	**Fire Station, Staffed**
A300	Useable Area	323	**Fraternal Building**
A300	Useable Area	324	**Fraternity House**
A300	Useable Area	326	**Storage Garage**
A300	Useable Area	327	**Governmental Building**
A300	Useable Area	328	**Storage Hangar**
A300	Useable Area	329	**Hangar, Maintenance and Office**
A300	Useable Area	330	**Home for the Elderly**
A300	Useable Area	331	**Hospital**
A300	Useable Area	335	**Jail, Correctional Facility**
A300	Useable Area	336	**Laundromat**
A300	Useable Area	337	**Library, Public**
A300	Useable Area	338	**Loft**
A300	Useable Area	339	**Lumber Storage Shed, Horizontal**
A300	Useable Area	340	**Market**
A300	Useable Area	341	**Medical Office**
A300	Useable Area	342	**Mortuary**
A300	Useable Area	343	**Motel**
A300	Useable Area	344	**Office Building**
A300	Useable Area	345	**Parking Structure**
A300	Useable Area	348	**Rectory**
A300	Useable Area	349	**Fast Food Restaurant**
A300	Useable Area	350	**Restaurant**
A300	Useable Area	352	**Multiple Residence, Low Rise**
A300	Useable Area	353	**Retail Store**
A300	Useable Area	355	**Fine Arts and Crafts Building (Elementary and Secondary School)**
A300	Useable Area	356	**Classrooms (Elementary and Secondary School)**
A300	Useable Area	357	**Commons (Elementary and Secondary School)**
A300	Useable Area	358	**Gymnasium (Elementary and Secondary School)**
A300	Useable Area	359	**Lecture Classrooms (Elementary and Secondary School)**
A300	Useable Area	360	**Library, Media Center (Elementary and Secondary School)**
A300	Useable Area	361	**Manual Arts Building (Elementary and Secondary School)**
A300	Useable Area	362	**Multipurpose Building (Elementary and Secondary School)**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A300	Useable Area	363	**Physical Education Building (Elementary and Secondary School)**
A300	Useable Area	364	**Science Classrooms (Elementary and Secondary School)**
A300	Useable Area	365	**Elementary School (Entire)**
A300	Useable Area	366	**Junior High School (Entire)**
A300	Useable Area	367	**Arts and Crafts Building (College)**
A300	Useable Area	368	**Classrooms (College)**
A300	Useable Area	369	**Commons (College)**
A300	Useable Area	370	**Gymnasium (College)**
A300	Useable Area	371	**Lecture Hall (College)**
A300	Useable Area	372	**Library (College)**
A300	Useable Area	373	**Technical Trades Building (College)**
A300	Useable Area	374	**Multipurpose Building (College)**
A300	Useable Area	375	**Physical Education Building (College)**
A300	Useable Area	376	**Science Building (College)**
A300	Useable Area	377	**College (Entire)**
A300	Useable Area	378	**Stable**
A300	Useable Area	379	**Theater, Live Stage**
A300	Useable Area	380	**Theater, Cinema**
A300	Useable Area	381	**Veterinary Hospital**
A300	Useable Area	383	**Tobacco Barn**
A300	Useable Area	384	**Barber Shop**
A300	Useable Area	386	**Mini Warehouse**
A300	Useable Area	387	**Transit Warehouse**
A300	Useable Area	388	**Underground Parking Structure**
A300	Useable Area	390	**Lumber Storage Building, Vertical**
A300	Useable Area	391	**Material Storage Building**
A300	Useable Area	392	**Industrial Engineering Building**
A300	Useable Area	393	**Labor Dormitory**
A300	Useable Area	394	**Transient Labor Cabin**
A300	Useable Area	395	**Potato Storage**
A300	Useable Area	396	**Hog Barn**
A300	Useable Area	397	**Sheep Barn**
A300	Useable Area	398	**Fruit Packing Barn**
A300	Useable Area	403	**Shower Building**
A300	Useable Area	405	**Skating Rink**
A300	Useable Area	406	**Storage Warehouse**
A300	Useable Area	407	**Distribution Warehouse**
A300	Useable Area	408	**Service Station**
A300	Useable Area	409	**T-Hangar**
A300	Useable Area	410	**Automotive Center**
A300	Useable Area	412	**Neighborhood Shopping Center**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A300	Useable Area	413	**Community Shopping Center**
A300	Useable Area	414	**Regional Shopping Center**
A300	Useable Area	416	**Indoor Tennis Club**
A300	Useable Area	417	**Racquetball-Handball Club**
A300	Useable Area	418	**Health Club**
A300	Useable Area	419	**Convenience Market**
A300	Useable Area	420	**Bulk Fertilizer Storage**
A300	Useable Area	421	**Grain Storage, Utility**
A300	Useable Area	423	**Mini-Lube Garage**
A300	Useable Area	424	**Group Care Home**
A300	Useable Area	426	**Day Care Center**
A300	Useable Area	427	**Fire Station (Volunteer)**
A300	Useable Area	428	**Horse Arena**
A300	Useable Area	429	**Modified Hog Shed**
A300	Useable Area	430	**Hog Shed**
A300	Useable Area	431	**Outpatient (Surgical) Center**
A300	Useable Area	432	**Restroom Building**
A300	Useable Area	434	**Car Wash, Self-Serve**
A300	Useable Area	435	**Car Wash, Drive-Thru**
A300	Useable Area	436	**Car Wash, Automatic**
A300	Useable Area	440	**Milkhouse**
A300	Useable Area	441	**Cocktail Lounge**
A300	Useable Area	442	**Bar/Tavern**
A300	Useable Area	443	**Central Bank**
A300	Useable Area	444	**Dental Office/Clinic**
A300	Useable Area	446	**Supermarket**
A300	Useable Area	447	**Cold Storage Facility**
A300	Useable Area	448	**Cold Storage, Farm**
A300	Useable Area	450	**Cotton Gin**
A300	Useable Area	451	**Multiple Residence, Senior Citizen (Low Rise)**
A300	Useable Area	453	**Industrial Flex Building**
A300	Useable Area	454	**Shell, Industrial Building**
A300	Useable Area	455	**Auto Dealership, Complete**
A300	Useable Area	456	**Tool Shed**
A300	Useable Area	458	**Warehouse Discount Store**
A300	Useable Area	459	**Mixed Retail with Residential Units**
A300	Useable Area	460	**Shell, Neighborhood Shopping Center**
A300	Useable Area	461	**Shell, Community Shopping Center**
A300	Useable Area	462	**Shell, Regional Shopping Center**
A300	Useable Area	465	**Food Booth, Prefabricated**
A300	Useable Area	466	**Boat Storage Shed**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A300	Useable Area	467	**Boat Storage Building**
A300	Useable Area	468	**Material Storage Shed**
A300	Useable Area	469	**Freestall Barn**
A300	Useable Area	470	**Equipment (Shop) Building**
A300	Useable Area	471	**Light Commercial Utility Building**
A300	Useable Area	472	**Equipment Shed**
A300	Useable Area	473	**Material Shelter**
A300	Useable Area	474	**Poultry House, Enclosed Cage Operation, One Story**
A300	Useable Area	476	**Farm Implement Building**
A300	Useable Area	477	**Farm Utility Building**
A300	Useable Area	478	**Farm Implement Shed**
A300	Useable Area	479	**Farm Utility Storage Shed**
A300	Useable Area	480	**Vegetable Building, Environmental**
A300	Useable Area	481	**Museum**
A300	Useable Area	482	**Convention Center**
A300	Useable Area	483	**Fitness Center**
A300	Useable Area	484	**High School (Entire)**
A300	Useable Area	485	**Natatorium**
A300	Useable Area	486	**Field House**
A300	Useable Area	487	**Vocational School**
A300	Useable Area	488	**Bookstore (School)**
A300	Useable Area	489	**Jail, Police Station**
A300	Useable Area	490	**Kennel**
A300	Useable Area	491	**Government Community Service Building**
A300	Useable Area	492	**Shell, Office Building**
A300	Useable Area	493	**Flathouse**
A300	Useable Area	494	**Industrial Light Manufacturing**
A300	Useable Area	495	**Industrial Heavy Manufacturing**
A300	Useable Area	496	**Laboratory**
A300	Useable Area	497	**Computer Center**
A300	Useable Area	498	**Broadcast Facility**
A300	Useable Area	499	**Dry Cleaners/Laundry**
A300	Useable Area	508	**Car Wash Canopy**
A300	Useable Area	511	**Drugstore**
A300	Useable Area	513	**Regional Discount Shopping Center**
A300	Useable Area	514	**Community Center**
A300	Useable Area	515	**Casino**
A300	Useable Area	516	**Fellowship Hall**
A300	Useable Area	517	**Narthex/Foyer**
A300	Useable Area	518	**Greenhouse Lath Shade House**
A300	Useable Area	519	**Greenhouse Shade Shelter**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A300	Useable Area	523	**Golf Cart Storage Building**
A300	Useable Area	524	**Corn Crib Building**
A300	Useable Area	525	**Mini Warehouse, High Rise**
A300	Useable Area	526	**Service Garage Shed**
A300	Useable Area	527	**Municipal Service Garage**
A300	Useable Area	528	**Service Repair Garage**
A300	Useable Area	529	**Snack Bar**
A300	Useable Area	530	**Cafeteria**
A300	Useable Area	531	**Mini-Mart Convenience Store**
A300	Useable Area	532	**Florist Shop**
A300	Useable Area	533	**Warehouse Food Store**
A300	Useable Area	534	**Warehouse Showroom Store**
A300	Useable Area	537	**Lodge**
A300	Useable Area	538	**Guest Cottage**
A300	Useable Area	539	**Bed and Breakfast Inn**
A300	Useable Area	540	**Motel Room, 2 Story, Double Row**
A300	Useable Area	541	**Motel Room, 2 Story, Single Row**
A300	Useable Area	542	**Motel Room, 1 Story, Double Row**
A300	Useable Area	543	**Motel Room, 1 Story, Single Row**
A300	Useable Area	544	**Office-Apartment (Motel)**
A300	Useable Area	551	**Rooming House**
A300	Useable Area	552	**Recreational Enclosure**
A300	Useable Area	554	**Shed Office Structure**
A300	Useable Area	555	**Light Commercial Arch-Rib, Quonset**
A300	Useable Area	556	**Bulk Oil Storage**
A300	Useable Area	557	**Farm Utility Arch-Rib, Quonset**
A300	Useable Area	558	**Farm Implement Arch-Rib, Quonset**
A300	Useable Area	559	**Stables, High-Value**
A300	Useable Area	560	**Equestrian Lean-To**
A300	Useable Area	561	**Feeder Barn**
A300	Useable Area	562	**Commodity Storage Shed, Farm**
A300	Useable Area	563	**Bag Fertilizer Storage**
A300	Useable Area	564	**Dehydrator Building**
A300	Useable Area	565	**Farm Utility Shelter**
A300	Useable Area	566	**Farm Sun Shade Shelter**
A300	Useable Area	567	**Poultry House, Cage, Two Story**
A300	Useable Area	568	**Poultry House, Cage, Elevated Two Story**
A300	Useable Area	569	**Poultry House, Cage, Three Story**
A300	Useable Area	570	**Poultry House, Cage, Elevated One Story**
A300	Useable Area	571	**Passenger Terminal**
A300	Useable Area	573	**Arcade**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A300	Useable Area	574	**Visitor Center**
A300	Useable Area	575	**Dining Atrium**
A300	Useable Area	576	**Atrium**
A300	Useable Area	577	**Parking Levels**
A300	Useable Area	578	**Mini Bank**
A300	Useable Area	580	**Truck Stop**
A300	Useable Area	581	**Post Office, Main**
A300	Useable Area	582	**Post Office, Branch**
A300	Useable Area	583	**Mail Processing Facility**
A300	Useable Area	584	**Mega Warehouse**
A300	Useable Area	585	**Mechanical Penthouse**
A300	Useable Area	586	**Roadside Market**
A300	Useable Area	587	**Shell, Multiple Residence (Low Rise)**
A300	Useable Area	588	**Motel, Extended Stay**
A300	Useable Area	589	**Multiple Residence, Assisted Living (Low Rise)**
A300	Useable Area	594	**Hotel, Full Service**
A300	Useable Area	595	**Hotel, Limited Service**
A300	Useable Area	596	**Shell, Apartment (High Rise)**
A300	Useable Area	597	**Mixed Retail with Office Units**
A300	Useable Area	598	**Relocatable Classroom**
A300	Useable Area	599	**Relocatable Office**
A300	Useable Area	600	**Administration Building**
A300	Useable Area	700	**Mall Anchor Department Store**
A300	Useable Area	710	**Multiple Residence, Retirement Community Complex**
A300	Useable Area	984	**Luxury Apartment (High Rise)**
A300	Useable Area	985	**Senior Clubhouse Center**
A300	Useable Area	987	**Interior Space, Multiple Residence (Low Rise)**
A300	Useable Area	989	**Interior Space, Apartment (High Rise)**
A300	Useable Area	990	**Interior Space, Neighborhood Shopping Center**
A300	Useable Area	991	**Interior Space, Community Shopping Center**
A300	Useable Area	992	**Interior Space, Regional Shopping Center**
A300	Useable Area	993	**Interior Space, Office Building**
A300	Useable Area	994	**Interior Space, Industrial Building**
A300	Useable Area	998	**Non Marshall & Swift (with contents)**
A300	Useable Area	999	**Non Marshall & Swift (no contents)**
A500	Useable Area	134	**Greenhouse, Modified Hoop, Small (under 4,500 square feet)**
A500	Useable Area	135	**Greenhouse, Hoop, Arch-rib, Small (under 4,500 square feet)**
A500	Useable Area	136	**Greenhouse, Straight Wall, Small (under 4,500 square feet)**
A500	Useable Area	137	**Greenhouse, Modified Hoop, Large (over 9,000 square feet)**
A500	Useable Area	138	**Greenhouse, Hoop, Arch-rib, Large (over 9,000 square feet)**
A500	Useable Area	139	**Greenhouse, Straight Wall, Large (over 9,000 square feet)**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A500	Useable Area	140	**Greenhouse, Modified Hoop, Medium (4,500 - 9,000 square feet)**
A500	Useable Area	141	**Greenhouse, Hoop, Arch-Rib, Medium (4,500 - 9,000 square feet)**
A500	Useable Area	142	**Greenhouse, Straight Wall, Medium (4,500 - 9,000 square feet)**
A500	Useable Area	156	**Alternative School**
A500	Useable Area	157	**Maintenance Storage Building**
A500	Useable Area	158	**Special Education Classrooms**
A500	Useable Area	170	**Institutional Greenhouse, Small (under 4,500 square feet)**
A500	Useable Area	171	**Institutional Greenhouse, Medium (4,500 - 9,000 square feet)**
A500	Useable Area	172	**Institutional Greenhouse, Large (over 9,000 square feet)**
A500	Useable Area	173	**Church Educational Wing**
A500	Useable Area	174	**Pavilion**
A500	Useable Area	300	**Apartment (High Rise)**
A500	Useable Area	301	**Armory**
A500	Useable Area	302	**Auditorium**
A500	Useable Area	303	**Automobile Showroom**
A500	Useable Area	304	**Bank**
A500	Useable Area	305	**Barn**
A500	Useable Area	306	**Bowling Alley**
A500	Useable Area	308	**Church with Sunday School**
A500	Useable Area	309	**Church**
A500	Useable Area	310	**City Club**
A500	Useable Area	311	**Clubhouse**
A500	Useable Area	313	**Convalescent Hospital**
A500	Useable Area	314	**Country Club**
A500	Useable Area	315	**Creamery**
A500	Useable Area	316	**Dairy**
A500	Useable Area	317	**Dairy Sales Building**
A500	Useable Area	318	**Department Store**
A500	Useable Area	319	**Discount Store**
A500	Useable Area	320	**Dispensary**
A500	Useable Area	321	**Dormitory**
A500	Useable Area	322	**Fire Station, Staffed**
A500	Useable Area	323	**Fraternal Building**
A500	Useable Area	324	**Fraternity House**
A500	Useable Area	326	**Storage Garage**
A500	Useable Area	327	**Governmental Building**
A500	Useable Area	328	**Storage Hangar**
A500	Useable Area	329	**Hangar, Maintenance and Office**
A500	Useable Area	330	**Home for the Elderly**
A500	Useable Area	331	**Hospital**
A500	Useable Area	335	**Jail, Correctional Facility**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A500	Useable Area	336	**Laundromat**
A500	Useable Area	337	**Library, Public**
A500	Useable Area	338	**Loft**
A500	Useable Area	339	**Lumber Storage Shed, Horizontal**
A500	Useable Area	340	**Market**
A500	Useable Area	341	**Medical Office**
A500	Useable Area	342	**Mortuary**
A500	Useable Area	343	**Motel**
A500	Useable Area	344	**Office Building**
A500	Useable Area	345	**Parking Structure**
A500	Useable Area	348	**Rectory**
A500	Useable Area	349	**Fast Food Restaurant**
A500	Useable Area	350	**Restaurant**
A500	Useable Area	352	**Multiple Residence, Low Rise**
A500	Useable Area	353	**Retail Store**
A500	Useable Area	355	**Fine Arts and Crafts Building (Elementary and Secondary School)**
A500	Useable Area	356	**Classrooms (Elementary and Secondary School)**
A500	Useable Area	357	**Commons (Elementary and Secondary School)**
A500	Useable Area	358	**Gymnasium (Elementary and Secondary School)**
A500	Useable Area	359	**Lecture Classrooms (Elementary and Secondary School)**
A500	Useable Area	360	**Library, Media Center (Elementary and Secondary School)**
A500	Useable Area	361	**Manual Arts Building (Elementary and Secondary School)**
A500	Useable Area	362	**Multipurpose Building (Elementary and Secondary School)**
A500	Useable Area	363	**Physical Education Building (Elementary and Secondary School)**
A500	Useable Area	364	**Science Classrooms (Elementary and Secondary School)**
A500	Useable Area	365	**Elementary School (Entire)**
A500	Useable Area	366	**Junior High School (Entire)**
A500	Useable Area	367	**Arts and Crafts Building (College)**
A500	Useable Area	368	**Classrooms (College)**
A500	Useable Area	369	**Commons (College)**
A500	Useable Area	370	**Gymnasium (College)**
A500	Useable Area	371	**Lecture Hall (College)**
A500	Useable Area	372	**Library (College)**
A500	Useable Area	373	**Technical Trades Building (College)**
A500	Useable Area	374	**Multipurpose Building (College)**
A500	Useable Area	375	**Physical Education Building (College)**
A500	Useable Area	376	**Science Building (College)**
A500	Useable Area	377	**College (Entire)**
A500	Useable Area	378	**Stable**
A500	Useable Area	379	**Theater, Live Stage**
A500	Useable Area	380	**Theater, Cinema**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A500	Useable Area	381	**Veterinary Hospital**
A500	Useable Area	383	**Tobacco Barn**
A500	Useable Area	384	**Barber Shop**
A500	Useable Area	386	**Mini Warehouse**
A500	Useable Area	387	**Transit Warehouse**
A500	Useable Area	388	**Underground Parking Structure**
A500	Useable Area	390	**Lumber Storage Building, Vertical**
A500	Useable Area	391	**Material Storage Building**
A500	Useable Area	392	**Industrial Engineering Building**
A500	Useable Area	393	**Labor Dormitory**
A500	Useable Area	394	**Transient Labor Cabin**
A500	Useable Area	395	**Potato Storage**
A500	Useable Area	396	**Hog Barn**
A500	Useable Area	397	**Sheep Barn**
A500	Useable Area	398	**Fruit Packing Barn**
A500	Useable Area	403	**Shower Building**
A500	Useable Area	405	**Skating Rink**
A500	Useable Area	406	**Storage Warehouse**
A500	Useable Area	407	**Distribution Warehouse**
A500	Useable Area	408	**Service Station**
A500	Useable Area	409	**T-Hangar**
A500	Useable Area	410	**Automotive Center**
A500	Useable Area	412	**Neighborhood Shopping Center**
A500	Useable Area	413	**Community Shopping Center**
A500	Useable Area	414	**Regional Shopping Center**
A500	Useable Area	416	**Indoor Tennis Club**
A500	Useable Area	417	**Racquetball-Handball Club**
A500	Useable Area	418	**Health Club**
A500	Useable Area	419	**Convenience Market**
A500	Useable Area	420	**Bulk Fertilizer Storage**
A500	Useable Area	421	**Grain Storage, Utility**
A500	Useable Area	423	**Mini-Lube Garage**
A500	Useable Area	424	**Group Care Home**
A500	Useable Area	426	**Day Care Center**
A500	Useable Area	427	**Fire Station (Volunteer)**
A500	Useable Area	428	**Horse Arena**
A500	Useable Area	429	**Modified Hog Shed**
A500	Useable Area	430	**Hog Shed**
A500	Useable Area	431	**Outpatient (Surgical) Center**
A500	Useable Area	432	**Restroom Building**
A500	Useable Area	434	**Car Wash, Self-Serve**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A500	Useable Area	435	**Car Wash, Drive-Thru**
A500	Useable Area	436	**Car Wash, Automatic**
A500	Useable Area	440	**Milkhouse**
A500	Useable Area	441	**Cocktail Lounge**
A500	Useable Area	442	**Bar/Tavern**
A500	Useable Area	443	**Central Bank**
A500	Useable Area	444	**Dental Office/Clinic**
A500	Useable Area	446	**Supermarket**
A500	Useable Area	447	**Cold Storage Facility**
A500	Useable Area	448	**Cold Storage, Farm**
A500	Useable Area	450	**Cotton Gin**
A500	Useable Area	451	**Multiple Residence, Senior Citizen (Low Rise)**
A500	Useable Area	453	**Industrial Flex Building**
A500	Useable Area	454	**Shell, Industrial Building**
A500	Useable Area	455	**Auto Dealership, Complete**
A500	Useable Area	456	**Tool Shed**
A500	Useable Area	458	**Warehouse Discount Store**
A500	Useable Area	459	**Mixed Retail with Residential Units**
A500	Useable Area	460	**Shell, Neighborhood Shopping Center**
A500	Useable Area	461	**Shell, Community Shopping Center**
A500	Useable Area	462	**Shell, Regional Shopping Center**
A500	Useable Area	465	**Food Booth, Prefabricated**
A500	Useable Area	466	**Boat Storage Shed**
A500	Useable Area	467	**Boat Storage Building**
A500	Useable Area	468	**Material Storage Shed**
A500	Useable Area	469	**Freestall Barn**
A500	Useable Area	470	**Equipment (Shop) Building**
A500	Useable Area	471	**Light Commercial Utility Building**
A500	Useable Area	472	**Equipment Shed**
A500	Useable Area	473	**Material Shelter**
A500	Useable Area	474	**Poultry House, Enclosed Cage Operation, One Story**
A500	Useable Area	476	**Farm Implement Building**
A500	Useable Area	477	**Farm Utility Building**
A500	Useable Area	478	**Farm Implement Shed**
A500	Useable Area	479	**Farm Utility Storage Shed**
A500	Useable Area	480	**Vegetable Building, Environmental**
A500	Useable Area	481	**Museum**
A500	Useable Area	482	**Convention Center**
A500	Useable Area	483	**Fitness Center**
A500	Useable Area	484	**High School (Entire)**
A500	Useable Area	485	**Natatorium**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A500	Useable Area	486	**Field House**
A500	Useable Area	487	**Vocational School**
A500	Useable Area	488	**Bookstore (School)**
A500	Useable Area	489	**Jail, Police Station**
A500	Useable Area	490	**Kennel**
A500	Useable Area	491	**Government Community Service Building**
A500	Useable Area	492	**Shell, Office Building**
A500	Useable Area	493	**Flathouse**
A500	Useable Area	494	**Industrial Light Manufacturing**
A500	Useable Area	495	**Industrial Heavy Manufacturing**
A500	Useable Area	496	**Laboratory**
A500	Useable Area	497	**Computer Center**
A500	Useable Area	498	**Broadcast Facility**
A500	Useable Area	499	**Dry Cleaners/Laundry**
A500	Useable Area	508	**Car Wash Canopy**
A500	Useable Area	511	**Drugstore**
A500	Useable Area	513	**Regional Discount Shopping Center**
A500	Useable Area	514	**Community Center**
A500	Useable Area	515	**Casino**
A500	Useable Area	516	**Fellowship Hall**
A500	Useable Area	517	**Narthex/Foyer**
A500	Useable Area	518	**Greenhouse Lath Shade House**
A500	Useable Area	519	**Greenhouse Shade Shelter**
A500	Useable Area	523	**Golf Cart Storage Building**
A500	Useable Area	524	**Corn Crib Building**
A500	Useable Area	525	**Mini Warehouse, High Rise**
A500	Useable Area	526	**Service Garage Shed**
A500	Useable Area	527	**Municipal Service Garage**
A500	Useable Area	528	**Service Repair Garage**
A500	Useable Area	529	**Snack Bar**
A500	Useable Area	530	**Cafeteria**
A500	Useable Area	531	**Mini-Mart Convenience Store**
A500	Useable Area	532	**Florist Shop**
A500	Useable Area	533	**Warehouse Food Store**
A500	Useable Area	534	**Warehouse Showroom Store**
A500	Useable Area	537	**Lodge**
A500	Useable Area	538	**Guest Cottage**
A500	Useable Area	539	**Bed and Breakfast Inn**
A500	Useable Area	540	**Motel Room, 2 Story, Double Row**
A500	Useable Area	541	**Motel Room, 2 Story, Single Row**
A500	Useable Area	542	**Motel Room, 1 Story, Double Row**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A500	Useable Area	543	**Motel Room, 1 Story, Single Row**
A500	Useable Area	544	**Office-Apartment (Motel)**
A500	Useable Area	551	**Rooming House**
A500	Useable Area	552	**Recreational Enclosure**
A500	Useable Area	554	**Shed Office Structure**
A500	Useable Area	555	**Light Commercial Arch-Rib, Quonset**
A500	Useable Area	556	**Bulk Oil Storage**
A500	Useable Area	557	**Farm Utility Arch-Rib, Quonset**
A500	Useable Area	558	**Farm Implement Arch-Rib, Quonset**
A500	Useable Area	559	**Stables, High-Value**
A500	Useable Area	560	**Equestrian Lean-To**
A500	Useable Area	561	**Feeder Barn**
A500	Useable Area	562	**Commodity Storage Shed, Farm**
A500	Useable Area	563	**Bag Fertilizer Storage**
A500	Useable Area	564	**Dehydrator Building**
A500	Useable Area	565	**Farm Utility Shelter**
A500	Useable Area	566	**Farm Sun Shade Shelter**
A500	Useable Area	567	**Poultry House, Cage, Two Story**
A500	Useable Area	568	**Poultry House, Cage, Elevated Two Story**
A500	Useable Area	569	**Poultry House, Cage, Three Story**
A500	Useable Area	570	**Poultry House, Cage, Elevated One Story**
A500	Useable Area	571	**Passenger Terminal**
A500	Useable Area	573	**Arcade**
A500	Useable Area	574	**Visitor Center**
A500	Useable Area	575	**Dining Atrium**
A500	Useable Area	576	**Atrium**
A500	Useable Area	577	**Parking Levels**
A500	Useable Area	578	**Mini Bank**
A500	Useable Area	580	**Truck Stop**
A500	Useable Area	581	**Post Office, Main**
A500	Useable Area	582	**Post Office, Branch**
A500	Useable Area	583	**Mail Processing Facility**
A500	Useable Area	584	**Mega Warehouse**
A500	Useable Area	585	**Mechanical Penthouse**
A500	Useable Area	586	**Roadside Market**
A500	Useable Area	587	**Shell, Multiple Residence (Low Rise)**
A500	Useable Area	588	**Motel, Extended Stay**
A500	Useable Area	589	**Multiple Residence, Assisted Living (Low Rise)**
A500	Useable Area	594	**Hotel, Full Service**
A500	Useable Area	595	**Hotel, Limited Service**
A500	Useable Area	596	**Shell, Apartment (High Rise)**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A500	Useable Area	597	**Mixed Retail with Office Units**
A500	Useable Area	598	**Relocatable Classroom**
A500	Useable Area	599	**Relocatable Office**
A500	Useable Area	600	**Administration Building**
A500	Useable Area	700	**Mall Anchor Department Store**
A500	Useable Area	710	**Multiple Residence, Retirement Community Complex**
A500	Useable Area	984	**Luxury Apartment (High Rise)**
A500	Useable Area	985	**Senior Clubhouse Center**
A500	Useable Area	987	**Interior Space, Multiple Residence (Low Rise)**
A500	Useable Area	989	**Interior Space, Apartment (High Rise)**
A500	Useable Area	990	**Interior Space, Neighborhood Shopping Center**
A500	Useable Area	991	**Interior Space, Community Shopping Center**
A500	Useable Area	992	**Interior Space, Regional Shopping Center**
A500	Useable Area	993	**Interior Space, Office Building**
A500	Useable Area	994	**Interior Space, Industrial Building**
A500	Useable Area	998	**Non Marshall & Swift (with contents)**
A500	Useable Area	999	**Non Marshall & Swift (no contents)**
A600	Useable Area	134	**Greenhouse, Modified Hoop, Small (under 4,500 square feet)**
A600	Useable Area	135	**Greenhouse, Hoop, Arch-rib, Small (under 4,500 square feet)**
A600	Useable Area	136	**Greenhouse, Straight Wall, Small (under 4,500 square feet)**
A600	Useable Area	137	**Greenhouse, Modified Hoop, Large (over 9,000 square feet)**
A600	Useable Area	138	**Greenhouse, Hoop, Arch-rib, Large (over 9,000 square feet)**
A600	Useable Area	139	**Greenhouse, Straight Wall, Large (over 9,000 square feet)**
A600	Useable Area	140	**Greenhouse, Modified Hoop, Medium (4,500 - 9,000 square feet)**
A600	Useable Area	141	**Greenhouse, Hoop, Arch-Rib, Medium (4,500 - 9,000 square feet)**
A600	Useable Area	142	**Greenhouse, Straight Wall, Medium (4,500 - 9,000 square feet)**
A600	Useable Area	156	**Alternative School**
A600	Useable Area	157	**Maintenance Storage Building**
A600	Useable Area	158	**Special Education Classrooms**
A600	Useable Area	170	**Institutional Greenhouse, Small (under 4,500 square feet)**
A600	Useable Area	171	**Institutional Greenhouse, Medium (4,500 - 9,000 square feet)**
A600	Useable Area	172	**Institutional Greenhouse, Large (over 9,000 square feet)**
A600	Useable Area	173	**Church Educational Wing**
A600	Useable Area	174	**Pavilion**
A600	Useable Area	300	**Apartment (High Rise)**
A600	Useable Area	301	**Armory**
A600	Useable Area	302	**Auditorium**
A600	Useable Area	303	**Automobile Showroom**
A600	Useable Area	304	**Bank**
A600	Useable Area	305	**Barn**
A600	Useable Area	306	**Bowling Alley**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A600	Useable Area	308	**Church with Sunday School**
A600	Useable Area	309	**Church**
A600	Useable Area	310	**City Club**
A600	Useable Area	311	**Clubhouse**
A600	Useable Area	313	**Convalescent Hospital**
A600	Useable Area	314	**Country Club**
A600	Useable Area	315	**Creamery**
A600	Useable Area	316	**Dairy**
A600	Useable Area	317	**Dairy Sales Building**
A600	Useable Area	318	**Department Store**
A600	Useable Area	319	**Discount Store**
A600	Useable Area	320	**Dispensary**
A600	Useable Area	321	**Dormitory**
A600	Useable Area	322	**Fire Station, Staffed**
A600	Useable Area	323	**Fraternal Building**
A600	Useable Area	324	**Fraternity House**
A600	Useable Area	326	**Storage Garage**
A600	Useable Area	327	**Governmental Building**
A600	Useable Area	328	**Storage Hangar**
A600	Useable Area	329	**Hangar, Maintenance and Office**
A600	Useable Area	330	**Home for the Elderly**
A600	Useable Area	331	**Hospital**
A600	Useable Area	335	**Jail, Correctional Facility**
A600	Useable Area	336	**Laundromat**
A600	Useable Area	337	**Library, Public**
A600	Useable Area	338	**Loft**
A600	Useable Area	339	**Lumber Storage Shed, Horizontal**
A600	Useable Area	340	**Market**
A600	Useable Area	341	**Medical Office**
A600	Useable Area	342	**Mortuary**
A600	Useable Area	343	**Motel**
A600	Useable Area	344	**Office Building**
A600	Useable Area	345	**Parking Structure**
A600	Useable Area	348	**Rectory**
A600	Useable Area	349	**Fast Food Restaurant**
A600	Useable Area	350	**Restaurant**
A600	Useable Area	352	**Multiple Residence, Low Rise**
A600	Useable Area	353	**Retail Store**
A600	Useable Area	355	**Fine Arts and Crafts Building (Elementary and Secondary School)**
A600	Useable Area	356	**Classrooms (Elementary and Secondary School)**
A600	Useable Area	357	**Commons (Elementary and Secondary School)**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A600	Useable Area	358	**Gymnasium (Elementary and Secondary School)**
A600	Useable Area	359	**Lecture Classrooms (Elementary and Secondary School)**
A600	Useable Area	360	**Library, Media Center (Elementary and Secondary School)**
A600	Useable Area	361	**Manual Arts Building (Elementary and Secondary School)**
A600	Useable Area	362	**Multipurpose Building (Elementary and Secondary School)**
A600	Useable Area	363	**Physical Education Building (Elementary and Secondary School)**
A600	Useable Area	364	**Science Classrooms (Elementary and Secondary School)**
A600	Useable Area	365	**Elementary School (Entire)**
A600	Useable Area	366	**Junior High School (Entire)**
A600	Useable Area	367	**Arts and Crafts Building (College)**
A600	Useable Area	368	**Classrooms (College)**
A600	Useable Area	369	**Commons (College)**
A600	Useable Area	370	**Gymnasium (College)**
A600	Useable Area	371	**Lecture Hall (College)**
A600	Useable Area	372	**Library (College)**
A600	Useable Area	373	**Technical Trades Building (College)**
A600	Useable Area	374	**Multipurpose Building (College)**
A600	Useable Area	375	**Physical Education Building (College)**
A600	Useable Area	376	**Science Building (College)**
A600	Useable Area	377	**College (Entire)**
A600	Useable Area	378	**Stable**
A600	Useable Area	379	**Theater, Live Stage**
A600	Useable Area	380	**Theater, Cinema**
A600	Useable Area	381	**Veterinary Hospital**
A600	Useable Area	383	**Tobacco Barn**
A600	Useable Area	384	**Barber Shop**
A600	Useable Area	386	**Mini Warehouse**
A600	Useable Area	387	**Transit Warehouse**
A600	Useable Area	388	**Underground Parking Structure**
A600	Useable Area	390	**Lumber Storage Building, Vertical**
A600	Useable Area	391	**Material Storage Building**
A600	Useable Area	392	**Industrial Engineering Building**
A600	Useable Area	393	**Labor Dormitory**
A600	Useable Area	394	**Transient Labor Cabin**
A600	Useable Area	395	**Potato Storage**
A600	Useable Area	396	**Hog Barn**
A600	Useable Area	397	**Sheep Barn**
A600	Useable Area	398	**Fruit Packing Barn**
A600	Useable Area	403	**Shower Building**
A600	Useable Area	405	**Skating Rink**
A600	Useable Area	406	**Storage Warehouse**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A600	Useable Area	407	**Distribution Warehouse**
A600	Useable Area	408	**Service Station**
A600	Useable Area	409	**T-Hangar**
A600	Useable Area	410	**Automotive Center**
A600	Useable Area	412	**Neighborhood Shopping Center**
A600	Useable Area	413	**Community Shopping Center**
A600	Useable Area	414	**Regional Shopping Center**
A600	Useable Area	416	**Indoor Tennis Club**
A600	Useable Area	417	**Racquetball-Handball Club**
A600	Useable Area	418	**Health Club**
A600	Useable Area	419	**Convenience Market**
A600	Useable Area	420	**Bulk Fertilizer Storage**
A600	Useable Area	421	**Grain Storage, Utility**
A600	Useable Area	423	**Mini-Lube Garage**
A600	Useable Area	424	**Group Care Home**
A600	Useable Area	426	**Day Care Center**
A600	Useable Area	427	**Fire Station (Volunteer)**
A600	Useable Area	428	**Horse Arena**
A600	Useable Area	429	**Modified Hog Shed**
A600	Useable Area	430	**Hog Shed**
A600	Useable Area	431	**Outpatient (Surgical) Center**
A600	Useable Area	432	**Restroom Building**
A600	Useable Area	434	**Car Wash, Self-Serve**
A600	Useable Area	435	**Car Wash, Drive-Thru**
A600	Useable Area	436	**Car Wash, Automatic**
A600	Useable Area	440	**Milkhouse**
A600	Useable Area	441	**Cocktail Lounge**
A600	Useable Area	442	**Bar/Tavern**
A600	Useable Area	443	**Central Bank**
A600	Useable Area	444	**Dental Office/Clinic**
A600	Useable Area	446	**Supermarket**
A600	Useable Area	447	**Cold Storage Facility**
A600	Useable Area	448	**Cold Storage, Farm**
A600	Useable Area	450	**Cotton Gin**
A600	Useable Area	451	**Multiple Residence, Senior Citizen (Low Rise)**
A600	Useable Area	453	**Industrial Flex Building**
A600	Useable Area	454	**Shell, Industrial Building**
A600	Useable Area	455	**Auto Dealership, Complete**
A600	Useable Area	456	**Tool Shed**
A600	Useable Area	458	**Warehouse Discount Store**
A600	Useable Area	459	**Mixed Retail with Residential Units**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A600	Useable Area	460	**Shell, Neighborhood Shopping Center**
A600	Useable Area	461	**Shell, Community Shopping Center**
A600	Useable Area	462	**Shell, Regional Shopping Center**
A600	Useable Area	465	**Food Booth, Prefabricated**
A600	Useable Area	466	**Boat Storage Shed**
A600	Useable Area	467	**Boat Storage Building**
A600	Useable Area	468	**Material Storage Shed**
A600	Useable Area	469	**Freestall Barn**
A600	Useable Area	470	**Equipment (Shop) Building**
A600	Useable Area	471	**Light Commercial Utility Building**
A600	Useable Area	472	**Equipment Shed**
A600	Useable Area	473	**Material Shelter**
A600	Useable Area	474	**Poultry House, Enclosed Cage Operation, One Story**
A600	Useable Area	476	**Farm Implement Building**
A600	Useable Area	477	**Farm Utility Building**
A600	Useable Area	478	**Farm Implement Shed**
A600	Useable Area	479	**Farm Utility Storage Shed**
A600	Useable Area	480	**Vegetable Building, Environmental**
A600	Useable Area	481	**Museum**
A600	Useable Area	482	**Convention Center**
A600	Useable Area	483	**Fitness Center**
A600	Useable Area	484	**High School (Entire)**
A600	Useable Area	485	**Natatorium**
A600	Useable Area	486	**Field House**
A600	Useable Area	487	**Vocational School**
A600	Useable Area	488	**Bookstore (School)**
A600	Useable Area	489	**Jail, Police Station**
A600	Useable Area	490	**Kennel**
A600	Useable Area	491	**Government Community Service Building**
A600	Useable Area	492	**Shell, Office Building**
A600	Useable Area	493	**Flathouse**
A600	Useable Area	494	**Industrial Light Manufacturing**
A600	Useable Area	495	**Industrial Heavy Manufacturing**
A600	Useable Area	496	**Laboratory**
A600	Useable Area	497	**Computer Center**
A600	Useable Area	498	**Broadcast Facility**
A600	Useable Area	499	**Dry Cleaners/Laundry**
A600	Useable Area	508	**Car Wash Canopy**
A600	Useable Area	511	**Drugstore**
A600	Useable Area	513	**Regional Discount Shopping Center**
A600	Useable Area	514	**Community Center**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A600	Useable Area	515	**Casino**
A600	Useable Area	516	**Fellowship Hall**
A600	Useable Area	517	**Narthex/Foyer**
A600	Useable Area	518	**Greenhouse Lath Shade House**
A600	Useable Area	519	**Greenhouse Shade Shelter**
A600	Useable Area	523	**Golf Cart Storage Building**
A600	Useable Area	524	**Corn Crib Building**
A600	Useable Area	525	**Mini Warehouse, High Rise**
A600	Useable Area	526	**Service Garage Shed**
A600	Useable Area	527	**Municipal Service Garage**
A600	Useable Area	528	**Service Repair Garage**
A600	Useable Area	529	**Snack Bar**
A600	Useable Area	530	**Cafeteria**
A600	Useable Area	531	**Mini-Mart Convenience Store**
A600	Useable Area	532	**Florist Shop**
A600	Useable Area	533	**Warehouse Food Store**
A600	Useable Area	534	**Warehouse Showroom Store**
A600	Useable Area	537	**Lodge**
A600	Useable Area	538	**Guest Cottage**
A600	Useable Area	539	**Bed and Breakfast Inn**
A600	Useable Area	540	**Motel Room, 2 Story, Double Row**
A600	Useable Area	541	**Motel Room, 2 Story, Single Row**
A600	Useable Area	542	**Motel Room, 1 Story, Double Row**
A600	Useable Area	543	**Motel Room, 1 Story, Single Row**
A600	Useable Area	544	**Office-Apartment (Motel)**
A600	Useable Area	551	**Rooming House**
A600	Useable Area	552	**Recreational Enclosure**
A600	Useable Area	554	**Shed Office Structure**
A600	Useable Area	555	**Light Commercial Arch-Rib, Quonset**
A600	Useable Area	556	**Bulk Oil Storage**
A600	Useable Area	557	**Farm Utility Arch-Rib, Quonset**
A600	Useable Area	558	**Farm Implement Arch-Rib, Quonset**
A600	Useable Area	559	**Stables, High-Value**
A600	Useable Area	560	**Equestrian Lean-To**
A600	Useable Area	561	**Feeder Barn**
A600	Useable Area	562	**Commodity Storage Shed, Farm**
A600	Useable Area	563	**Bag Fertilizer Storage**
A600	Useable Area	564	**Dehydrator Building**
A600	Useable Area	565	**Farm Utility Shelter**
A600	Useable Area	566	**Farm Sun Shade Shelter**
A600	Useable Area	567	**Poultry House, Cage, Two Story**

Meas. Type	Measurement Type Text	Usage Type	Usage Type Text
A600	Useable Area	568	**Poultry House, Cage, Elevated Two Story**
A600	Useable Area	569	**Poultry House, Cage, Three Story**
A600	Useable Area	570	**Poultry House, Cage, Elevated One Story**
A600	Useable Area	571	**Passenger Terminal**
A600	Useable Area	573	**Arcade**
A600	Useable Area	574	**Visitor Center**
A600	Useable Area	575	**Dining Atrium**
A600	Useable Area	576	**Atrium**
A600	Useable Area	577	**Parking Levels**
A600	Useable Area	578	**Mini Bank**
A600	Useable Area	580	**Truck Stop**
A600	Useable Area	581	**Post Office, Main**
A600	Useable Area	582	**Post Office, Branch**
A600	Useable Area	583	**Mail Processing Facility**
A600	Useable Area	584	**Mega Warehouse**
A600	Useable Area	585	**Mechanical Penthouse**
A600	Useable Area	586	**Roadside Market**
A600	Useable Area	587	**Shell, Multiple Residence (Low Rise)**
A600	Useable Area	588	**Motel, Extended Stay**
A600	Useable Area	589	**Multiple Residence, Assisted Living (Low Rise)**
A600	Useable Area	594	**Hotel, Full Service**
A600	Useable Area	595	**Hotel, Limited Service**
A600	Useable Area	596	**Shell, Apartment (High Rise)**
A600	Useable Area	597	**Mixed Retail with Office Units**
A600	Useable Area	598	**Relocatable Classroom**
A600	Useable Area	599	**Relocatable Office**
A600	Useable Area	600	**Administration Building**
A600	Useable Area	700	**Mall Anchor Department Store**
A600	Useable Area	710	**Multiple Residence, Retirement Community Complex**
A600	Useable Area	984	**Luxury Apartment (High Rise)**
A600	Useable Area	985	**Senior Clubhouse Center**
A600	Useable Area	987	**Interior Space, Multiple Residence (Low Rise)**
A600	Useable Area	989	**Interior Space, Apartment (High Rise)**
A600	Useable Area	990	**Interior Space, Neighborhood Shopping Center**
A600	Useable Area	991	**Interior Space, Community Shopping Center**
A600	Useable Area	992	**Interior Space, Regional Shopping Center**
A600	Useable Area	993	**Interior Space, Office Building**
A600	Useable Area	994	**Interior Space, Industrial Building**
A600	Useable Area	998	**Non Marshall & Swift (with contents)**
A600	Useable Area	999	Non Marshall & Swift (no contents)

Rental Object Number Ranges

Rental objects numbers are company code and business entity dependent. Rental object numbers will be internally assigned by the system.

Enhancement: Custom Fields (BDT) – Rental Space & Rental Unit

A number of fields are required to meet the requirements of ORM for contents insurance purposes. These are not standard SAP fields and will need to be created. These fields will be created and grouped under a new "Insurance" tab. The creation of these fields will be an enhancement. The fields that are required will consist of two free entry fields (of USD values), one for state owned, and the other for non-state owned (as shown below):

	State Owned	Non-State Owned
Fine Arts		
Livestock		
Computer Equipment		
Boats		
Mobile Structure		

An additional four free-entry fields will be created for the input of USD values. They are as follows:

- Other contents (flood)
- Business income
- Registered Mail / Parcel Post
- LPFA/3rd Party Fin.
- General Contents (Property Value) – this is a calculated field that is based upon the value/sq.ft (refer usage type table) multiplied by the rentable area (refer measurement type table)
- General Contents (Flood) – this is a calculated field that is based upon the value/sq.ft (refer usage type table) multiplied by the rentable area (refer measurement type table)

Note: BI reporting will summarize the value of general contents insurance at an 'agency' level across all the rentals spaces occupied by that agency.

- Value/sq.ft Override
- Override Reason (drop-down list – to be determined during Realization Phase)

Business Partners in SAP Real Estate Management

Most real estate processes require maintaining business partners or contacts data. Some processes require financial information as well - such as payable or receivable related information.

RE-FX utilizes the central SAP Business Partner (BP) repository to track information on natural persons (individuals), groups, and organizations for financial, contact and other purposes. The BP is linked to the relevant RE data record via BP roles. BP roles identify the relationship of the BP to the RE object and its processes.

Although the system can automatically generate vendor and customer master records when creating a landlord and tenant business partner in RE-FX, the state currently has OSRAP set up vendor and customer master records. The landlord and tenant BP's will be created in RE-FX with reference to these master records set up in Accounts Payable and Accounts Receivable. This means that any changes made to the BP will not automatically synchronize with the vendor and customer accounts in AP and AR. Any changes made to BP's will be communicated to OSRAP for synchronization.

Business Partner Roles

A business partner can have an unlimited number of roles, and can have roles in association with an unlimited number of real estate objects. The two most important roles within SAP Real Estate are (a) Tenant with customer account (for third party subleases), and (b) Landlord with vendor account (for leased-in property). These are financial business partners and are linked to customer and vendor accounts in Accounts Receivable and Accounts Payable, respectively.

The following roles will be configured for use by the state. This list is based upon standard SAP delivered roles. Any additional roles will be added during the Realization Phase.

Role	Role Description	Role Category	Role Category Description	Std Assignment
ZREI00	Building Owner	ZREI00	Building Owner	X
ZREI05	District Manager	ZREI05	District Manager	X
ZREI10	Employee	ZREI10	Employee	X
ZREI15	Onsite Building Manager	ZREI15	Onsite Building Manager	X
ZREI20	Lease Administrator	ZREI20	Lease Administrator	X
ZREI25	Portfolio Manager	ZREI25	Portfolio Manager	X
ZREI30	RE Data Administrator	ZREI30	RE Data Administrator	X
ZREI35	FI Representative	ZREI35	FI Representative	X
ZREI40	Advisor (Internal)	ZREI40	Advisor (Internal)	X
ZREI45	Department	ZREI45	Department	X
ZREI50	Agency	ZREI50	Agency	X
ZREI55	Legal Counsel (Internal)	ZREI55	Legal Counsel (Internal)	X
ZREI60	Real Estate Advisor (Ext.)	ZREI60	Real Estate Advisor (Ext.)	X
ZREI65	Internal Space Assignment	ZREI65	Internal Space Assignment	X
ZREX05	Tenant w/ Customer Account	ZREX05	Tenant w/ Customer Account	X
ZREX10	Landlord w/ Vendor Account	ZREX10	Landlord w/ Vendor Account	X
ZREX15	Guarantor	ZREX15	Guarantor	X
ZREX20	Grantee	ZREX20	Grantee	X
ZREX25	Grantor	ZREX25	Grantor	X
ZREX30	Advisor (External)	ZREX30	Advisor (External)	X
ZREX35	Emergency Contact	ZREX35	Emergency Contact	X
ZREX40	Notification	ZREX40	Notification	X
ZREX50	Legal Entity (Entity still owning property)	ZREX50	Legal Entity (Entity still owning property)	X
ZREX55	Legal Counsel (External)	ZREX55	Legal Counsel (External)	X
ZREX60	Leasing Agent	ZREX60	Leasing Agent	X
ZREX65	Appraiser	ZREX65	Appraiser	X
ZREX70	Architect	ZREX70	Architect	X
ZREX75	Escrow Agent w/ Vendor Acct	ZREX75	Escrow Agent w/ Vendor Acct	X
ZREX80	Holder of Land Rights	ZREX80	Holder of Land Rights	X
ZREX85	ORM Inspector	ZREX85	ORM Inspector	X
ZREX90	Roofing Contractor	ZREX90	Roofing Contractor	X

Number Ranges

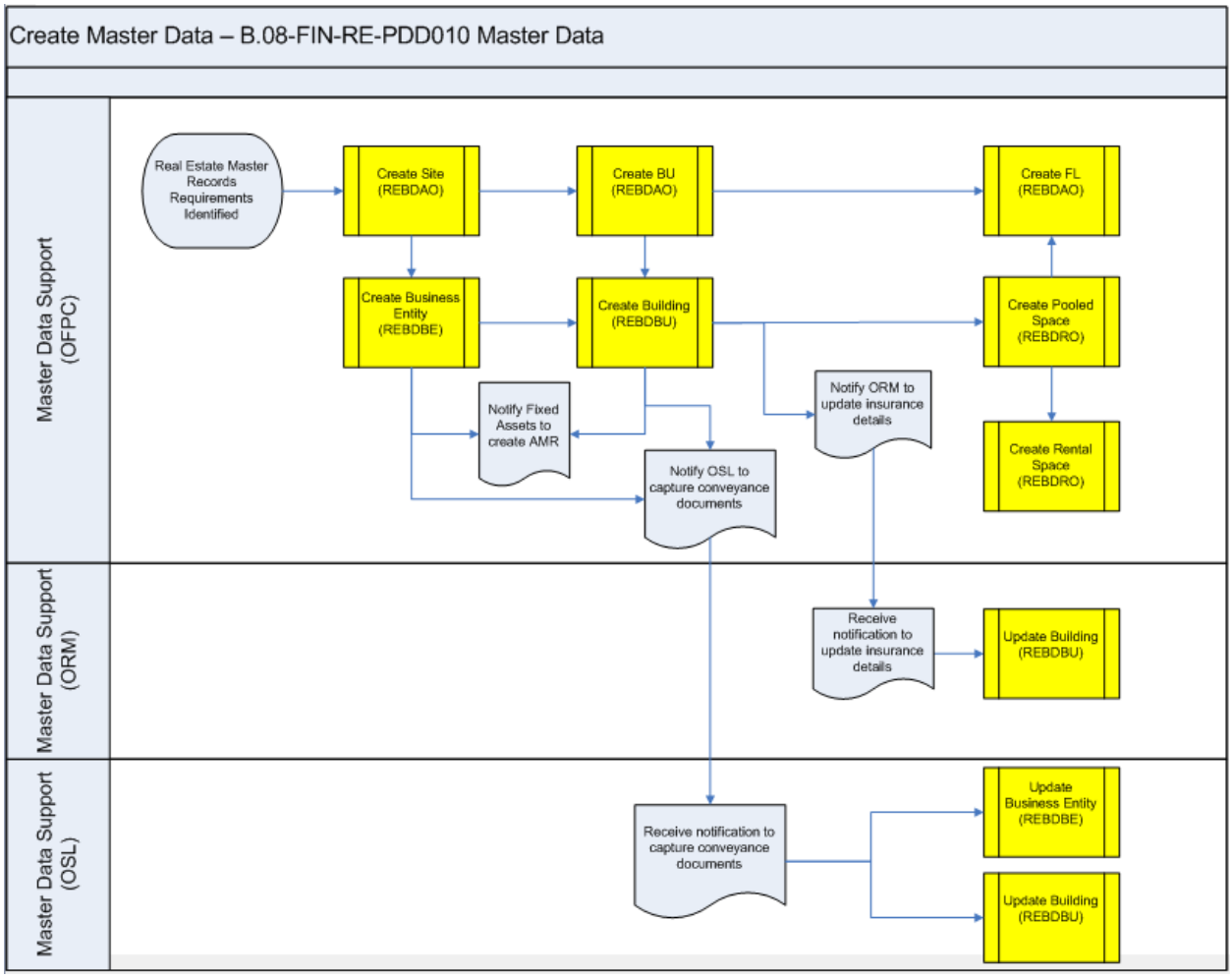
Number ranges will be internally assigned by the system.

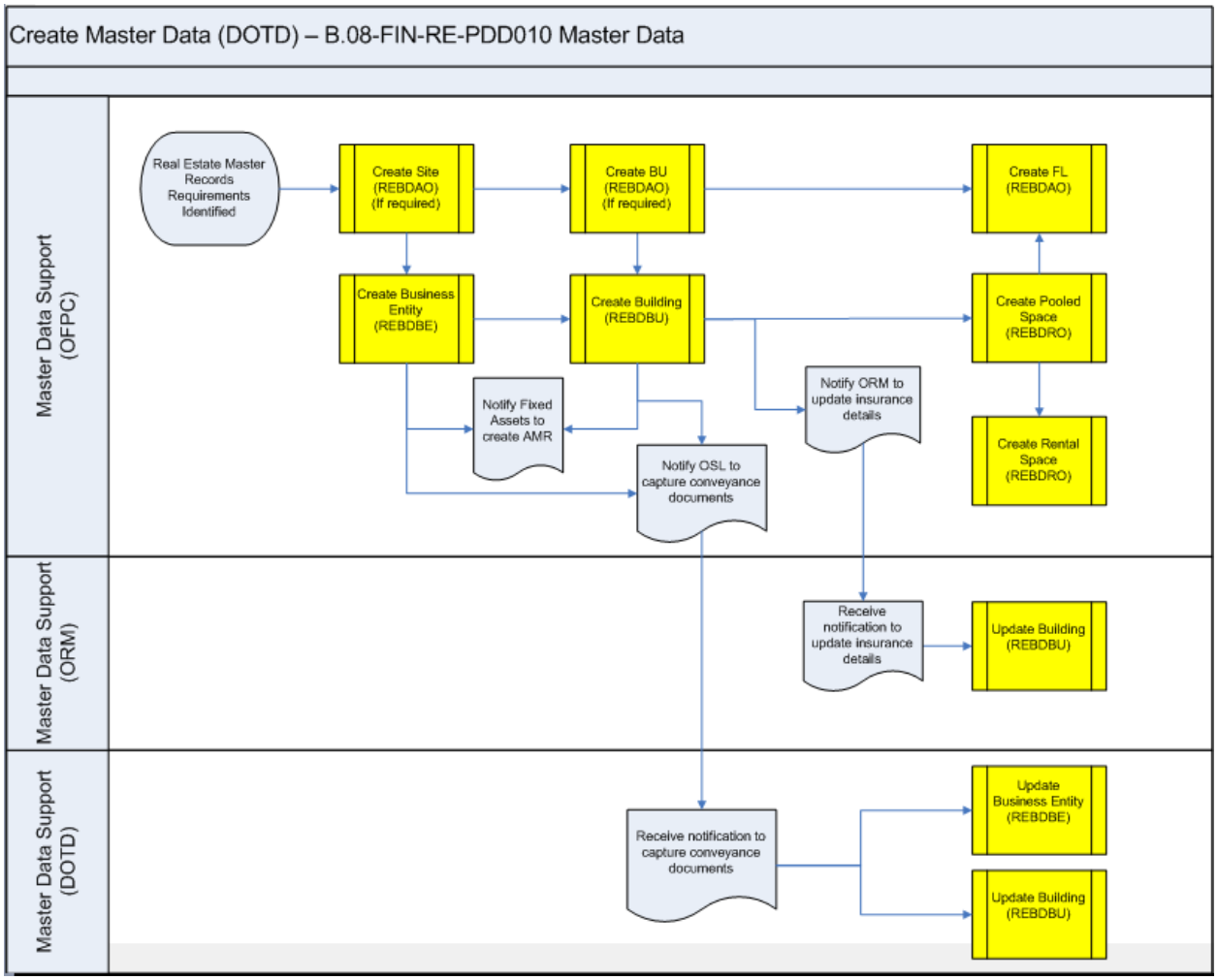
Process Terminology

#	Process Terminology	Description
1	Architectural Structure	User-defined architectural object types, such as SITE > BUILDING > FLOOR > ROOM can be arranged in a hierarchy to represent the physical attributes of an organization's real estate portfolio. The architectural view can be used to automatically generate a hierarchy of functional locations in PM. Alternatively, where functional locations are created manually in PM, they can be linked to specific architectural objects in RE-FX.
2	Business Entity	Logical grouping of individual real estate objects. It typically consists of one campus or one location and is comprised of one or more buildings and/or land records, including the rental objects derived from them.
3	Land	Land is part of a Business Entity. It refers only to the land itself and does not include the buildings erected upon it. It is also the basis for renting land or parts thereof.
4	Building	Any structure that is a built upon land as an improvement of the land, and typically has a depreciable value. Buildings or their parts are the basis for the rental of spatial units.
5	Pooled Space	Pooled Space is a Rental Object that represents the overall available space within a given Usage Type, within a Building or Land. It is a spatial entity that is subject to occupancy.
6	Rental Space	Rental Space is a Rental Object that represents the space that is extracted from the Pooled Space (i.e. available space) to be occupied and assigned to a real estate contract for a specified period of time. It is used for space that would typically not require major structural changes, or where changes in assignment (to a contract) often take place. Typically, such spaces are open floor office spaces and parking spaces, etc.
7	Rental Unit	Rental Unit is a Rental Object that also represents a spatial entity within a building or land that can be occupied. In comparison to Rental Space, it would require major structural changes in order to change its dimensions. Typical rental units are apartments, housing units, one car garages, and storage units.
8	Business Partners & Roles	Business Partners are contacts associated with real estate processes. They are in the form of persons, organizations, or groups. They are linked to real estate data records via business partner roles. These roles identify the relationship of the business partner to the real estate object and its processes. Business Partners can have an unlimited number of roles and they can have roles in association with an unlimited number of real estate objects.
9	Business Partner Addresses	Different user-definable and time-dependent addresses can be defined. Each real estate object can have its separate address. Partners can have role-specific addresses, for example one as a tenant and another as an owner.

To-Be Process Flows

Create Master Data – FIN-RE-PDD010 Master Data (see last pages)





Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	ORM is responsible for maintaining insurance related data in SAP (buildings)	Centralized capture of insurance related master data	None
2	OSL is responsible for filing conveyance documents	Centralized capture of conveyance documents	None
3	DOTD is responsible for maintaining RE master data in SAP (ROW's)	Centralized capture of RE master data	Additional responsibility of DOTD
4	FPC is responsible for identifying vacant space in both state-owned and non-state-owned buildings	Centralized view of occupancy and available space across the State's property portfolio	Responsibility of FPC

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Title 34, Part III – Chapter 5. Rental and Lease Procedure	No revision. This statute outlines the bidding process for spaces greater than 5000 sq.ft	OFPC
2	RS 39:127	All agencies need to report to OFPC	DOA

Identified Development Objects (FRICE-W):

Forms

No special forms have been identified to date. Correspondence (forms) delivered standard with SAP will be used.

F – Forms	Master List of Current and Future State Forms: Real Estate Management						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

Reports

The reports delivered as standard in ECC as well as the InfoCubes and Queries delivered with BI is expected to meet the state's requirements.

The only reports that will need to be created are those that include the custom fields that were added to the real estate master data (e.g. building and contents insurance related).

R – Reports	Master List of Current and Future State Reports: Real Estate Management						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Building Insurance	Building replacement costs	X	X	State is required to insure buildings	ORM	
2.	Contents Insurance	Contents Insurance	X	X	State is required to insure contents	ORM	

Interfaces

No external interfaces have been identified.

I – Interfaces	Master List of Current and Future State Interfaces: Real Estate Management						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

Conversions

Data will be sourced from a number of legacy systems, as well as spreadsheets. New data will also need to be captured by the state. These will be captured in spreadsheets and uploaded into SAP.

C - Conversions		Master List of Future State Data Conversions: Real Estate Management					
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	AO / Business Entity (site) data		SLABS				
2.	AO / Building data		SLABS				
3.	AO / Rental objects (space) data		SLABS				
4.	AO / Land (parcels) data		SLABS				
5.	Attachments		FM				Data is stored in FileNet
6.	Fixtures & Fittings		FM / VFA				To be determined during the Realization Phase, if any.

Enhancements

E – Enhancements		Master List of Future State Enhancements: Real Estate Management			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1	New Field (1)	Business Entity Architectural Object (Site)	End-user	Recognition	Field to capture legacy "Site Code" number. Enhance SAP Search to allow search by legacy number.
2	New Field (1)	Building Architectural Object (Bldg)	End-user	Recognition	Field to capture legacy "Building ID" number. Enhance SAP Search to allow search by legacy number.
3	New Field (drop-down) (1) (in new Insurance tab)	Building	End-user	Insurance	Field to capture whether a building is or is not insured • Building is insured • Building is not insured The end-user will select that which applies.
4	New Field (1) (in new Insurance tab)	Building	End-user	Flood Zone	Field to capture flood zone according to FEMA's 72 categories. The end-user will select the category that applies.
5	New Field (1) (drop-down) (in new Insurance tab)	Building	End-user	Building Shape	Field to capture building shape according to Marshall & Swift's classifications. The end-user will select the category that applies. • Square • Rectangular • Irregular • Very Irregular

E – Enhancements		Master List of Future State Enhancements: Real Estate Management			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
					• Manual Perimeter In case of the latter, an additional field will need to be created in which the end-user can enter a value as well as the unit of measure (ft). This field will be grayed-out for the others.
6	New Fields (4) (in new Insurance tab) (within the same stage)	Building	End-user	GIS	Fields (4) to capture building GIS coordinates • Latitude • Longitude • Altitude • Date last reading (mm/dd/yy)
7	New Fields (1) (drop-down)	Building	End-user	Recognition	Field to capture building ownership • Owned by the State • Leased to the State The end-user will select that which applies.
8	New Field (1) (drop-down) (in new Insurance tab)	Building	End-user	Recognition	• Coverage code (drop down list)
9	New Field (1) (drop-down) (in new Insurance tab)	Building	End-user	Recognition	• ORM Area (drop down list)
10	New Field (1) (in new Insurance tab)	Building	End-user	Recognition	• Marshall & Swift Indicator (Yes/No)
11	New Fields (3)	Land	End-User	Required	• Parcel Number • Parcel Name • Survey Office
12	New Fields (3) (Free Text)	Land	End-User	Required	• Rights / Restrictions (date sensitive) • Metes and Bounds
13	New Table (refer similar table in LUM)	Land	End-User	Required	• Section/Township/Range • Latitude • Longitude • Meridian • Plat • COB/Folio Multiple attributes per parcel must be able to be entered. Refer identical table in Land Use Management functionality that has been localized for Germany.
14	New Field (in new Insurance tab)	Rental Space / Rental Unit	End-User	Required	• Fine Arts (2 fields)
15	New Field (in new Insurance tab)	Rental Space / Rental Unit	End-User	Required	• Livestock (2 fields)
16	New Field	Rental Space / Rental	End-User	Required	• Computer Eqp. (2 fields)

E – Enhancements		Master List of Future State Enhancements: Real Estate Management			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
	(in new Insurance tab)	Unit			
17	New Field (in new Insurance tab)	Rental Space / Rental Unit	End-User	Required	• Boats (2 fields)
18	New Field (in new Insurance tab)	Rental Space / Rental Unit	End-User	Required	• Mobile Structure (2 flds)
19	New Field (in new Insurance tab)	Rental Space / Rental Unit	End-User	Required	• Other contents (flood)
20	New Field (in new Insurance tab)	Rental Space / Rental Unit	End-User	Required	• Business income
21	New Field (in new Insurance tab)	Rental Space / Rental Unit	End-User	Required	• Registered Mail / Parcel Post
22	New Field (in new Insurance tab)	Rental Space / Rental Unit	End-User	Required	• LPFA/3rd Party Fin.
23	New Tab (security req'd at this tab level)	Building	End-User	Required for ORM	• Tab to be named "Insurance"
24	New Table (with additional columns) (in new Insurance tab)	Building	End-User	Required for ORM	Multiple occupancies per building must be able to be entered. Refer identical table in Land Use Management functionality that has been localized for Germany. In addition, three additional columns will need to be added to this table. The columns will look as follows (see page 28). The selection of the Occupancy Code Number will determine the Occupancy Code Description. The remainder of the fields are free text.
25	New Field (in new Insurance tab)	Building	End-User	Required for ORM	Building Replacement Cost ($)
26	New Field (in new Insurance tab)	Building	End-User	Required for ORM	Value Date (mm/yy)
27	New Field (in new Insurance tab)	Building	End-User	Required for ORM	Date last inspected (mm/dd/yy)
28	New Tab	Rental Space / Rental Unit	End-User	Required for ORM	Tab to be named "Insurance"
29	New Field (in new Insurance tab)	Building	End-User	Required for ORM	Gross Building Area (sq.ft)
30	New Field (in new Insurance tab)	Rental Space	End-User	Required for ORM	General Contents (Property Value) [calculated field]
31	New Field (in new Insurance tab)	Rental Space	End-User	Required for ORM	General Contents (Flood) [calculated field]
32	New Field (1) (in new Insurance tab)	Rental Space	End-User	Required for ORM	Value/sq.ft Override

E – Enhancements		Master List of Future State Enhancements: Real Estate Management			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
33	New Field (1) (drop-down list) (in new Insurance tab)	Rental Space	End-User	Required for ORM	Override Reason (drop-down list)

Workflow

Workflow will be utilized for communication between agencies, ORM, OSL, and FPC, specifically for the set up of master data. The details of this will be addressed during the Realization Phase.

W – Workflow	Master List of Future State Workflow Events: Real Estate Management		
No.	Description	Justification	Comments
1.	None identified.		

Gaps

Gaps	Master List of Future Gaps: Real Estate Management		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None Identified.		

Security & Enterprise Role Definitions:

The authorizations and securities will be addressed during the Realization Phase.

Authorizations	Master List of Future State Roles/Authorizations: Real Estate Management			
No.	Role	Description	Strategy	Special Considerations
1.	Master Data Support (RE)	Creating and changing Real Estate objects: - Architectural Objects - Business entity - Building - Land - Rental objects	This role are for users who are primarily involved in maintaining master data. This role will be used in combination with other roles.	
2.	Master Data Analyst (RE)	Evaluation of master data reporting	This role is for users whose responsibility includes the evaluation of master data and lease-outs.	

Organizational Impact:

There are a number of organizations that will be involved in the set up (and display) of master data. They are as follows:

- Office of Facility Planning & Control (OFPC) – currently responsible for overseeing the bidding process for leases
- Office of Risk Management (ORM) – currently responsible for setting up data specific for building insurance purpose

- Office of State Lands – currently responsible for record keeping of legal documents of state owned real estate
- Agencies – currently designated as the "owner" of the building

Once SAP Real Estate Management has been implemented, the responsibilities of these agencies will be as follows:

- OFPC will be responsible for creating the master data records in RE-FX for the state's property portfolio. This will be a centralized process. The magnitude of this responsibility may impact staffing.
- ORM will continue to be responsible for entering building insurance related data, as they do currently.
- OSL will continue to be responsible for capturing conveyance related data in paper and electronic form.
- Agencies will not be responsible for creating master data. They will only have display access.

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	None Identified (other than above)		

Training Impact:

Users will be trained on standardized processes and functionality available in RE-FX. Specifically, key users will be trained on creating real estate master data as well as the process flow of which agencies, and in what sequence, the information is to be captured in the system.

Users will also be trained on how to conduct searches of real estate master data using both SAP delivered capabilities, as well as searching by their legacy site and building numbers (which have been captured in the system).

An estimate of the number of people that will be trained in RE-FX is as follows. This includes the expected augmentation of OFPC staff.

- OFPC – 11 persons
- ORM – 22 persons
- OSL – 2 persons

Appendix

Not applicable.

Team:	Finance – Real Estate
PDD Name:	RE Transactions
PDD Number:	FIN-RE-PDD020-RE Transactions
Business Process Owner:	John Davis / Lloyd Scallan
Functional Lead:	Sue Wheeler
Functional Consultant:	Peter Tabone

Executive Summary

This document is the Business Blueprint for the acquisition and disposal of real property (land and buildings) at the State of Louisiana. It provides an overview of the proposed design for the state's "to-be" real estate business processes and the SAP Real Estate Management (RE-FX) functionality required to support them.

The focus of this document is on the acquisition and disposal of land and buildings. The two processes that will be covered in this document are as follows:

A. Acquisition –
   a. Create master data for the land and building(s) being acquired, and…
   b. Create an acquisition (purchase) contract to effect payment

B. Disposition –
   a. Review existing land and building master data records and close off legal dependencies, and…
   b. Create a disposal (sales) contract to record the sales transaction

This document is to be read in conjunction with FIN-RE-PDD010 Master Data.doc. This document provides an overview of the master data that will be created to represent the state's property portfolio and identifies the legacy systems to be replaced.

The two processes addressed in this document are applicable to the following agencies:

Agency: Division of Administration

(i) Acquisition of individual sites (land parcels) and buildings, and
(ii) Disposal of individual sites (land parcels) and buildings.

Agency: Department of Transportation and Development

(iii) Acquisition of Right-of-Way's (in fee),
(iv) Disposal of uneconomic remnants of Right-of-Way's (in fee)

This document does not include the processes, tasks or activities that precede the acquisition of Right-of-Ways (land parcels) or the acquisition of individual sites (land parcels) and buildings. It only covers the functionality relevant to creating real estate master data in RE-FX and creating contracts to effect payment and recording sales transactions.

The proposed SAP solution for managing processes, tasks, or activities that precede the acquisition and disposal of real estate is currently under consideration.

To-Be Process Description

Transaction Management

The table below provides a summary of the "Transaction Management" functionality that will be implemented to support the acquisition or disposal of land and buildings.

Business Scenario	Business Process	Description
Transaction Management	Create Acquisition (Purchase) Contract	A purchase agreement contains all the information on the purchase of real estate objects (land / building), such as, the purchase price, associated documents, partners involved, deadlines etc. The purchase contract can be mapped using the real estate contract.
	Create Disposal (Sales) Contract	A sales contract contains all the information on the sale of a real estate object (land / building), such as, the sale price, associated documents, partners involved, deadlines etc. The sales contract can be mapped using the real estate contract.

The acquisition of land and buildings requires the Usage View to be set up in RE-FX. It also requires a Business Partner (with either a Vendor or Customer master record) to be created. Both of these objects are required in order to create a real estate contract in RE-FX.

A schematic of this relationship is as follows:

Usage View

In order to process the acquisition of real property (land and buildings), the real estate objects being acquired will need to be created in the Usage View first. This is shown in the diagram below.

These real estate objects will be assigned to the real estate acquisition (purchase) contract as the real estate objects being acquired.

In the event of a sale of land and buildings, these objects would already exist in the system. In this case, they will be assigned to a real estate disposal (sales) contract, as the real estate objects being sold.

Business Partner

Since the acquisition or disposal of property involves financial transactions, financial business partners that are linked to the customer and vendor accounts (master records) will need to be set up in SAP.

These business partners will be linked to the relevant real estate data record via business partner roles in RE-FX. These roles identify the relationship of the business partner to the real estate object and its associated processes.

Business Partner Roles

The following two roles will be created for the acquisition or sale of land and buildings:

- Partner with vendor account - for acquisition (purchase) contracts, and
- Partner with customer account - for disposal (sales) contracts.

Although vendors can be created directly through RE (when creating the real estate business partner above), LaGov vendors will be created via the SRM solution, as a consistent vendor creation process with appropriate workflows and approvals. Once created, real estate business partners will be created with reference to these vendor master records. RE-FX will also be configured so that the same vendor numbers assigned in AP will be created for the business partners in RE-FX. Any changes made to the real estate business partner will not automatically synchronize with the vendor master record in AP. Any changes made to BP's will be communicated to OSRAP for synchronization. Please refer to FIN-AP-PDD010 Account Code Structure Vendors for further information.

Similarly, although customers can be created directly through RE (when creating the real estate business partner above), LaGov customers will be created via the customer creation process as outlined in FIN-AR-PDD010 Customer Master Management. Once created, real estate business partners will be created with reference to these customer master records. RE-FX will also be configured so that the same customer numbers assigned in AR will be created for the business partners in RE-FX. Any changes made to the real estate business partner will not automatically synchronize with the customer master record in AR. Any changes made to BP's will be communicated to the centralized customer master custodian group of the agency for synchronization. Please refer to FIN-AR-PDD010 Customer Master Management for further information.

Contract Accounting - Real Estate Contracts

SAP Real Estate's Contract Accounting is fully integrated with SAP Financials and SAP Controlling.

Financial business partners for real estate processes are linked to customer and vendor accounts in Accounts Receivable and Accounts Payable, respectively.

- Each property owner (from whom the land or building will be acquired) will be created as a business partner in RE-FX and will have a corresponding vendor master record in Accounts Payable.
- Each property buyer (to whom the land or building will be sold) will be created as a business partner in RE-FX and will have a corresponding customer record in Accounts Receivable.

The periodic processing program generates payments and receivables based on the conditions (i.e. charge amounts) that are assigned to the real estate contract. In addition to generating financial postings for accounts payable and accounts receivable, the program also transfers contract costs / revenues to the real estate objects assigned to the contract. Periodic postings are based on the cash flow of the contract conditions.

The conditions on the real estate contract will create cash flow items that are marked as plan items with a due date. The due date will be the date the property is either to be acquired or sold. The execution of periodic processing program effects payment for the property (land and buildings) being acquired on a specific date. Similarly, for property being sold, a receivable is created in favor of the person(s) or organization acquiring the state-owned property on that date.

The periodic processing program also automatically accommodates follow-up postings based on changes made to conditions, such as any back dated changes. Prior to executing the periodic processing program in update mode, the simulated results will be reviewed for accuracy. The actual financial posting takes place in the update mode. Open items will be managed through Accounts Payable and Accounts Receivable.

Contract Creation / Approval Process

Because of the command that the real estate contract has on financial postings in SAP Financials, controls will be put in place that require a person other than the creator of the contract to release the contract for payment.

Business Function: RE/FM Earmarked Funds

In order to integrate the processing of real estate contracts with the functions of the Funds Management component, the following business function will need to be activated:

• Technical name of business function:	RE_FM_EARMARKED_FUND
• Type of business function:	Enterprise Business Function
• Available as of:	SAP ERP 6.0 Enhancement Package 3
• ECC software component:	EA-APPL
• ECC application component:	RE-FX
• Additional content available in other SAP applications:	Funds Management (PSM-FM)
• Business function requiring activation in addition:	Enterprise Extension Financials Extensions (EA-FIN) Public Services (EA-PS)

Business Function: Overview

This business function is used to integrate the processing of real estate contracts with functions of the Funds Management component (FM).

The business function (standard delivered SAP functionality) provides the following two functions:

- The end-user can subject the real estate contract to an approval process
- When a real estate contract is created, the system creates an earmarked funds document in FM for that fiscal year. For vendor contracts, earmarked funds are created with the funds commitment document type. For customer contracts, earmarked funds are created with the forecast of revenue document type.

The earmarked funds document can be automatically created (and later reduced) from the cash flow of the real estate contract. The system uses the sum of all cash flow items (in the relevant fiscal year) to determine the amount. For contracts that have a term of several fiscal years, the creation of earmarked funds can be extended over the subsequent years by generating cash flows for the contracts.

The system uses the assignment of earmarked funds documents to cash flows to enable automatic reduction of these earmarked funds during the periodic posting process. The earmarked funds are gradually converted in successive amounts into expenses and income.

For further information on encumbrances, please refer to FIN-FM-PDD040 FM Budget Consumption: Expenses & Encumbrances.

Approval Workflow

The following standard SAP delivered workflows will be used to generate earmarked funds in FM. These workflows will be tested during the Realization Phase.

Workflow	Code	Description
WS1790004	RECN_Approve	Multiple validation of real estate contract RE-FX
WS1790005	RECN_AppPar1	Parallel release of line items
WS1790006	RECN_AppPar2	Parallel unlocking of line items
WS1790017	RECN_AppPar3	Parallel approval after activation

Approval Process Flow

The real estate contract approval process will be controlled by workflow and will include the generation of earmarked funds. The approval process outlined below is based upon the four workflows listed above.

The approval process will be tested during the Realization Phase and adjusted to suit if necessary.

The process flow will be as follows:

1. Create a real estate contract.
2. For a vendor (acquisition) contract, the system executes an availability check for the account assignments that are assigned to the contract. (Workflow WS1790004).
    a. If the availability check is successful, the system generates earmarked funds in FM for the given fiscal year.
    b. If not, the contract can still be created, but the approval process and the generation of earmarked funds cannot be triggered.
3. Start the approval workflow process.
4. The system sends a workflow work item to the responsible person in FM.
5. The responsible person in FM releases the real estate contract so that it can be activated. (Workflows WS1790005 and WS1790006).
6. The system sends a workflow work item to the person who created the contract.
7. The person who created the contract activates it.
8. The system sends a workflow work item to the responsible person in FM.
9. The responsible person in FM confirms the release of the real estate contract for posting. (Workflow WS1790017).
10. The appropriate accountant can now initiate the periodic postings for customer or vendor contracts.

Contract Types

The real estate contract allows for configuration of various contract types. The real estate contract directly ties into SAP Financials via the condition types and the account determination associated with the condition types. The conditions define the amount to be paid or billed for the contract, its frequency, calculation, etc., and upon activation of the contract, the system generates cash flow and executes the financial posting.

The State of Louisiana will be using the following two contract types for the acquisition and disposal of property:

Cnt Type	Long Text	Short Text	Cat	O/ U	Reference	Sec Dep	No Interval	Condition Group	Period
AC01	Acquisition Contract	Purchase Contract	Ext	U	Objects/lease out		01	Acquisition	**2**
DC01	Disposition Contract	Sales Contract	Ext	O	Objects/lease out		01	Disposal	2

Assignment: RE Objects to Contract Types

Real estate objects can be assigned to a contract to receive distribution costs resulting from a financial transaction, such as the purchase of a building (payable), or the lease-in of a building (payable).

In the following configuration table, real estate object types will be assigned to the contract types specific to the acquisition and disposal of property. This configuration will ensure that the correct types of real estate objects receive costs (or revenues) during the distribution process.

The table also shows whether the real estate object can be assigned to an object group. An object group will be used to bundle real estate objects together for common use. This is useful when multiple buildings are located on a site and the site is leased from a landlord. The buildings are grouped together and the group is assigned to the contract. The informational flag controls whether an object can be assigned to multiple objects for informational purposes or not.

Contract Type	Obj Type Desc	Assign. Object Type	Description	Objperm.	DstP	Grp	Assignment Option
AC01	Acquisition Contract	IB	Building	X	X	X	**Free**
AC01	Acquisition Contract	IG	Land	X	X	X	**Free**
DC01	Disposition Contract	IB	Building	X	X	X	**Free**
DC01	Disposition Contract	IG	Land	X	X	X	Free

Screen Sequence

The screen sequence ZREGCFE will be used as the basis using standard views and custom views.

Fields and views that will not be needed will be hidden. This will facilitate end user training and improve usability, as only State relevant fields will be visible.

ZREGCFE

Item	Screen	Screen Title	Description	Comments
100000	REGC00	Initial Screen	Initial Screen	
200000	GCFE02	General Data w/ Fast Entry	General Data w/ Fast Entry	
210000	REGC20	Partners	Partners	
400000	REGC80	House Bank Accounts	House Bank Accounts	**Hide**
450000	REGC41	Term	Term	
460000	REGC60	Objects	Objects	
470000	REGC55	Contract Measurements	Contract Measurements	**Hide**
490000	REGC42	Posting Parameters	Posting Parameters	

500000	REGC50	Conditions	Conditions	
510000	REGC44	Adjustments	Adjustments	**Hide**
620000	REGC45	Sales-Based Rent Agreement	Sales-Based Rent Agreement	**Hide**
630000	REGC65	Settlement Participation	Settlement Participation	**Hide**
640000	REGC30	Option Rate Methods	Option Rate Methods	**Hide**
700000	REGC95	Supplementary Texts	Supplementary Texts	
800000	REGC05	Resubmissions	Resubmissions	
900000	REGC9V	Overviews	Overviews	
1000000	GCIT40	IRE Data	IRE Data	Hide

Calculation Formulas

Calculation formulas are used to calculate the condition amount (i.e. charge amount on contract). The calculation formula can be based on a number of predefined formulas (standard SAP delivered), such as the measurements of a building, etc. The list provided by SAP will remain unchanged. Of these, only the fixed amount calculation formula will apply / be required for either the acquisition or disposal of a land parcel or a building.

In the event the sale or purchase price is per sq.ft, an unit rate will be entered in the system, and that will be multiplied by the square footage of that real estate object. To do so, the appropriate calculation formula will need to be selected. Where the price is a USD dollar amount, the Fixed Amount formula will be selected.

The following calculation formulas will be used on the state's real estate contracts for the acquisition and disposal of property:

Ext Rule	Calculation Formula Name
A	Fixed Amount

Distribution Formulas

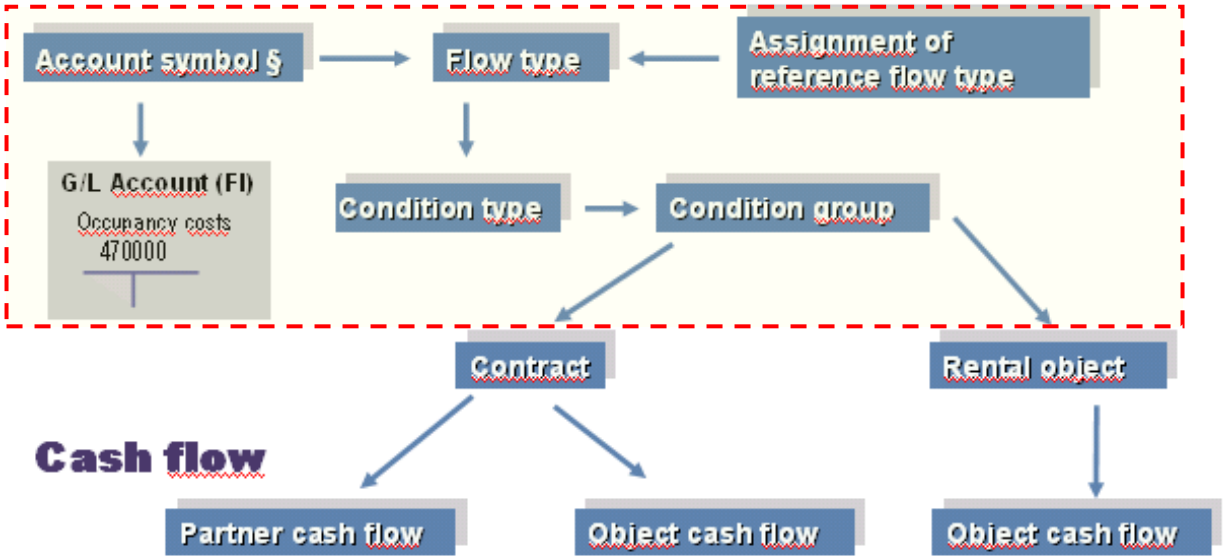
In the event there are multiple objects assigned to the real estate contract (e.g. more than one building is being acquired), the distribution formulas will be used to distribute the condition amount to the real estate objects (i.e. the buildings). The distribution formula may be based on a number of predefined formulas (standard SAP delivered). The list provided by SAP will remain unchanged.

The following distribution formula will be used on the state's real estate contracts:

Ext Rule	Distribution Formula Name
A	Divided Equally

Condition Types and Flow Types

The diagram below shows the relationships between the different configuration objects (demarcated by the dotted line) and the real estate objects used in contract/lease accounting:



Condition Types

Condition types, or "charge amounts" are the most visible aspect when setting up the contract/lease accounting characteristics of a contract. The selection of a condition type specific to the real estate contract being created controls the account assignment (i.e. which GL account gets posted to). Condition types are assigned to condition groups, which are assigned to contract types (as shown above).

The description of the condition type name (which will be visible on the contract) will indicate what kind of process it will be used for, i.e. payable or receivable. In addition, the relationship between condition types, contract types and condition groups, as shown in the diagram above, will be configured in such a way that only condition types that are applicable to a specific contract type are available for selection by the end user. In other words, when creating a contract, the end-user will select the contract type from a wide range of specific contract types. Once selected, all the condition types that are available for selection will apply to that selected contract type only. This will ensure the correct GL accounts are always being posted to.

Assignment: Condition Type to Flow Type

The following condition types will be set up for acquisition and disposal contracts:

Condition Type	Short Name	Long Name	Flow Type	Calc Formula	Dist Formula
AC10	Acq. Payment	Acquisition Payment	AC10	Fixed Amount	**Divided Equally**
AC20	Acq. Deposit	Acquisition Deposit	AC20	Fixed Amount	**Divided Equally**
AC30	Acq. Dep Refund	Acquisition Deposit Refund	AC30	Fixed Amount	**Divided Equally**
DC10	Sale Proceeds	Sale Proceeds	DC10	Fixed Amount	Divided Equally

Condition Purpose

The condition purpose on the contract is used to specify how the condition will be treated by the system's periodic processing program:

- One-time Posted condition purpose will post the condition (one time) on the date specified on the condition.
- Statistical condition purposes are used as placeholders within the contract - to show that a payment was made using another payment source. It will not generate financial postings in SAP.

The following condition purposes will be used on the contract:

Ext	Int Condition Purp	Condition Purpose	CtrP	Default
A	Posted	Actual Rent	X	**X**
B	One-Time Posted	One-Time Actual Rent	X	
C	Statistical	Statistical	X	
D	One-Time Statistical	One-Time Statistical Posting		

Assignment: Condition Types to Condition Groups

Conditions are assigned to condition groups, which are then assigned to contract types. This assignment helps simplify the selection of condition types when creating a specific contract.

The following assignments will be made for acquisition and disposal contracts:

Condition Group – AC00 Acquisition Contract

Cd Type	Condition Type	Seq	Default	Condition Purpose	Adjustment Rule
AC10	Acquisition Payment	1		One-Time Actual	
AC20	Acquisition Deposit	2		One-Time Actual	
AC30	Acquisition Deposit Refund	3		One-Time Actual	

Condition Group – DC00 Disposition Contract

Cd Type	Condition Type	Seq	Default	Condition Purpose	Adjustment Rule
DC10	Sale Proceeds	1		One-Time Actual	

Assignment: Condition Group to Contract Types

The following condition groups will be assigned to contract types:

Cont Type	Contract Type	Cond Grp	Condition Group
AC01	Acquisition Contract	AC00	**Acquisition Contract**
DC01	Disposition Contract	DC00	Disposition Contract

Flow Types

Flow types are a pre-requisite for creating condition types and account determination. The condition types are assigned to flow types, which, in turn (via an account symbol), are assigned to their relevant GL accounts.

Flow Type	Flow Type Name	Debit/Credit
AC10	Acquisition Payment	**Credit Posting**
AC11	Acquisition Payment - FU	**Credit Posting**
AC12	Acquisition Payment - FU	**Debit Posting**

Flow Type	Flow Type Name	Debit/Credit
AC20	Acquisition Deposit	**Credit Posting**
AC21	Acquisition Deposit - FU	**Credit Posting**
AC22	Acquisition Deposit - FU	**Debit Posting**
AC30	Acquisition Deposit Refund	**Debit Posting**
AC31	Acquisition Deposit Refund - FU	**Debit Posting**
AC32	Acquisition Deposit Refund - FU	**Credit Posting**
DC10	Sale Proceeds	**Debit Posting**
DC11	Sale Proceeds - FU	**Debit Posting**
DC12	Sale Proceeds – FU	**Credit Posting**
TA01	Transfer - Acquisition Payment	**Debit Posting**
TA02	Transfer - Acquisition Payment - FU	**Debit Posting**
TA03	Transfer - Acquisition Payment - FU	**Credit Posting**
TD01	Transfer - Sale Proceeds	**Credit Posting**
TD02	Transfer - Sale Proceeds - FU	**Credit Posting**
TD03	Transfer - Sale Proceeds - FU	Debit Posting

Reference Flow Types

Reference flow types will be used to accommodate follow-on postings. Follow-on postings occur when a condition amount is increased or decreased after the periodic processing run, or a transfer postings has to be done in order to reverse the posting on the contract and post the transaction amount in the real estate object. These follow-on postings are automatically included in the next periodic posting run.

The following reference flow type relationships will be configured for the state:

- 10 – Follow-Up Posting Due to Condition Increase
- 20 – Follow-Up Posting Due to Condition Decrease
- 30 – Distribution Transfer Posting

Applying the reference flow type relationships above to the flow types that have been identified for the state, the following relationships will be configured:

Relation	Flow Type	Flow Type Name	Ref Flow Type	Flow Type Name
10	AC10	Acquisition Payment	AC11	**Acquisition Payment - FU**
10	AC20	Acquisition Deposit	AC21	**Acquisition Deposit – FU**
10	AC30	Acquisition Deposit Refund	AC31	**Deposit Refund – FU**
10	DC10	Sales Proceeds	DC11	**Sale Proceeds - FU**
20	AC10	Acquisition Payment	AC12	**Acquisition Payment - FU**
20	AC20	Acquisition Deposit	AC22	**Acquisition Deposit - FU**
20	AC30	Acquisition Deposit Refund	AC32	**Deposit Refund - FU**
20	DC10	Sales Proceeds	DC12	**Sales Proceeds – FU**
30	AC10	Acquisition Payment	TA01	**Transfer - Acquisition Payment**
30	AC11	Acquisition Payment - FU	TA02	**Transfer - Acquisition Payment - FU**
30	AC12	Acquisition Payment - FU	TA03	**Transfer - Acquisition Payment - FU**

Relation	Flow Type	Flow Type Name	Ref Flow Type	Flow Type Name
30	AC20	Acquisition Deposit	TA01	**Transfer - Acquisition Payment**
30	AC21	Acquisition Deposit - FU	TA02	**Transfer - Acquisition Payment - FU**
30	AC22	Acquisition Deposit - FU	TA03	**Transfer - Acquisition Payment - FU**
30	AC30	Acquisition Deposit Refund	TA01	**Transfer - Acquisition Payment**
30	AC31	Acquisition Deposit Refund - FU	TA02	**Transfer - Acquisition Payment - FU**
30	AC32	Acquisition Deposit Refund - FU	TA03	**Transfer - Acquisition Payment – FU**
30	DC10	Sale Proceeds	TD01	**Transfer - Sale Proceeds**
30	DC11	Sale Proceeds - FU	TD02	**Transfer - Sale Proceeds - FU**
30	DC12	Sale Proceeds – FU	TD03	Transfer - Sale Proceeds - FU

Account Symbols

Account symbols serve a specific purpose. In configuration, they represent GL accounts. One account symbol is created for each GL account that is to be used.

The following account symbols will be configured for the state:

Account Symbol	Account Symbol Name
D*	**Customer Recon Account**
AC10	**Acquisition Payment**
AC20	**Acquisition Deposit**
AC30	**Acquisition Deposit Refund**
DC10	**Sale Proceeds**
DJ*	**Recon. Act. Deb. Side AP Receivable**
DK*	**Recon. Acct. Deb. Side AP Made**
DU*	**Recon. Acct. Deb. AP SB-Rent**
K*	**Vendor Recon Account**
TCST	**Credit contract transfer cost**
TREV	Debit contract transfer revenue

Assignment: Account Symbol to GL Account

The assignment of GL accounts to account symbols will be determined during the Realization Phase.

COA	Account Symbol	Account Symbol Name	Spec GL Ind	GL Account	GL Account Name
TBD	D*	Customer Recon Account		TBD	**TBD**
TBD	AC10	Acquisition Payment		TBD	**TBD**
TBD	AC20	Acquisition Deposit		TBD	**TBD**
TBD	AC30	Acquisition Deposit Refund		TBD	**TBD**
TBD	DC10	Sale Proceeds		TBD	**TBD**
TBD	K*	Vendor Recon Account		TBD	TBD

Assignment: Account Symbols to Flow Types

The assignment of account symbols to flow types will ensure the correct posting (debit or credit) to each GL account that is assigned to each condition type.

Flow Type	FlowType Name	D	Debit Account Symbol	C	Credit Account Symbol
AC10	Acquisition Payment	S	AC10	K	**K***
AC11	Acquisition Payment - FU	S	AC10	K	**K***
AC12	Acquisition Payment - FU	K	K*	S	**AC10**
AC20	Acquisition Deposit	S	AC10	K	**K***
AC21	Acquisition Deposit - FU	S	AC10	K	**K***
AC22	Acquisition Deposit - FU	K	K*	S	**AC10**
AC30	Acquisition Deposit Refund	K	K*	S	**AC10**
AC31	Acquisition Deposit Refund - FU	K	K*	S	**AC10**
AC32	Acquisition Deposit Refund - FU	S	AC10	K	**K***
DC10	Sale Proceeds	D	D*	S	**DC10**
DC11	Sale Proceeds - FU	D	D*	S	**DC10**
DC12	Sale Proceeds – FU	S	DC10	D	**D***
TD01	Transfer - Sale Proceeds	S	TREV	S	**DC10**
TD02	Transfer - Sale Proceeds - FU	S	TREV	S	**DC10**
TD03	Transfer - Sale Proceeds - FU	S	DC10	S	**TREV**
TA01	Transfer - Acquisition Payment	S	AC10	S	**TCST**
TA02	Transfer - Acquisition Payment - FU	S	AC10	S	**TCST**
TA03	Transfer - Acquisition Payment - FU	S	TCST	S	AC10

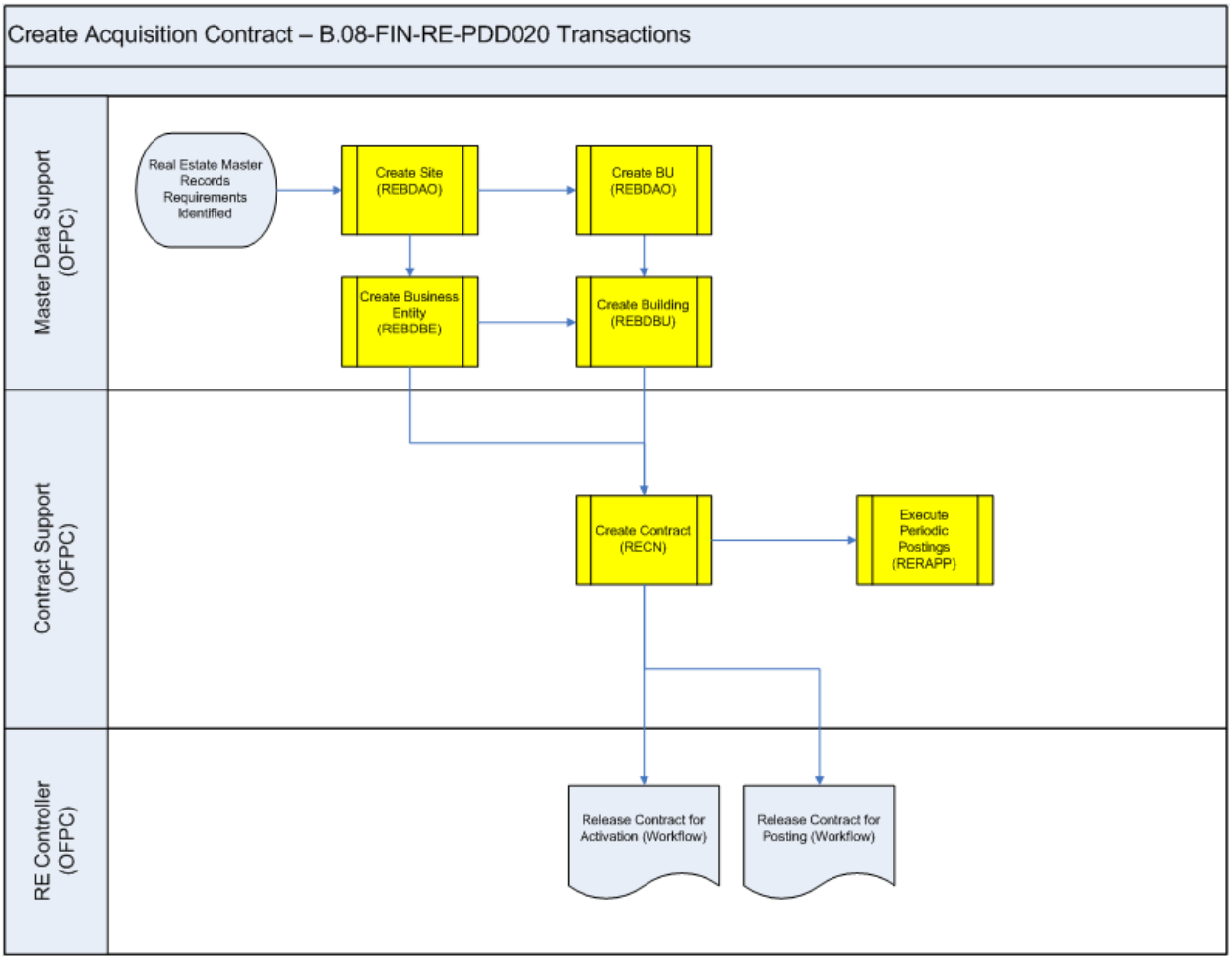
Process Terminology

#	Process Terminology	Description
1	Partners & Roles	Business Partners are contacts associated with real estate processes. They are in the form of persons, organizations, or groups. They are linked to real estate data records via business partner roles. These roles identify the relationship of the business partner to the real estate object and its processes. Business Partners can have an unlimited number of roles and they can have roles in association with an unlimited number of real estate objects.
2	Contract	The RE contract is used to map all contracts related to Real Estate Management.
3	Contract Objects	Real Estate Objects are assigned to the RE contract. A contract can include more than one object (even across different buildings and business entities). Individual rental spaces of the same Usage Type can be grouped together in Object Groups.
4	Contract Conditions	Various time-dependent condition types for the real estate contract or for the rental objects are defined, such as basic rent, advance payments, or flat rates for service charges, surcharges and other conditions for various services, etc. Contract and object cash flows are forecast based on these conditions. In the case of own usage, you can either specify one cost center for the cash flow or a different cost center for each condition type. Account determination is defined linking to the G/L via the conditions. Periodic posting of due items is carried out based on condition flows and amounts. For cost distribution, transfer postings can be made to individual

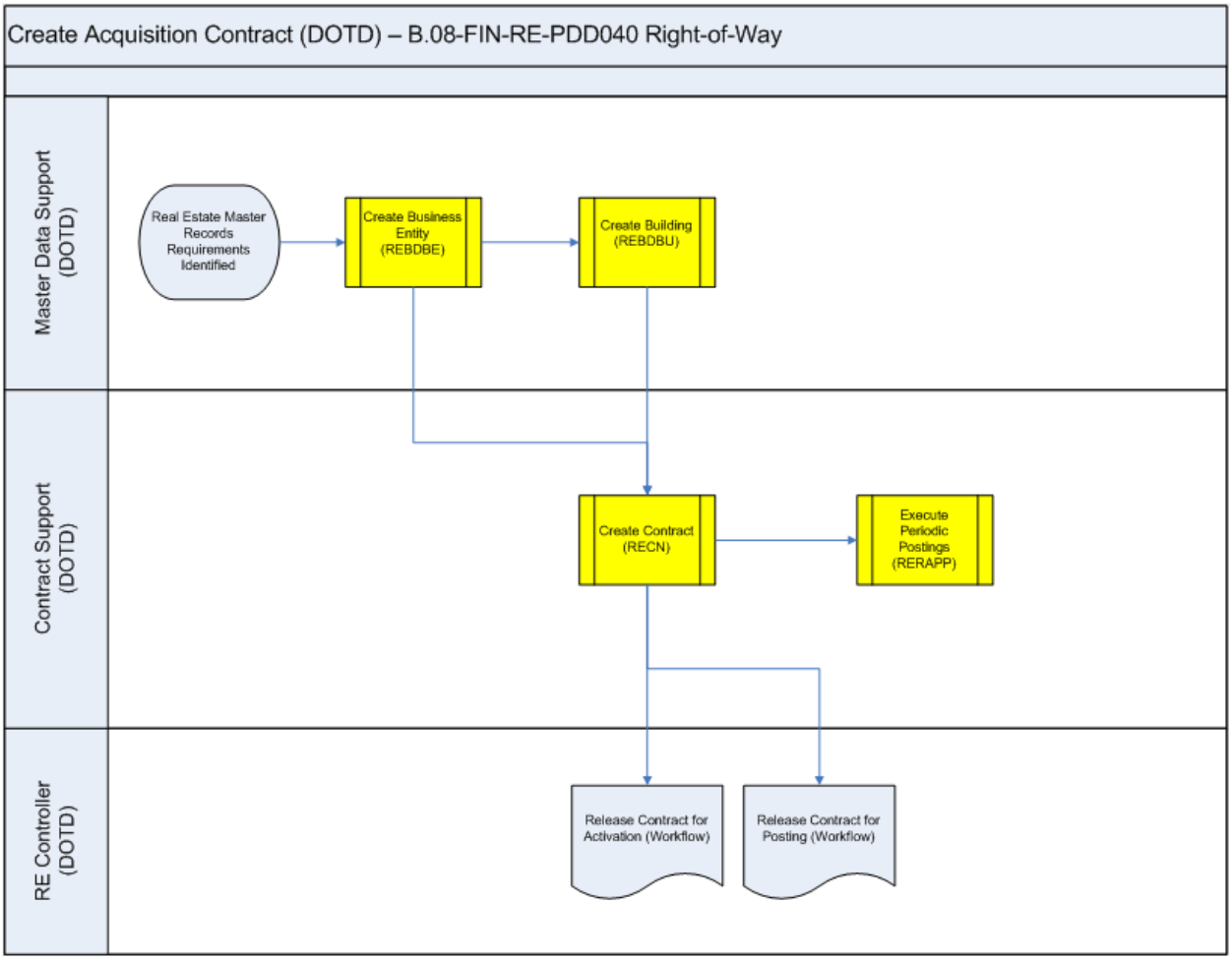
#	Process Terminology	Description
		objects. This is in order to distribute revenues earned and costs incurred to the objects according to cause. Internal calculation and distribution formulas are predefined.

To-Be Process Flows

Create Acquisition Contract– FIN-RE-PDD020 Transactions



Create Acquisition Contract (DOTD) – FIN-RE-PDD040 Right-of-Way



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	The real estate contract in RE-FX will be used as an acquisition (purchase) contract for the acquisition of real estate.	None	None
2	The real estate contract in RE-FX will be used as a disposal (sales) contract for the disposal of real estate.	None	None

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Title 34, Part III – Chapter 5. Rental and Lease Procedure	No revision. This statute outlines the bidding process for spaces greater than 5000 sq.ft	OFPC
2	RS 39:127	All agencies need to report to OFPC	DOA

Identified Development Objects (FRICE-W):

Forms

Standard correspondence (forms) delivered with SAP will used, such as invoices etc.

F – Forms	Master List of Current and Future State Forms: Real Estate Management						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Transfer of Property For Administration and Disposition	Sales document	x	x	Required for the sale of state property	Sue Wheeler	

Reports

Standard SAP delivered reports (ECC and BI) will be used.

R – Reports	Master List of Current and Future State Reports: Real Estate Management						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	See above						

Interfaces

I – Interfaces	Master List of Current and Future State Interfaces: Real Estate Management						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

Conversions

No conversions will be required as this is new functionality that will be used going forward. Only pending sales or acquisition of land or buildings will be converted. This will be determined during the Realization Phase as to which transactions will need to be processed in SAP.

C - Conversions	Master List of Future State Data Conversions: Real Estate Management						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	None identified.						

Enhancements

E – Enhancements	Master List of Future State Enhancements: Real Estate Management				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified.				

Workflow

W – Workflow	Master List of Future State Workflow Events: Real Estate Management		
No.	Description	Justification	Comments
1.	WS1790004	System needs to check if funds exist.	Multiple validation of real estate contract RE-FX
2.	WS1790005	FM approval required	Parallel release of line items
3.	WS1790006	FM approval required	Parallel unlocking of line items
4.	WS1790017	FM approval required	Parallel approval after activation

Gaps

Gaps	Master List of Future Gaps: Real Estate Management		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: Real Estate Management			
No.	Role	Description	Strategy	Special Considerations
1.	Contract Support (RE)	Creating lease-ins Creating lease-outs Carrying out periodic postings Renewing contracts Processing master data	This role is intended for users responsible for the lease-in of real estate objects, as well as the lease-out of space to tenants.	
2.	RE Controller	Approval of contracts Planning of contracts Evaluating reporting activities	This role is intended for users who are responsible for the controlling, analysis and evaluation of relevant data and key figures.	

Organizational Impact

There are a number of organizations that will be involved in the set up of acquisition and disposal contracts. They are as follows:

- DOTD for the acquisition of land parcels for Right-of-Way
- Office of Facility Planning & Control (OFPC) for the acquisition of land parcels and buildings

Training Impact

Users will be trained on standardized processes and functionality available in RE-FX. Specifically, key users will be trained on creating real estate contracts as well as the process flow of which agencies, and in what sequence, the information is to be captured in the system, and what approvals are required (workflow) for the release of funds.

An estimate of the number of people that will be trained in RE-FX is as follows.

- OFPC – 5 persons
- DOTD – 5 persons

Appendix

Not applicable.

Team:	Finance – Real Estate
PDD Name:	Right-of-Way Parcels
PDD Number:	FIN-RE-PDD040-Right-of-Way Parcels
Business Process Owner:	Lloyd Scallan
Functional Lead:	Sue Wheeler
Functional Consultant:	Peter Tabone

Executive Summary

This document is the Business Blueprint for the acquisition of Right-of-Way for the State of Louisiana. It provides an overview of the proposed design for the state's "to-be" real estate business processes for acquiring land parcels for Right-of-Way.

The focus of this document is on the acquisition of land parcels in fee and in servitude as well as the disposal of uneconomic remnants. The three processes that will be covered in this document are applicable to the Department of Transportation and Development (DOTD). They are as follows:

A. Acquisition (in fee) –

a. Create master data for the land parcel(s) being acquired, and…
b. Create an acquisition (purchase) contract to effect the one-time payment

B. Disposition (in fee) –

a. Review existing land master data records for uneconomic remnants of Right-of-Way and close off legal dependencies, and…
b. Create a disposal (sales) contract to record the one-time sales transaction.

C. Acquisition (in servitude) –

a. Create master data for the land parcel(s) being leased, and
b. Create a leasing contract to effect the periodic payments

This document does not include the processes, tasks, or activities that precede the acquisition of Right-of-Way land parcels. It only covers the functionality relevant to creating real estate master data in RE-FX, creating contracts to effect payment and recording sales transactions.

The proposed SAP solution for managing processes, tasks or activities that precede the acquisition and disposal of land parcels, is currently under consideration.

This document is to be read in conjunction with:

- FIN-RE-PDD010 Master Data.doc, and
- FIN-RE-PDD020 Transactions.doc.

To-Be Process Description

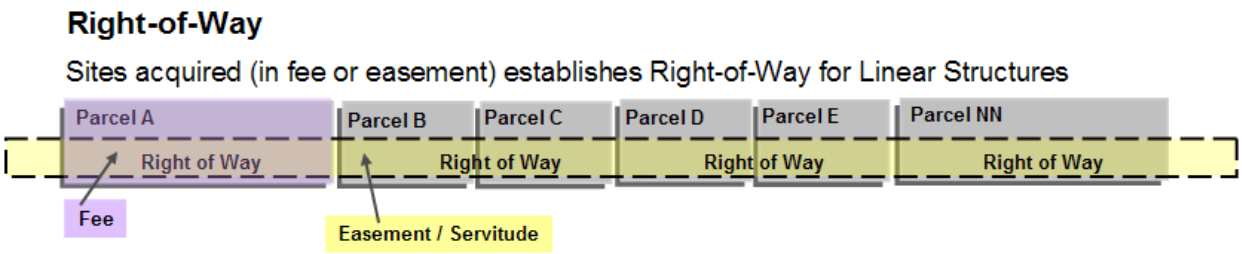
Right-of-Way

State programs that are designed to benefit the public as a whole often result in the acquisition of private property. Land uses around linear structures, such as roadways, are regulated by the terms of Right-of-Way agreements that are negotiated between roadway owners and landowners.

There are a number of options for a state acquiring a Right-of-Way. An analysis of alternative routes for linear structures is generally the starting point. Once a preferred route has been selected, the state has the following options:

1. Buying the Right-of-Way in fee, in which case the state becomes the landowner and maintains full control.
2. Negotiating a legal right to pass through the property owned by another. The most common form of a state's non-possessory interest in land is called an easement or servitude.
3. Using the state's right of eminent domain (condemnation) in the event the acquisition of one or more parcels of land along the proposed route (in fee or in servitude) is unsuccessful.

These options can be shown diagrammatically as follows (condemnation not shown):



Currently, the State of Louisiana only exercises options 1 and 3 mentioned above. The state does not enter into lease agreements (servitudes) with landowners for Right-of-Way for the purpose of constructing a roadway. The state requires that ownership of that land upon which roadways are to be constructed, resides with the state.

However, the state does enter in to lease agreements (servitudes) to grant access to external parties across the state's Right-of-Way. This grants that party legal right to pass through the property owned by the state.

Real Estate Contracts – Acquisition & Disposal

The acquisition of land requires the Usage View to be set up in RE-FX. It also requires a Business Partner (with a Vendor master record) to be created. Both of these (real estate objects and business partner) are required in order to create a real estate acquisition contract in RE-FX.

A schematic of this relationship is as follows:

Usage View

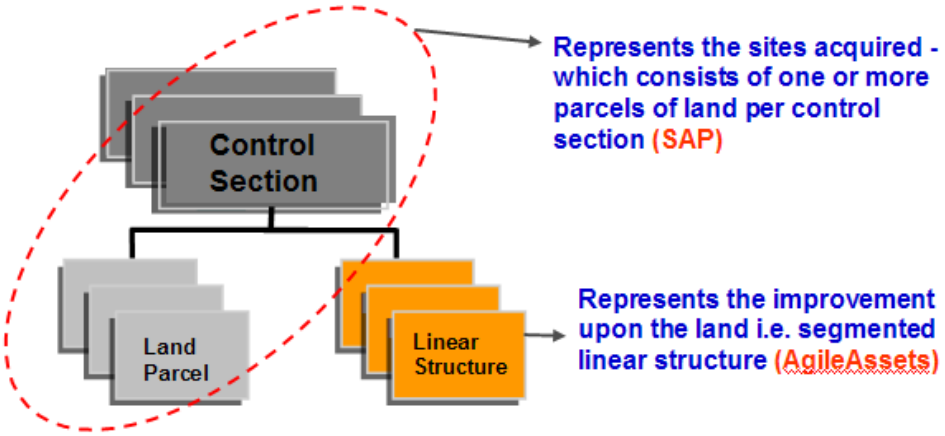
In order to process the acquisition of land, the real estate objects being acquired will need to be created in the Usage View first. This is shown in the diagram below.

These real estate objects will be assigned to the real estate acquisition (purchase) contract as the real estate objects being acquired (land parcels).

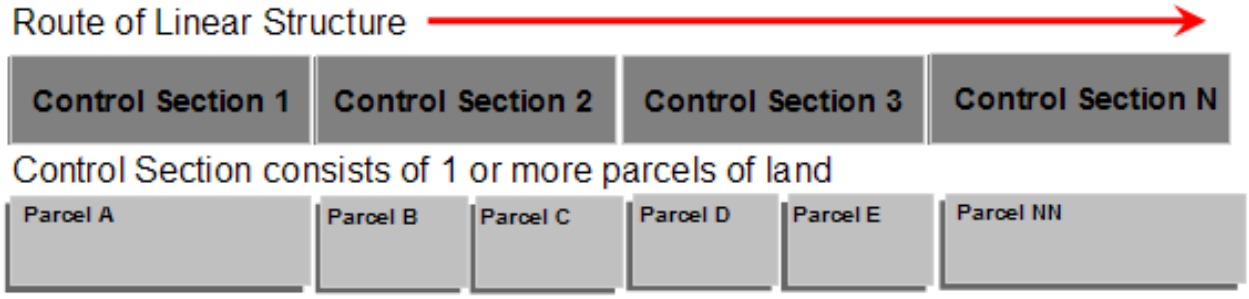
In the event of a sale of land parcels, these objects would already exist in the system. They will be assigned to a real estate disposal (sales) contract as the real estate objects being sold. In this case, a Business Partner (with a Customer master record) will need to be created.

By definition, a parcel of land is the smallest unit recorded in the land register. It is a section of the earth's surface that is recorded and administered in a land register under its own number. A parcel of land will be modeled as a "Land" real estate object in RE-FX. This land object will be linked to a "Business Entity."

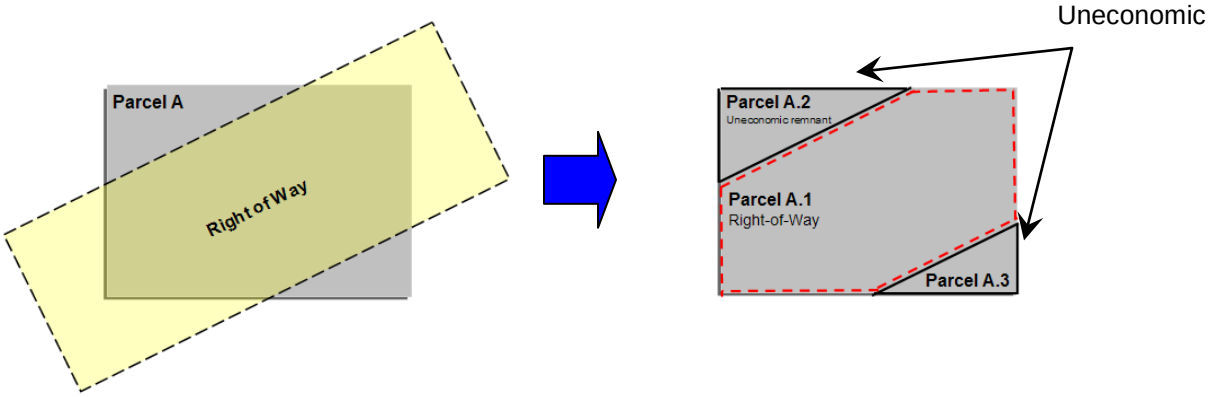
The Business Entity will represent a "Control Section" in DOTD. A Control Section is a pre-determined length of Right-of-Way along a proposed route. It can consist of one or more parcels of land.



In the event that a parcel of land (to be acquired) falls on both sides of either the starting or ending point of a Control Section, that parcel of land will be divided into two land parcels, with each assigned to its respective Control Section. A parcel of land can only belong to one Control Section.



Where a land parcel is greater than that required for the Right-of-Way, the entire land parcel will be acquired (in fee). This is shown in the left diagram below. Only once it is determined that the excess land parcel needs to be sold (or leased out), the acquired land parcel will be sub-divided into smaller land parcels in order to separate out the uneconomic remnants. The sub-division of that land parcel is shown in the diagram below.



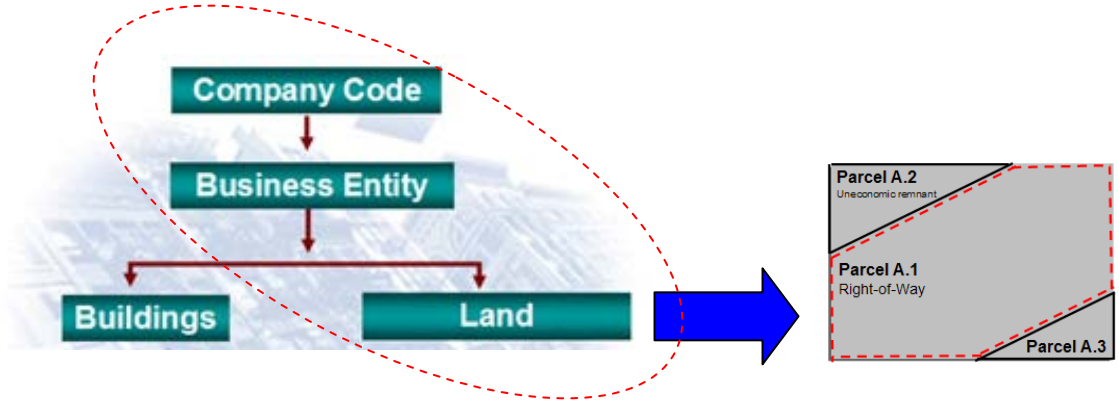
Real Estate Contracts – Leasing

This business process is used to map transactions in RE-FX for granting access to external parties across the state's Right-of-Way as well as the leasing out of land parcels (uneconomic remnants) to external third parties. The leasing of land parcels also requires the Usage View to be set up in RE-FX, as described before.

Usage View

In order to process the leasing out of land parcels, the real estate objects being leased out will need to be created in the Usage View first. In other words, the acquired land parcel described above, will be sub-divided to separate out the uneconomic remnants. These will be created as individual land real estate objects in SAP. It also requires a Business Partner (with a Customer master record) to be created.

This is shown in the diagram below.



Business Partner Roles

The following roles will be required for both the acquisition or disposal (sale) of land parcels as well as the leasing out of land parcels (uneconomic remnants) and the granting of access across the state's Right-of-Way.

- Partner with vendor account - for acquisition (purchase) contracts
- Partner with customer account - for disposal (sales) contracts
- Partner with customer account - for lease-out and servitude contracts

Although vendors can be created directly through RE (when creating the real estate business partner above), LaGov vendors will be created via the SRM solution, as a consistent vendor creation process with appropriate workflows and approvals. Once created, real estate business partners will be created with

reference to these vendor master records. RE-FX will also be configured so that the same vendor numbers assigned in AP will be created for the business partners in RE-FX. Any changes made to the real estate business partner will not automatically synchronize with the vendor master record in AP. Any changes made to BP's will be communicated to OSRAP for synchronization. Please refer to FIN-AP-PDD010 Account Code Structure Vendors for further information.

Similarly, although customers can be created directly through RE (when creating the real estate business partner above), LaGov customers will be created via the customer creation process as outlined in FIN-AR-PDD010 Customer Master Management. Once created, real estate business partners will be created with reference to these customer master records. RE-FX will also be configured so that the same customer numbers assigned in AR will be created for the business partners in RE-FX. Any changes made to the real estate business partner will not automatically synchronize with the customer master record in AR. Any changes made to BP's will be communicated to the centralized customer master custodian group of the agency for synchronization. Please refer to FIN-AR-PDD010 Customer Master Management for further information.

Contract Accounting

SAP Real Estate's Contract Accounting is fully integrated with SAP Financials and SAP Controlling.

Financial business partners for real estate processes are linked to customer and vendor accounts in Accounts Receivable and Accounts Payable, respectively.

- Each property owner (from whom the land will be acquired) will be created as a business partner in RE-FX and will have a corresponding vendor master record in Accounts Payable.
- Each property buyer (to whom the land will be sold) or lessor (to whom the land will be leased) will be created as a business partner in RE-FX and will have a customer record in Accounts Receivable.
- Each external third-party (to whom a land parcel will be leased or access granted across a Right-of-Way) will be created as a business partner in RE-FX. The business partner will have a corresponding customer record in Accounts Receivable.

The periodic processing program generates payments and receivables based on the conditions (i.e. charge amounts) that are assigned to the real estate contract. In addition to generating financial postings for accounts payable and accounts receivable, the program also transfers contract costs / revenues to the real estate objects assigned to the contract. Periodic postings are based on the cash flow of the contract conditions.

The conditions on the real estate contract will create cash flow items that are marked as plan items with a due date. The periodic processing program (RERAPP) creates the payment for the property being leased or acquired. Similarly, for property being leased out, a receivable is created in favor of the person(s) or organization leasing the state-owned property.

The periodic processing program also automatically accommodates follow-up postings based on changes made to conditions, such as any back dated changes. Prior to executing the periodic processing program in update mode, the simulated results will be reviewed for accuracy. The actual financial posting takes place in the update mode. Open items will be managed through Accounts Payable and Accounts Receivable.

Contract Creation / Approval Process

Because of the command that the real estate contract has on financial postings in SAP Financials, controls will be put in place that require a person other than the creator of the contract to release the contract for payment.

Business Function: RE/FM Earmarked Funds

In order to integrate the processing of real estate contracts with the functions of the Funds Management component, the following business function will need to be activated:

- Technical name of business function: RE_FM_EARMARKED_FUND
- Type of business function: Enterprise Business Function
- Available as of: SAP ERP 6.0 Enhancement Package 3
- ECC software component: EA-APPL
- ECC application component: RE-FX
- Additional content available in other SAP applications: Funds Management (PSM-FM)
- Business function requiring activation in addition: Enterprise Extension Financials Extensions (EA-FIN)
  Public Services (EA-PS)

Business Function: Overview

This business function is used to integrate the processing of real estate contracts with functions of the Funds Management component (FM).

The business function (standard delivered SAP functionality) provides the following two functions:

- The end-user can subject the real estate contract to an approval process
- When a real estate contract is created, the system creates an earmarked funds document in FM for that fiscal year. For vendor contracts, earmarked funds are created with the funds commitment document type. For customer contracts, earmarked funds are created with the forecast of revenue document type.

The earmarked funds document can be automatically created (and later reduced) from the cash flow of the real estate contract. The system uses the sum of all cash flow items (in the relevant fiscal year) to determine the amount. For contracts that have a term of several fiscal years, the creation of earmarked funds can be extended over the subsequent years by generating cash flows for the contracts.

The system uses the assignment of earmarked funds documents to cash flows to enable automatic reduction of these earmarked funds during the periodic posting process. The earmarked funds are gradually converted in successive amounts into expenses and income.

For further information on encumbrances, please refer to FIN-FM-PDD040 FM Budget Consumption: Expenses & Encumbrances.

Approval Workflow

The following standard SAP delivered workflows will be used to generate earmarked funds in FM. These workflows will be tested during the Realization Phase.

Workflow	Code	Description
WS1790004	RECN_Approve	**Multiple validation of real estate contract RE-FX**
WS1790005	RECN_AppPar1	**Parallel release of line items**
WS1790006	RECN_AppPar2	**Parallel unlocking of line items**
WS1790017	RECN_AppPar3	Parallel approval after activation

Approval Process Flow

The real estate contract approval process will be controlled by workflow and will include the generation of earmarked funds. The approval process outlined below is based upon the four workflows listed above.

The approval process will be tested during the Realization Phase and adjusted to suit if necessary.

The process flow will be as follows:

1. Create a real estate contract.
2. For a vendor (acquisition) contract, the system executes an availability check for the account assignments that are assigned to the contract. (Workflow WS1790004).
    a. If the availability check is successful, the system generates earmarked funds in FM for the given fiscal year.
    b. If not, the contract can still be created, but the approval process and the generation of earmarked funds cannot be triggered.
3. Start the approval workflow process.
4. The system sends a workflow work item to the responsible person in FM.
5. The responsible person in FM releases the real estate contract so that it can be activated. (Workflows WS1790005 and WS1790006).
6. The system sends a workflow work item to the person who created the contract.
7. The person who created the contract activates it.
8. The system sends a workflow work item to the responsible person in FM.
9. The responsible person in FM confirms the release of the real estate contract for posting. (Workflow WS1790017).
10. The appropriate accountant can now initiate the periodic postings for customer or vendor contracts.

Contract Types

The real estate contract allows for configuration of various contract types. The real estate contract directly ties into SAP Financials via the condition types and the account determination associated with the condition types. The conditions define the amount to be paid or billed for the contract, its frequency, calculation, etc., and upon activation of the contract, the system generates cash flow and executes the financial posting.

The state will be using the following contract types for the acquisition and disposal of land, the leasing of land (in servitude), the leasing out of uneconomic remnants of parcels.

Cnt Type	Long Text	Short Text	Cat	O/U	Reference	Sec Dep	No Interval	Condition Group	Period
AC01	Acquisition Contract	Purchase. Contract	Ext	U	Objects/lease out		01	Acquisition	**2**
DC01	Disposition Contract	Sales Contract	Ext	O	Objects/lease out		01	Disposal	**2**
CO03	Servitude Lease-Out	Servitude Lease-Out	Ext	O	Objects/lease out		01	Sale Contract	2

Assignment: RE Objects to Contract Types

Real estate objects can be assigned to a contract to receive distribution costs resulting from a financial transaction, such as the purchase of a land, or the lease-in of land (payable). For contract types specific to the acquisition, disposal and leasing of land parcels, the following real estate object types will be assigned.

Contract Type	Obj Type Desc	Assign. Object Type	Description	Objperm.	DstP	Grp	AssignmentOption
AC01	Acquisition Contract	IG	Land	X	X	X	**Free**
DC01	Disposition Contract	IG	Land	X	X	X	**Free**
CO03	Servitude Lease-Out	IG	Land	X	X	X	Free

Renewal Rules

Renewal rules are used to renew fixed-term contracts. A number of renewal rules are delivered as standard by SAP. They will remain unchanged. During the creation of contracts, end-users select the renewal rule that applies to their contracts. End-users can also create user-specific rules at the same time as creating their contracts.

The following standard SAP delivered renewal rules will be available for assignment:

RRule	Renewal Rule Name	Autom Renewal Type	Text Module
1000	1 Option for 1 Year, 3 Months Notice Period	One or More Repetitions	**1000**
1100	1 Option for 5 Years, 3 Months Notice Period	One or More Repetitions	**1100**
1200	2 Options for 1 Year, 6 Months Notice Period	One or More Repetitions	**1200**
1300	2 Options for 5 Years, 1 Year Notice Period	One or More Repetitions	**1300**
2000	Recurring Renewal of 1 Year, 3 Months Notice Period	Repetition of Las Rule	**2000**
3000	1 Option and 1 Renewal; Each for 1 Year; 3 Months Notice	One or More Repetitions	3000

This list may not be conclusive. Additional renewal rules will be identified during the Realization Phase.

Termination Notice

A termination notice is used to terminate a contract on a specific date. Termination notices may only be given on contracts that have been set up with an early termination clause. When the notice is given, a reason has to be provided as to why the notice is being given. This reason is used for notice reporting.

The following notice reasons will be configured for the state:

RNo	Notice Reason Name	Name of Notice	Notice Given By
1	No reason given	Not Specified	**Lessee**
2	Rent increase demand	Rent Increase	**Lessee**
3	Restricted use	Restricted Use	**Lessee**
4	Bankruptcy/Out of business	Bnkrptcy/Closed	**Lessee**
5	Tenant requests relocation	Tenant Relo	**Lessee**
6	Economic advantage for tenant	Economic Advtg	**Lessee**
7	Unauthorized use	Unauthorized Us	**Lessor**
8	Economic advantage for LL	Economic Advtg	**Lessor**
9	Delinquent rent	Delinquent Rent	**Lessor**
10	LL exercises right to relocate	LL Right to Rel	**Lessor**
11	Exercise early term option	Early Term	Lessor

This list may not be conclusive. Additional notice reasons will be identified during the Realization Phase.

Rejection Reason

It is also possible that when a termination notice is given (and the reason provided), that the request for termination of a contract is rejected. In this case, reasons have also to be provided as to why the notice was rejected. The following reasons for rejection will be configured for the state:

RNo	Reject Reason Name	Reject Reason
1	Notice period not adhered to	**Notice Period**
2	Separate notice not possible	**Linked Notice**
3	Form error	**Form Error**
4	Other reason	**Other Reason**
5	Fix-term contract not expired	Fix. Term Cnt

This list may not be conclusive. Additional rejection reasons will be identified during the Realization Phase.

Screen Sequence

The screen sequence ZREGCFE will be used as the basis using standard views and custom views.

Fields and views that will not be needed will be hidden. This will facilitate end user training and improve usability, as only state relevant fields will be visible.

ZREGCFE

Item	Screen	Screen Title	Description	Comments
100000	REGC00	Initial Screen	Initial Screen	
200000	GCFE02	General Data w/ Fast Entry	General Data w/ Fast Entry	
210000	REGC20	Partners	Partners	
400000	REGC80	House Bank Accounts	House Bank Accounts	**Hide**
450000	REGC41	Term	Term	
460000	REGC60	Objects	Objects	
470000	REGC55	Contract Measurements	Contract Measurements	**Hide**
490000	REGC42	Posting Parameters	Posting Parameters	
500000	REGC50	Conditions	Conditions	
510000	REGC44	Adjustments	Adjustments	
620000	REGC45	Sales-Based Rent Agreement	Sales-Based Rent Agreement	**Hide**
630000	REGC65	Settlement Participation	Settlement Participation	**Hide**
640000	REGC30	Option Rate Methods	Option Rate Methods	**Hide**
700000	REGC95	Supplementary Texts	Supplementary Texts	
800000	REGC05	Reminders	Reminders	
900000	REGC9V	Overviews	Overviews	
1000000	GCIT40	IRE Data	IRE Data	Hide

Calculation Formulas

Calculation formulas are used to calculate the condition amount (i.e. charge amount on contract). The calculation formula can be based on a number of predefined formulas (standard SAP delivered). The list provided by SAP will remain unchanged.

The following calculation formulas will be configured for use on the state's real estate contracts for the acquisition and disposal of land parcels (A) as well as the leasing out of uneconomic remnants (B):

Ext Rule	Calculation Formula Name
A	**Fixed Amount**
B	Measurements

Distribution Formulas

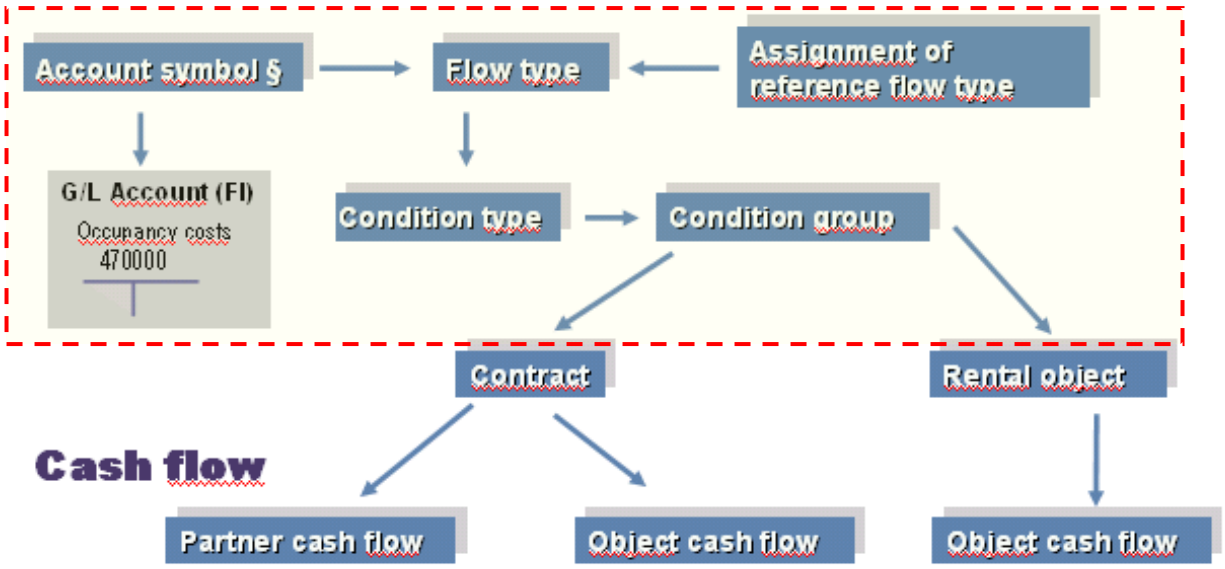
In the event there are multiple objects assigned to the real estate contract (e.g. more than one parcel of land being acquired), the distribution formulas are used to distribute the condition amount to the real estate objects (i.e. land). The distribution formula may be based on a number of predefined formulas.

The following distribution formula will be used on the state's real estate contracts:

Ext Rule	Distribution Formula Name
A	Divided Equally

Condition Types and Flow Types

The diagram below shows the relationships between the different configuration objects (demarcated by the red dotted line) and the real estate objects used in contract/lease accounting:



Condition Types

Condition types, or "charge amounts" are the most visible aspect when setting up the contract/lease accounting characteristics of a contract. The selection of a condition type specific to the real estate contract being created controls the account assignment (i.e. which GL account gets posted to). Condition types are assigned to condition groups, which are assigned to contract types (as shown above).

The description of the condition type name (which will be visible on the contract) will indicate what kind of process it will be used for, i.e. payable or receivable. In addition, the relationship between condition types, contract types and condition groups, as shown in the diagram above, will be configured in such a way that only condition types that are applicable to a specific contract type are available for selection by the end user. In other words, when creating a contract, the end-user will select the contract type from a wide

range of specific contract types. Once selected, all the condition types that are available for selection will apply to that selected contract type only. This will ensure the correct GL accounts are always being posted to.

Assignment: Condition Type to Flow Type

The following condition types will be set up for acquisition, disposal, and leasing contracts:

Condition Type	Short Name	Long Name	Flow Type	Calc Formula	Dist Formula
AC10	Acq. Payment	Acquisition Payment	AC10	Fixed Amount	**Divided Equally**
AC20	Acq. Deposit	Acquisition Deposit	AC20	Fixed Amount	**Divided Equally**
AC30	Acq. Dep Refund	Acquisition Deposit Refund	AC30	Fixed Amount	**Divided Equally**
DC10	Sale Proceeds	Sale Proceeds	DC10	Fixed Amount	**Divided Equally**
DC20	Sale Amount	Sale Amount	DC20	Fixed Amount	**Divided Equally**
I100	Basic LT Rent Exp	Basic Long-Term Rent Expense	I100	Fixed Amount	**Divided Equally**
O100	Basic Rent Income	Basic Rent Income	O100	Fixed Amount	Divided Equally

Condition Purpose

Condition purpose on the contract is used to specify how the condition will be treated by the system's periodic processing program:

- One-time Posted condition purpose will post the condition one-time on the date specified on the condition.
- Posted condition purpose will post the condition on the periodic dates specified on the condition.

The following condition purposes will be used on the contract:

Ext	Int Condition Purp	Condition Purpose	CtrP	Default
A	Posted	Actual Rent	X	**X**
B	One-Time Posted	One-Time Actual Rent	X	

Assignment: Condition Types to Condition Groups

Conditions are assigned to condition groups, which are assigned to contract types. This assignment helps simplify the selection of condition types when creating a contract.

The following assignments will be made for acquisition, disposal, and leasing contracts:

Condition Group – AC00 Acquisition Contract

Cd Type	Condition Type	Seq	Default	Condition Purpose	Adjustment Rule
AC10	Acquisition Payment	1		One-Time Actual	
AC20	Acquisition Deposit	2		One-Time Actual	
AC30	Acquisition Deposit Refund	3		One-Time Actual	

Condition Group – DC00 Disposition Contract

Cd Type	Condition Type	Seq	Default	Condition Purpose	Adjustment Rule
DC10	Sale Proceeds	1		One-Time Actual	

Condition Group – CO00 Commercial Lease-Out (Customer)

Cd Type	Condition Type	Seq	Default	Condition Purpose	Adjustment Rule
O100	Basic Rent Income	1	X	Actual Rent	

Assignment: Condition Group to Contract Types

The following condition groups will be assigned to contract types:

Cont Type	Contract Type	Cond Grp	Condition Group
AC01	Acquisition Contract	AC00	**Acquisition Contract**
DC01	Disposition Contract	DC00	**Disposition Contract**
CO03	Servitude Lease-Out	CO00	Commercial Lease-Out (Cust)

Flow Types

Flow types are a pre-requisite for creating condition types and account determination. The condition types are assigned to flow types, which, in turn (via an account symbol), are assigned to their relevant GL accounts.

Flow Type	Flow Type Name	Debit/Credit
AC10	Acquisition Payment	**Credit Posting**
AC11	Acquisition Payment - FU	**Credit Posting**
AC12	Acquisition Payment - FU	**Debit Posting**
AC20	Acquisition Deposit	**Credit Posting**
AC21	Acquisition Deposit - FU	**Credit Posting**
AC22	Acquisition Deposit - FU	**Debit Posting**
AC30	Acquisition Deposit Refund	**Debit Posting**
AC31	Acquisition Deposit Refund - FU	**Debit Posting**
AC32	Acquisition Deposit Refund - FU	**Credit Posting**
DC10	Sale Proceeds	**Debit Posting**
DC11	Sale Proceeds - FU	**Debit Posting**
DC12	Sale Proceeds – FU	**Credit Posting**
TA01	Transfer - Acquisition Payment	**Debit Posting**
TA02	Transfer - Acquisition Payment - FU	**Debit Posting**
TA03	Transfer - Acquisition Payment - FU	**Credit Posting**
TD01	Transfer - Sale Proceeds	**Credit Posting**
TD02	Transfer - Sale Proceeds - FU	**Credit Posting**
TD03	Transfer - Sale Proceeds - FU	**Debit Posting**
I100	Basic LT Rent Exp	**Credit Posting**
I101	Basic LT Rent Exp – FU	**Credit Posting**
I102	Basic LT Rent Exp - FU	**Debit Posting**
I103	Basic LT Rent Exp - XD	**Debit Posting**
I104	Basic LT Rent Exp - XC	**Credit Posting**
O100	Basic Rent Income	**Debit Posting**
O101	Basic Rent Income – FU	**Debit Posting**
O102	Basic Rent Income – FU	**Credit Posting**
O103	Basic Rent Income – XC	**Credit Posting**

Flow Type	Flow Type Name	Debit/Credit
O104	Basic Rent Income- XD	Debit Posting

This list may not be conclusive. Additional flow types will be identified once additional condition types have been determined. This will be done during the Realization Phase.

Reference Flow Types

Reference flow types will be used to accommodate follow-on postings. Follow-on postings occur when a condition amount is increased or decreased after the periodic processing run, or a transfer postings has to be done in order to reverse the posting on the contract and post the transaction amount in the real estate object. These follow-on postings are automatically included in the next periodic posting run.

The following reference flow type relationships will be configured for the state:

- 10 – Follow-Up Posting Due to Condition Increase
- 20 – Follow-Up Posting Due to Condition Decrease
- 30 – Distribution Transfer Posting

Applying the reference flow type relationships above to the flow types that have been identified for the state, the following relationships will be configured:

Relation	Flow Type	Flow Type Name	Ref Flow Type	Flow Type Name
10	AC10	Acquisition Payment	AC11	**Acquisition Payment - FU**
10	AC20	Acquisition Deposit	AC21	**Acquisition Deposit – FU**
10	AC30	Acquisition Deposit Refund	AC31	**Deposit Refund – FU**
10	DC10	Sales Proceeds	DC11	**Sale Proceeds - FU**
10	I100	Basic LT Rent Exp	I101	**Basic LT Rent Exp - FU**
10	O100	Basic Rent Income	O101	**Basic Rent Income – FU**
20	AC10	Acquisition Payment	AC12	**Acquisition Payment - FU**
20	AC20	Acquisition Deposit	AC22	**Acquisition Deposit - FU**
20	AC30	Acquisition Deposit Refund	AC32	**Deposit Refund - FU**
20	DC10	Sales Proceeds	DC12	**Sales Proceeds – FU**
20	I100	Basic LT Rent Exp	I102	**Basic LT Rent Exp – FU**
20	O100	Basic Rent Income	O102	**Basic Rent Income – FU**
30	AC10	Acquisition Payment	TA01	**Transfer - Acquisition Payment**
30	AC11	Acquisition Payment - FU	TA02	**Transfer - Acquisition Payment - FU**
30	AC12	Acquisition Payment - FU	TA03	**Transfer - Acquisition Payment - FU**
30	AC20	Acquisition Deposit	TA01	**Transfer - Acquisition Payment**
30	AC21	Acquisition Deposit - FU	TA02	**Transfer - Acquisition Payment - FU**
30	AC22	Acquisition Deposit - FU	TA03	**Transfer - Acquisition Payment - FU**
30	AC30	Acquisition Deposit Refund	TA01	**Transfer - Acquisition Payment**
30	AC31	Acquisition Deposit Refund - FU	TA02	**Transfer - Acquisition Payment - FU**
30	AC32	Acquisition Deposit Refund - FU	TA03	**Transfer - Acquisition Payment – FU**
30	DC10	Sale Proceeds	TD01	**Transfer - Sale Proceeds**
30	DC11	Sale Proceeds - FU	TD02	**Transfer - Sale Proceeds - FU**
30	DC12	Sale Proceeds – FU	TD03	**Transfer - Sale Proceeds – FU**

Relation	Flow Type	Flow Type Name	Ref Flow Type	Flow Type Name
30	I100	Basic LT Rent Exp	I103	**Basic LT Rent Exp - FU**
30	O100	Basic Rent Income	O103	Basic Rent Income - XD

Account Symbols

Account symbols serve a specific purpose. In configuration, they represent GL accounts. One account symbol is created for each GL account that is to be used.

The following account symbols will be configured for the state:

Account Symbol	Account Symbol Name
D*	**Customer Recon Account**
AC10	**Acquisition Payment**
AC20	**Acquisition Deposit**
AC30	**Acquisition Deposit Refund**
DC10	**Sale Proceeds**
DJ*	**Recon. Act. Deb. Side AP Receivable**
DK*	**Recon. Acct. Deb. Side AP Made**
DU*	**Recon. Acct. Deb. AP SB-Rent**
K*	**Vendor Recon Account**
TCST	**Credit contract transfer cost**
TREV	**Debit contract transfer revenue**
I110	**Long-Term Rents**
O100	Rental Income

Assignment: Account Symbol to GL Account

The assignment of GL accounts to account symbols will be determined during the Realization Phase.

COA	Account Symbol	Account Symbol Name	Spec GL Ind	GL Account	GL Account Name
TBD	D*	Customer Recon Account		TBD	**TBD**
TBD	AC10	Acquisition Payment		TBD	**TBD**
TBD	AC20	Acquisition Deposit		TBD	**TBD**
TBD	AC30	Acquisition Deposit Refund		TBD	**TBD**
TBD	DC10	Sale Proceeds		TBD	**TBD**
TBD	K*	Vendor Recon Account		TBD	**TBD**
TBD	I110	Long-Term Rents		TBD	**TBD**
TBD	O100	Rental Income		TBD	TBD

Assignment: Account Symbols to Flow Types

The assignment of account symbols to flow types will ensure the correct posting (debit or credit) to each GL account that is assigned to each condition type.

The following relationship will be configured for the state. This list will be finalized during the Realization Phase.

Flow Type	Acct Det	FlowType Name	D	Debit Account Symbol	C	Credit Account Symbol
AC10		Acquisition Payment	S	AC10	K	**K***
AC11		Acquisition Payment - FU	S	AC10	K	**K***
AC12		Acquisition Payment - FU	K	K*	S	**AC10**
AC20		Acquisition Deposit	S	AC10	K	**K***
AC21		Acquisition Deposit - FU	S	AC10	K	**K***
AC22		Acquisition Deposit - FU	K	K*	S	**AC10**
AC30		Acquisition Deposit Refund	K	K*	S	**AC10**
AC31		Acquisition Deposit Refund - FU	K	K*	S	**AC10**
AC32		Acquisition Deposit Refund - FU	S	AC10	K	**K***
DC10		Sale Proceeds	D	D*	S	**DC10**
DC11		Sale Proceeds - FU	D	D*	S	**DC10**
DC12		Sale Proceeds – FU	S	DC10	D	**D***
TD01		Transfer - Sale Proceeds	S	TREV	S	**DC10**
TD02		Transfer - Sale Proceeds - FU	S	TREV	S	**DC10**
TD03		Transfer - Sale Proceeds - FU	S	DC10	S	**TREV**
TA01		Transfer - Acquisition Payment	S	AC10	S	**TCST**
TA02		Transfer - Acquisition Payment - FU	S	AC10	S	**TCST**
TA03		Transfer - Acquisition Payment - FU	S	TCST	S	**AC10**
I100		Basic LT Rent Exp	S	I110	K	**K***
I101		Basic LT Rent Exp – FU	S	I110	K	**K***
I102		Basic LT Rent Exp – FU	K	K*	S	**I110**
I103		Basic LT Rent Exp – XD	S	S100	S	**I110**
I104		Basic LT Rent Exp – XC	S	I110	S	**S100**
O100		Basic Rent Income	D	D*	S	**O100**
O101		Basic Rent Income – FU	D	D*	S	**O100**
O102		Basic Rent Income – FU	S	O100	D	**D***
O103		Basic Rent Income – XC	S	S120	S	**O100**
O104		Basic Rent Income- XD	S	O100	S	S120

To-Be Process Flows

The State of Louisiana's Department of Transportation and Development (DOTD) follows an established acquisition procedure for acquiring Right-of-Way and certification steps for transportation enhancement projects.

These processes, tasks, and activities are currently being managed in PPMS (AARS) Program & Project Management System (Appraisal, Acquisition & Relocation System). The PPMS system schedules and manages DOTD projects during the preconstruction phase of a transportation lifecycle. The AARS subsystem (of PPMS) is utilized by DOTD to automate the process of Right-of-Way acquisitions on highway related projects.

At a high level, DOTD determines what properties need to be acquired for a project after the project has been planned and state requirements have been met. The property owner is notified and the acquisition process begins. This involves an inspection of the property and the carrying out of an appraisal, this in order to determine an initial fair market value of the property. Thereafter, DOTD reviews the appraisal and

establishes a just compensation, which is then to be offered for the property. A designated representative of DOTD delivers the written offer of just compensation for the purchase of the real property to the property owner. When an agreement is reached between the property owner and DOTD (on the offer presented), the property owner is asked to sign an option to buy, a purchase agreement, or another form of deed prepared by DOTD. The next step in the acquisition process is the making of payment for the property. This is done as soon as all the necessary paperwork is completed for transferring title of the property to DOTD.

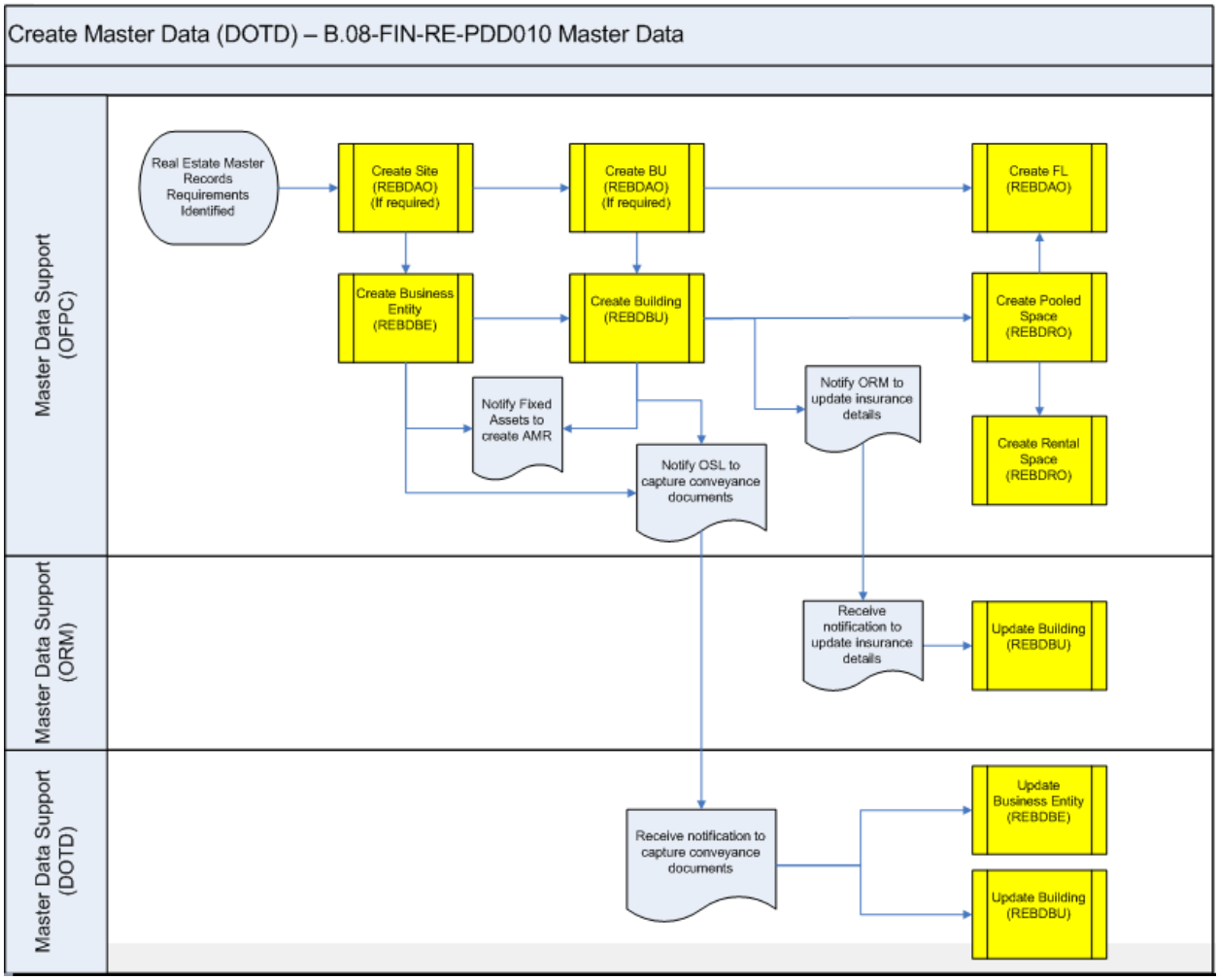
The processes, activities, and tasks that are carried out are as follows:

1. Title Work
2. Cost Estimation
3. Joint Plan And Review
4. Right-Of-Way Stage Relocation Plan
5. Consultant Contracts Turn Key / Partial Turn Key
6. Appraisal
7. Acquire Property
8. Relocation Residential
9. Relocation Non-Residential
10. Expropriation
11. Abandonment / Uneconomic Remainder / Excess Right-Of-Way
12. Public Sale

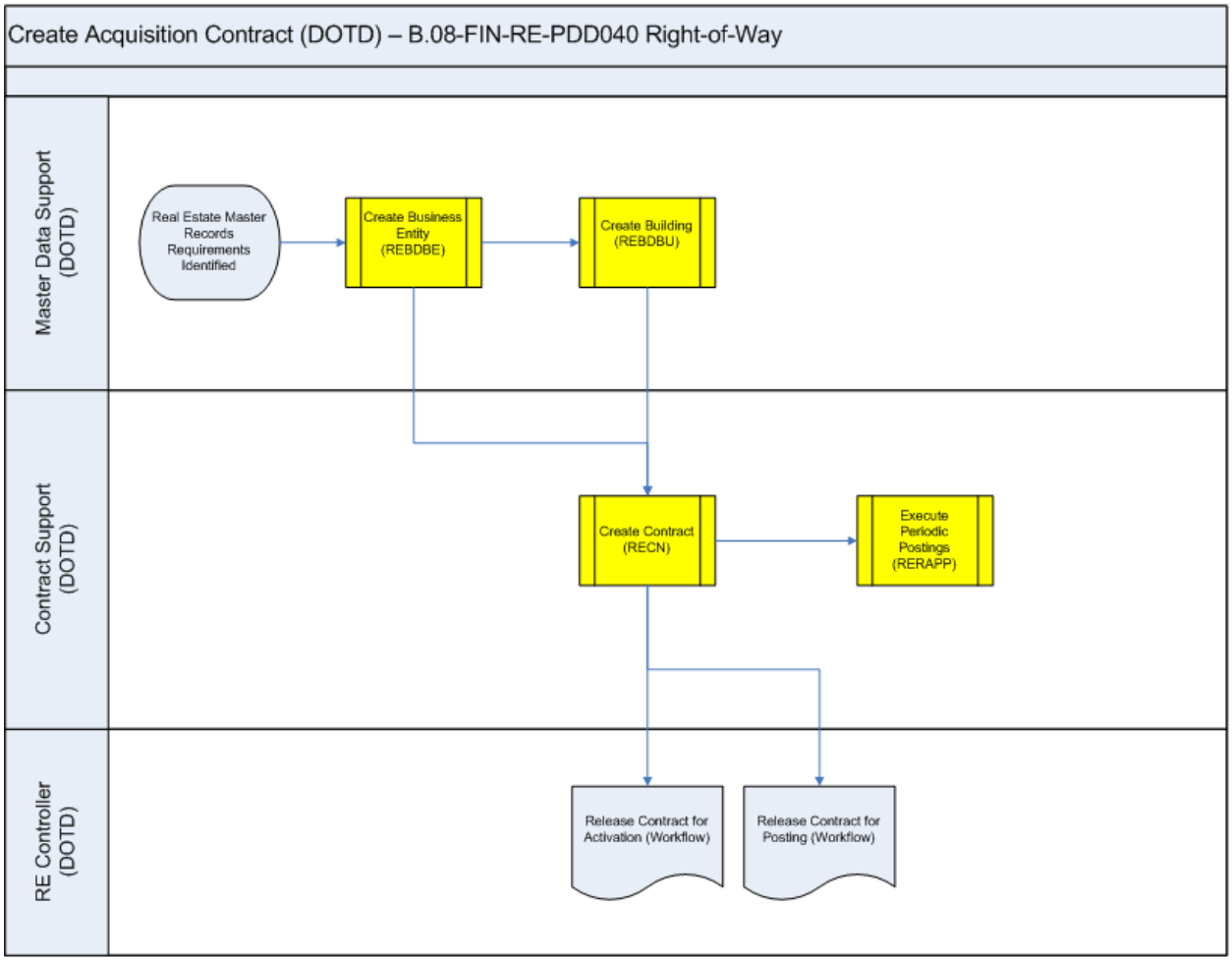
Consideration is currently underway to use SAP Case Management (RCM) to support these 12 requirements. These processes, activities and tasks pave the way for processes that are to follow in RE-FX, such as creating master data for land parcels and buildings being acquired, creating acquisition contracts and carrying out the financial postings .

RE-FX processes for creating master data and contracts in RE-FX have been addressed in PDD's FIN-RE-PDD010 Master Data and FIN-RE-PDD030 Transactions, respectively. They are as follows:

Create Master Data – FIN-RE-PDD010 Master Data



Create Acquisition Contract (DOTD) – FIN-RE-PDD040 Right-of-Way



Process Terminology

#	Process Terminology	Description
1	Partners & Roles	Business Partners are contacts associated with real estate processes. They are in the form of persons, organizations, or groups. They are linked to real estate data records via business partner roles. These roles identify the relationship of the business partner to the real estate object and its processes. Business Partners can have an unlimited number of roles and they can have roles in association with an unlimited number of real estate objects.
2	Contract	The RE contract is used to map all contracts related to Real Estate Management.
3	Contract Objects	Real Estate Objects are assigned to the RE contract. A contract can include more than one object (even across different buildings and business entities). Individual rental spaces of the same Usage Type can be grouped together in Object Groups.
4	Contract Conditions	Various time-dependent condition types for the real estate contract or for

#	Process Terminology	Description
		the rental objects are defined, such as basic rent, advance payments, or flat rates for service charges, surcharges and other conditions for various services, etc. Contract and object cash flows are forecast based on these conditions. In the case of own usage, you can either specify one cost center for the cash flow or a different cost center for each condition type. Account determination is defined linking to the G/L via the conditions. Periodic posting of due items is carried out based on condition flows and amounts. For cost distribution, transfer postings can be made to individual objects. This is in order to distribute revenues earned and costs incurred to the objects according to cause. Internal calculation and distribution formulas are predefined.

Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	The real estate contract in RE-FX will be used as an acquisition (purchase) contract for the acquisition of real estate.	None	None
2	The real estate contract in RE-FX will be used as a disposal (sales) contract for the disposal of real estate.	None	None
3	The real estate contract will be used to create a servitude lease-out	None	None

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	None identified.		

Identified Development Objects (FRICE-W):

Forms

Standard SAP delivered correspondence will be used, such as an invoice for invoicing a tenant for space occupied.

F – Forms	Master List of Current and Future State Forms: Real Estate Management						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

Reports

Standard SAP delivered reports (ECC and BI) will be used.

R – Reports	Master List of Current and Future State Reports: Real Estate Management						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	See above.						

Interfaces

I – Interfaces	Master List of Current and Future State Interfaces: Real Estate Management						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

Conversions

No conversions will be required for contracts as this will be new functionality moving forward. As far as creating master data for all the parcels of land that has been acquired in the past (historical) is concerned, this has still to be investigated in detail to determine what data will need to be converted or not. This will be addressed during the Realization Phase.

C - Conversions	Master List of Future State Data Conversions: Real Estate Management						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	See above.						

Enhancements

Enhancements to the land master data have been addressed in FIN-RE-PDD010 Master Data.doc.

E – Enhancements	Master List of Future State Enhancements: Real Estate Management				
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	See above.				

Workflow

Standard SAP delivered workflow will be used to check that funds exist before a contract can be activated and for financial postings to take place.

W – Workflow	Master List of Future State Workflow Events: Real Estate Management		
No.	Description	Justification	Comments
1.	Refer FIN-RE-PDD020 Transactions		

Gaps

Consideration is currently underway to use SAP Case Management (RCM) to replace AARS. The processes, activities, and tasks supported by RCM will pave the way for processes that are to follow in RE-FX, such as the creation of master data and contracts. No gaps have been identified in RE-FX functionality.

Gaps	Master List of Future Gaps: Real Estate Management		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	See above.		

Security & Enterprise Role Definitions

Authorizations have still to be addressed. This will be done during the Realization Phase.

Authorizations		Master List of Future State Roles/Authorizations: Real Estate Management		
No.	Role	Description	Strategy	Special Considerations
1.	Contract Support (RE)	Creating acquisition and disposal contracts Creating lease-outs Carrying out periodic postings Renewing contracts Processing master data	This role is intended for users responsible for creating acquisition and disposal contracts, as well as the lease-out of parcels of land.	
2.	RE Controller	Approval of contracts Planning of contracts Evaluating reporting activities	This role is intended for users who are responsible for the controlling, analysis and evaluation of relevant data and key figures.	

Organizational Impact

DOTD will be responsible for the temporary leasing out of buildings situated on a Right-of-Way, as well as creating contracts for the acquisition and disposal of land parcels.

No.	Activity/Task	Key Change from As-Is State	Organizational Work Force Impact
1.	See above.		

Training Impact

Users will be trained on standardized processes and functionality available in RE-FX. Specifically, key users will be trained on creating real estate contracts as well as the process flow of which agencies, and in what sequence, the information is to be captured in the system, and what approvals are required (workflow) for the release of funds.

An estimate of the number of people that will be trained in RE-FX is as follows:

- DOTD – 5 persons

Appendix

Not applicable.

Team:	Finance – Real Estate
PDD Name:	Leasing
PDD Number:	FIN-RE-PDD030-Leasing
Business Process Owner:	John Davis / Lloyd Scallan
Functional Lead:	Sue Wheeler
Functional Consultant:	Peter Tabone

Executive Summary

This document is the Business Blueprint for the leasing of real property (land and buildings) at the State of Louisiana. It provides an overview of the proposed design for the state's "to-be" real estate business processes and the SAP Real Estate Management (RE-FX) functionality required to support them.

The focus of this document is on the leasing of buildings and the leasing of space to internal agencies and external third-parties. The document also addresses the recovery of operating costs.

The four processes that will be covered in this document are as follows:

A. Lease-In
   a. Create master data for space being leased in non-state owned building(s)
   b. Create a lease-in contract to effect periodic payments to building owner/landlord

B. Internal Lease-Out
   a. Create master data for space being occupied by agencies in state owned and non-state owned buildings
   b. Create an internal lease-out (occupancy agreement) for internal agencies occupying space in state owned and non-state owned buildings.

C. External Lease-Out
   a. Create master data for space available for leasing to external third-parties in state owned and non-state owned buildings
   b. Create an external lease-out (third-party agreement) for leasing out space to external third-parties (tenants).

D. Operating cost recovery (from agencies)

This document is to be read in conjunction with FIN-RE-PDD010 Master Data.doc.

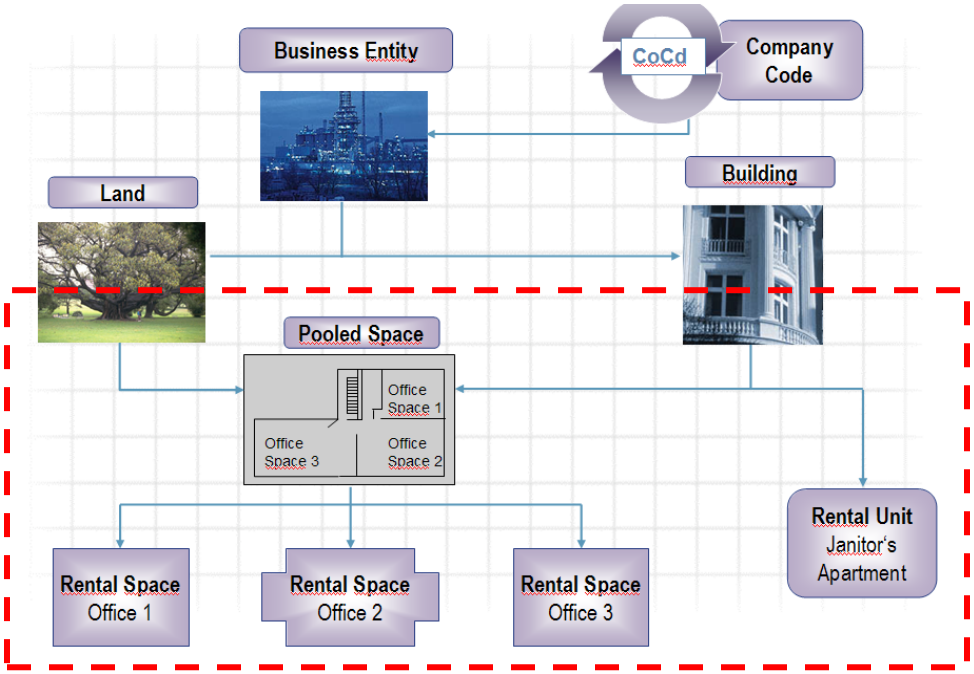
To-Be Process Description

Lease Management

This business process is used to map transactions in RE-FX for the leasing of buildings and space within buildings. The leasing of buildings and space within buildings requires the Usage View to be set up in RE-FX. It also requires a Business Partner (with either a Vendor or Customer master record) to be created. Both of these objects are required in order to create a real estate contract in RE-FX.

Usage View

In order to process the leasing of space, the real estate objects being leased will need to be created in the Usage View first. This is shown in the diagram below.



Rental Objects (shown in red dotted lines) represent space that can be occupied or leased. Rental Objects (RO) are uniquely assigned to either a building (BU) or land record (PR). Their number range is unique within the Business Entity (BE).

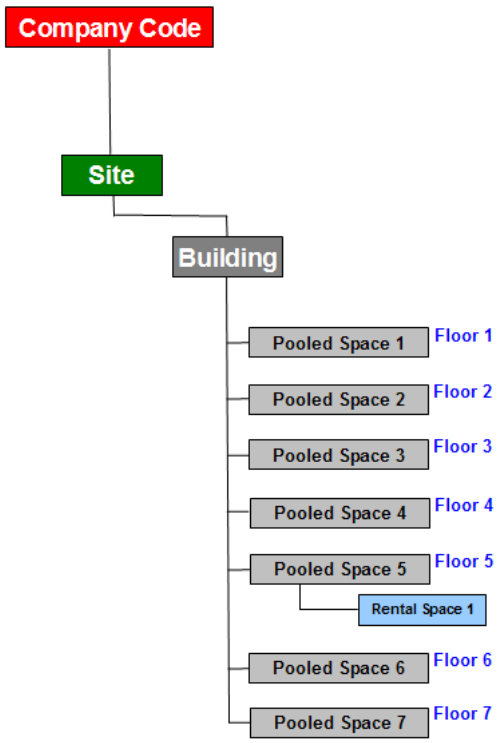
These spatial entities are subject to occupancy, either via an internal space assignment to organizational units or to third parties via leases. Real estate contracts represent an agreement to allow occupancy of the space to either an internal entity or a third-party entity.

- **Pooled Space** - represents the overall available space within a building or land. Its usage type will be configured as "General All-Purpose Use"
- **Rental Space** - represents useable space that is extracted from the Pooled Space according to a range of usage types as per Marshall & Swift's Occupancy Codes (refer FIN-RE-PDD010 Master Data).
- **Rental Unit** - represents a spatial entity within a building or land that can be occupied. The will have the same usage types as the rental space above (refer FIN-RE-PDD010 Master Data).

The State of Louisiana will apply the Usage View to their property portfolio as follows:

- **Site** - will represent the top node (Business Entity). It will consist of one campus or one location and can be comprised of one or more buildings and/or land (parcel) records. The site will also include the rental objects that are derived from the land or building records.
- **Land** - refers to a land parcel on a Site.
- **Building** – is any structure that is a built upon land as an improvement of the land.
- **Pooled Spaces** – will be defined to represent each floor within a building.
- **Rental Space / Rental Unit** – will represent the space to be occupied on each floor

Schematically, this hierarchical structure will look as follows (land not shown):



Business Partner

Since the leasing of space in buildings or the leasing of a building itself involves financial transactions, financial business partners that are linked to the customer and vendor accounts (master records) will need to be set up in SAP.

These business partners will be linked to the relevant real estate data record via business partner roles in RE-FX. These roles identify the relationship of the business partner to the real estate object and its associated processes.

Business Partner Roles

The following roles will be required for the leasing of space in buildings or the leasing of a building:

- Partner with customer account - for “lease-out” contracts
- Partner with vendor account - for “lease-in” contracts

Although vendors can be created directly through RE (when creating the real estate business partner above), LaGov vendors will be created via the SRM solution, as a consistent vendor creation process with appropriate workflows and approvals. Once created, real estate business partners will be created with reference to these vendor master records. RE-FX will also be configured so that the same vendor numbers assigned in AP will be created for the business partners in RE-FX. Any changes made to the real estate business partner will not automatically synchronize with the vendor master record in AP. Any changes made to BP's will be communicated to OSRAP for synchronization. Please refer to FIN-AP-PDD010 Account Code Structure Vendors for further information.

Similarly, although customers can be created directly through RE (when creating the real estate business partner above), LaGov customers will be created via the customer creation process as outlined in FIN-AR-PDD010 Customer Master Management. Once created, real estate business partners will be created with reference to these customer master records. RE-FX will also be configured so that the same customer numbers assigned in AR will be created for the business partners in RE-FX. Any changes made to the real estate business partner will not automatically synchronize with the customer master record in AR. Any changes made to BP's will be communicated to the centralized customer master custodian group of the agency for synchronization. Please refer to FIN-AR-PDD010 Customer Master Management for further information.

Contract Accounting - Real Estate Contracts

SAP Real Estate's Contract Accounting is fully integrated with SAP Financials and SAP Controlling.

Financial business partners for real estate processes are linked to customer and vendor accounts in Accounts Receivable and Accounts Payable, respectively.

- Each building owner (from whom space in a building will be leased) will be created as a business partner in RE-FX. The business partner will have a corresponding vendor master record in Accounts Payable.
- Each external third-party tenant (to whom space in a building will be leased) will be created as a business partner in RE-FX. The business partner will have a corresponding customer record in Accounts Receivable.
- Internal tenants (such as agencies) will be created as a business partner. They will not have a customer record in Accounts Receivable.
- Service providers (who provide a service to the state) will also be created as a business partner in RE-FX with a corresponding customer record in Accounts Payable.

The periodic processing program generates payments and receivables based on the conditions (i.e. charge amounts) that are assigned to the real estate contract. In addition to generating financial postings for accounts payable and accounts receivable, the program also transfers contract costs / revenues to the real estate objects assigned to the contract. Periodic postings are based on the cash flow of the contract conditions.

The conditions on the real estate contract will create cash flow items that are marked as plan items with a due date. The periodic processing program (RERAPP) creates the payment for the property (land and buildings) being leased. Similarly, for property being leased out, a receivable is created in favor of the person(s) or organization leasing the state-owned property.

The periodic processing program also automatically accommodates follow-up postings based on changes made to conditions, such as any back dated changes. Prior to executing the periodic processing program in update mode, the simulated results will be reviewed for accuracy. The actual financial posting takes place in the update mode. Open items will be managed through Accounts Payable and Accounts Receivable.

Contract Creation / Approval Process

Because of the command that the real estate contract has on financial postings in SAP Financials, controls will be put in place that require a person other than the creator of the contract to release the contract for payment.

Business Function: RE/FM Earmarked Funds

In order to integrate the processing of real estate contracts with the functions of the Funds Management component, the following business function will need to be activated:

- Technical name of business function: RE_FM_EARMARKED_FUND
- Type of business function: Enterprise Business Function
- Available as of: SAP ERP 6.0 Enhancement Package 3
- ECC software component: EA-APPL
- ECC application component: RE-FX
- Additional content available in other SAP applications: Funds Management (PSM-FM)
- Business function requiring activation in addition: Enterprise Extension Financials Extensions (EA-FIN)
  Public Services (EA-PS)

Business Function: Overview

This business function is used to integrate the processing of real estate contracts with functions of the Funds Management component (FM).

The business function (standard delivered SAP functionality) provides the following two functions:

- The end-user can subject the real estate contract to an approval process
- When a real estate contract is created, the system creates an earmarked funds document in FM for that fiscal year. For vendor contracts, earmarked funds are created with the funds commitment document type. For customer contracts, earmarked funds are created with the forecast of revenue document type.

The earmarked funds document can be automatically created (and later reduced) from the cash flow of the real estate contract. The system uses the sum of all cash flow items (in the relevant fiscal year) to determine the amount. For contracts that have a term of several fiscal years, the creation of earmarked funds can be extended over the subsequent years by generating cash flows for the contracts.

The system uses the assignment of earmarked funds documents to cash flows to enable automatic reduction of these earmarked funds during the periodic posting process. The earmarked funds are gradually converted in successive amounts into expenses and income.

For further information on encumbrances, please refer to FIN-FM-PDD040 FM Budget Consumption: Expenses & Encumbrances.

Approval Workflow

The following standard SAP delivered workflows will be used to generate earmarked funds in FM. These workflows will be tested during the Realization Phase.

Workflow	Code	Description
WS1790004	RECN_Approve	**Multiple validation of real estate contract RE-FX**
WS1790005	RECN_AppPar1	**Parallel release of line items**
WS1790006	RECN_AppPar2	**Parallel unlocking of line items**
WS1790017	RECN_AppPar3	Parallel approval after activation

Approval Process Flow

The real estate contract approval process will be controlled by workflow and will include the generation of earmarked funds. The approval process outlined below is based upon the four workflows listed above.

The approval process will be tested during the Realization Phase and adjusted to suit if necessary.

The process flow will be as follows:

1. Create a real estate contract.
2. For a vendor (acquisition) contract, the system executes an availability check for the account assignments that are assigned to the contract. (Workflow WS1790004).
    a. If the availability check is successful, the system generates earmarked funds in FM for the given fiscal year.
    b. If not, the contract can still be created, but the approval process and the generation of earmarked funds cannot be triggered.
3. Start the approval workflow process.
4. The system sends a workflow work item to the responsible person in FM.
5. The responsible person in FM releases the real estate contract so that it can be activated. (Workflows WS1790005 and WS1790006).
6. The system sends a workflow work item to the person who created the contract.
7. The person who created the contract activates it.
8. The system sends a workflow work item to the responsible person in FM.
9. The responsible person in FM confirms the release of the real estate contract for posting. (Workflow WS1790017).
10. The appropriate accountant can now initiate the periodic postings for customer or vendor contracts.

Contract Types

The real estate contract allows for configuration of various contract types. The real estate contract directly ties into SAP Financials via the condition types and the account determination associated with the condition types. The conditions define the amount to be paid or billed for the contract, its frequency, calculation, etc., and upon activation of the contract, the system generates cash flow and executes the financial posting.

The State of Louisiana will be using the following contract types for the leasing of buildings and the leasing of space within buildings.

Cnt Type	Long Text	Short Text	Cat	O/U	Reference	Sec Dep	No Interval	Condition Group	Period
CO01	Commercial Lease-Out	Comm. Lease-Out	Ext	O	Objects/lease out		01	Com. Lease Out	**2**
CO02	Land Lease-Out	Land Lease-Out	Ext	O	Objects/lease out		01	Com. Lease Out	**2**
CI01	Commercial Lease-In	Comm. Lease-In	Ext	U	Objects/lease In		01	Com. Lease In	**2**
CI02	Land Lease-In	Land Lease-In	Ext	U	Objects/Lease In		01	Com. Lease In	**2**
CO03	Internal Lease-Out	Occupancy Agreement	Ext	O	Objects/lease out		01	Int. Lease Out	2

This list may not be conclusive. As new contract types are identified during the Realization Phase, such as permits, service agreements etc., and this list will be updated.

Assignment: RE Objects to Contract Types

Real estate objects can be assigned to a contract to receive distribution costs resulting from a financial transaction, such as the lease-in of a building (payable).

In the following configuration table, real estate object types will be assigned to the contract types specific to the leasing in of real estate (land parcels and buildings) as well as the leasing out of space. This configuration will ensure that the correct types of real estate objects receive costs (or revenues) during the distribution process.

The table also shows whether the real estate object can be assigned to an object group. An object group will be used to bundle real estate objects together for common use. This is useful when multiple buildings are located on a site and the site is leased from a landlord. The buildings are grouped together and the group is assigned to the contract. The informational flag controls whether an object can be assigned to multiple objects for informational purposes or not.

Cont Type	Contract Type Description	Obj Type	Obj Type Desc	Obj Perm	Dist Poss	Grp	Inform
CI01	Commercial Lease-In	IB	Building	X	X	X	**No**
CI02	Land Lease-In	IG	Property	X	X	X	**No**
CO01	Commercial Lease-Out	IM	Rental Object	X	X	X	**Yes**
CO02	Land Lease-Out	IM	Rental Object	X	X	X	**Yes**
CO03	Internal Lease-Out	IM	Rental Object	X	X	X	Yes

Renewal Rules

Renewal rules are used to renew fixed-term contracts. A number of renewal rules are delivered as standard by SAP. They will remain unchanged.

During the creation of contracts, end-users select the renewal rule that applies to their contracts. End-users can also create user-specific rules at the same time as creating their contracts.

The following standard SAP delivered renewal rules will be available for assignment:

RRule	Renewal Rule Name	Autom Renewal Type	Text Module
1000	1 Option for 1 Year, 3 Months Notice Period	One or More Repetitions	**1000**
1100	1 Option for 5 Years, 3 Months Notice Period	One or More Repetitions	**1100**
1200	2 Options for 1 Year, 6 Months Notice Period	One or More Repetitions	**1200**
1300	2 Options for 5 Years, 1 Year Notice Period	One or More Repetitions	**1300**
2000	Recurring Renewal of 1 Year, 3 Months Notice Period	Repetition of Las Rule	**2000**
3000	1 Option and 1 Renewal; Each for 1 Year; 3 Months Notice	One or More Repetitions	3000

This list may not be conclusive. Additional renewal rules will be identified during the Realization Phase.

Termination Notice

A termination notice is used to terminate a contract on a specific date. Termination notices may only be given on contracts that have been set up with an early termination clause. When the notice is given, a reason has to be provided as to why the notice is being given. This reason is used for notice reporting.

The following notice reasons will be configured for the state:

RNo	Notice Reason Name	Name of Notice	Notice Given By
1	No reason given	Not Specified	**Lessee**
2	Rent increase demand	Rent Increase	**Lessee**
3	Restricted use	Restricted Use	**Lessee**
4	Bankruptcy/Out of business	Bnkrptcy/Closed	**Lessee**
5	Tenant requests relocation	Tenant Relo	**Lessee**
6	Economic advantage for tenant	Economic Advtg	**Lessee**
7	Unauthorized use	Unauthorized Us	**Lessor**
8	Economic advantage for LL	Economic Advtg	**Lessor**
9	Delinquent rent	Delinquent Rent	**Lessor**
10	LL exercises right to relocate	LL Right to Rel	**Lessor**
11	Exercise early term option	Early Term	Lessor

This list may not be conclusive. Additional notice reasons will be identified during the Realization Phase.

Rejection Reason

It is also possible that when a termination notice is given (and the reason provided), that the request for termination of a contract is rejected. In this case, reasons have also to be provided as to why the notice was rejected.

The following reasons for rejection will be configured for the state:

RNo	Reject Reason Name	Reject Reason
1	Notice period not adhered to	**Notice Period**
2	Separate notice not possible	**Linked Notice**
3	Form error	**Form Error**
4	Other reason	**Other Reason**
5	Fix-term contract not expired	Fix. Term Cnt

This list may not be conclusive. Additional rejection reasons will be identified during the Realization Phase.

Screen Sequence

The screen sequence ZREGCFE will be used as the basis using standard views and custom views.

Fields and views that will not be needed will be hidden. This will facilitate end user training and improve usability, as only state-relevant fields will be visible.

ZREGCFE

Item	Screen	Screen Title	Description	Comments
100000	REGC00	Initial Screen	Initial Screen	
200000	GCFE02	General Data w/ Fast Entry	General Data w/ Fast Entry	
210000	REGC20	Partners	Partners	
400000	REGC80	House Bank Accounts	House Bank Accounts	**Hide**
450000	REGC41	Term	Term	

Item	Screen	Screen Title	Description	Comments
460000	REGC60	Objects	Objects	
470000	REGC55	Contract Measurements	Contract Measurements	
490000	REGC42	Posting Parameters	Posting Parameters	
500000	REGC50	Conditions	Conditions	
510000	REGC44	Adjustments	Adjustments	
620000	REGC45	Sales-Based Rent Agreement	Sales-Based Rent Agreement	**Hide**
630000	REGC65	Settlement Participation	Settlement Participation	**Hide**
640000	REGC30	Option Rate Methods	Option Rate Methods	**Hide**
700000	REGC95	Supplementary Texts	Supplementary Texts	
800000	REGC05	Reminders	Reminders	
900000	REGC9V	Overviews	Overviews	
1000000	GCIT40	IRE Data	IRE Data	Hide

Calculation Formulas

Calculation formulas are used to calculate the condition amount (i.e. charge amount on contract). The calculation formula can be based on a number of predefined formulas (standard SAP delivered), such as the measurements of a building, etc. The list provided by SAP will remain unchanged.

The following calculation formulas will be configured for use on the state's real estate contracts for the leasing of buildings and space within buildings:

Ext Rule	Calculation Formula Name
A	**Fixed Amount**
B	Measurements

Distribution Formulas

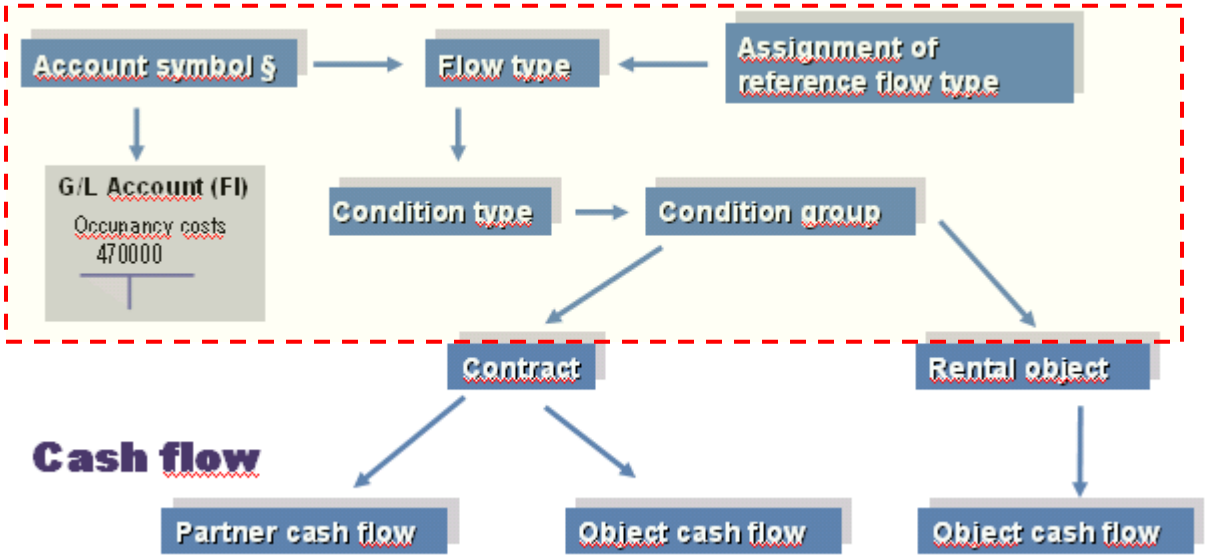
In the event there are multiple objects assigned to the real estate contract (e.g. more than one building is being acquired), the distribution formulas will be used to distribute the condition amount to the real estate objects (i.e. the buildings). The distribution formula may be based on a number of predefined formulas (standard SAP delivered). The list provided by SAP will remain unchanged.

The following distribution formula will be used on the state's real estate contracts:

Ext Rule	Distribution Formula Name
A	Divided Equally

Condition Types and Flow Types

The diagram below shows the relationships between the different configuration objects (demarcated by the red dotted line) and the real estate objects used in contract/lease accounting:



Condition Types

Condition types, or "charge amounts" are the most visible aspect when setting up the contract/lease accounting characteristics of a contract. The selection of a condition type specific to the real estate contract being created controls the account assignment (i.e. which GL account gets posted to). Condition types are assigned to condition groups, which are assigned to contract types (as shown above).

The description of the condition type name (which will be visible on the contract) will indicate what kind of process it will be used for, i.e. payable or receivable. In addition, the relationship between condition types, contract types and condition groups, as shown in the diagram above, will be configured in such a way that only condition types that are applicable to a specific contract type are available for selection by the end user. In other words, when creating a contract, the end-user will select the contract type from a wide range of specific contract types. Once selected, all the condition types that are available for selection will apply to that selected contract type only. This will ensure the correct GL accounts are always being posted to.

Assignment: Condition Type to Flow Type

The following condition types will be set up for leasing contracts:

Condition Type	Short Name	Long Name	Flow Type	Calc Formula	Dist Formula
I100	Basic LT Rent Exp	Basic Long-Term Rent Expense	I100	Fixed Amount	**Divided Equally**
I140	Operating Exp	Operating Expense	I140	Fixed Amount	**Divided Equally**
O100	Basic Rent Income	Basic Rent Income	O100	Fixed Amount	**Divided Equally**
O140	Operating Exp Rec.	Operating Expense Recovery	O140	Fixed Amount	Divided Equally

This list may not be conclusive. Additional condition types will be identified during the Realization Phase once a detailed analysis of all existing contracts and GL accounts are undertaken.

Condition Purpose

Condition purpose on the contract is used to specify how the condition will be treated by the system's periodic processing program:

- Posted condition purpose will post the condition on the periodic dates specified on the condition.
- One-time Posted condition purpose will post the condition (one time) on the date specified on the condition.
- Statistical condition purposes are used as placeholders within the contract - to show that a payment was made using another payment source. It will not generate financial postings in SAP.

The following condition purposes will be used on the contract:

Ext	Int Condition Purp	Condition Purpose	CtrP	Default
A	Posted	Actual Rent	X	**X**
B	One-Time Posted	One-Time Actual Rent	X	
C	Statistical	Statistical	X	
D	One-Time Statistical	One-Time Statistical Posting		

Assignment: Condition Types to Condition Groups

Conditions are assigned to condition groups, which are assigned to contract types. This assignment helps simplify the selection of condition types when creating a contract.

The following assignments will be made for leasing contracts:

Condition Group – CI00 Commercial Lease-In (Vendor)

Cd Type	Condition Type	Seq	Default	Condition Purpose	Adjustment Rule
I100	Basic LT Rent Exp	1	X	Actual Rent	
I140	Operating Expense	2		Actual Rent	

This list may not be conclusive. Additional condition types will be identified and added to the Condition Group during the Realization Phase.

Condition Group – CO00 Commercial Lease-Out (Customer)

Cd Type	Condition Type	Seq	Default	Condition Purpose	Adjustment Rule
O100	Basic Rent Income	1	X	Actual Rent	
0140	Operating Exp Recovery	2		Actual Rent	

This list may not be conclusive. Additional condition types will be identified and added to the Condition Group during the Realization Phase.

Assignment: Condition Group to Contract Types

The following condition groups will be assigned to contract types:

Cont Type	Contract Type	Cond Grp	Condition Group
CI01	Commercial Lease-In	CI00	**Commercial Lease-In (Vendor)**
CI02	Land Lease-In	CI00	**Commercial Lease-In (Vendor)**
CO01	Commercial Lease-Out	CO00	**Commercial Lease-Out (Cust)**

Cont Type	Contract Type	Cond Grp	Condition Group
CO02	Land Lease-Out	CO00	**Commercial Lease-Out (Cust)**
CO02	Internal Lease-Out	CO00	Commercial Lease-Out (Cust)

Flow Types

Flow types are a pre-requisite for creating condition types and account determination. The condition types are assigned to flow types, which, in turn (via an account symbol), are assigned to their relevant GL accounts.

Flow Type	Flow Type Name	Debit/Credit
I100	Basic LT Rent Exp	**Credit Posting**
I101	Basic LT Rent Exp – FU	**Credit Posting**
I102	Basic LT Rent Exp - FU	**Debit Posting**
I103	Basic LT Rent Exp - XD	**Debit Posting**
I104	Basic LT Rent Exp - XC	**Credit Posting**
O100	Basic Rent Income	**Debit Posting**
O101	Basic Rent Income – FU	**Debit Posting**
O102	Basic Rent Income – FU	**Credit Posting**
O103	Basic Rent Income – XC	**Credit Posting**
O104	Basic Rent Income- XD	**Debit Posting**
O140	Operating Exp Rec.	**Debit Posting**
O141	Operating Exp Rec. – FU	**Debit Posting**
O142	Operating Exp Rec. – FU	**Credit Posting**
O143	Operating Exp Rec. – XC	**Credit Posting**
O144	Operating Exp Rec. – XD	Debit Posting

This list may not be conclusive. Additional flow types will be identified once additional condition types have been determined. This will be done during the Realization Phase.

Reference Flow Types

Reference flow types will be used to accommodate follow-on postings. Follow-on postings occur when a condition amount is increased or decreased after the periodic processing run, or a transfer postings has to be done in order to reverse the posting on the contract and post the transaction amount in the real estate object. These follow-on postings are automatically included in the next periodic posting run.

The following reference flow type relationships will be configured for the state:

- 10 – Follow-Up Posting Due to Condition Increase
- 20 – Follow-Up Posting Due to Condition Decrease
- 30 – Distribution Transfer Posting

Applying the reference flow type relationships above to the flow types that have been identified for the state, the following relationships will be configured:

Relation	Flow Type	Flow Type Name	Ref Flow Type	Flow Type Name
10	I100	Basic LT Rent Exp	I101	**Basic LT Rent Exp - FU**
10	O100	Basic Rent Income	O101	**Basic Rent Income – FU**
10	I170	Property Tax Exp	I171	**Property Tax Exp - FU**
10	O140	Operating Exp Rec.	O141	**Operating Exp Rec. – FU**
20	I100	Basic LT Rent Exp	I102	**Basic LT Rent Exp – FU**
20	O100	Basic Rent Income	O102	**Basic Rent Income – FU**
20	I140	Operating Exp	I142	**Operating Exp – FU**
20	O140	Operating Exp Rec.	O142	**Operating Exp Rec. – FU**
30	I100	Basic LT Rent Exp	I103	**Basic LT Rent Exp - FU**
30	O100	Basic Rent Income	O103	**Basic Rent Income – XD**
30	I140	Operating Exp	I143	**Operating Exp - XD**
30	O140	Operating Exp Rec.	O143	Operating Exp Rec. - XD

Account Symbols

Account symbols serve a specific purpose. In configuration, they represent GL accounts. One account symbol is created for each GL account that is to be used.

The following account symbols will be configured for the state:

Account Symbol	Account Symbol Name
D*	**Customer Recon Account**
AC10	**Acquisition Payment**
AC20	**Acquisition Deposit**
AC30	**Acquisition Deposit Refund**
DC10	**Sale Proceeds**
DJ*	**Recon. Act. Deb. Side AP Receivable**
DK*	**Recon. Acct. Deb. Side AP Made**
DU*	**Recon. Acct. Deb. AP SB-Rent**
K*	**Vendor Recon Account**
TCST	**Credit contract transfer cost**
TREV	**Debit contract transfer revenue**
I110	**Long-Term Rents**
O100	**Rental Income**
I140	Operating Expense

Assignment: Account Symbol to GL Account

The assignment of GL accounts to account symbols will be determined during the Realization Phase.

COA	Account Symbol	Account Symbol Name	Spec GL Ind	GL Account	GL Account Name
TBD	D*	Customer Recon Account		TBD	**TBD**
TBD	K*	Vendor Recon Account		TBD	**TBD**
TBD	I110	Long-Term Rents		TBD	**TBD**

COA	Account Symbol	Account Symbol Name	Spec GL Ind	GL Account	GL Account Name
TBD	O100	Rental Income		TBD	**TBD**
TBD	I140	Operating Expense		TBD	TBD

Assignment: Account Symbols to Flow Types

The assignment of account symbols to flow types will ensure the correct posting (debit or credit) to each GL account that is assigned to each condition type.

The following relationship will be configured for the state. This list will be finalized during the Realization Phase.

Flow Type	FlowType Name	D	Debit Account Symbol	C	Credit Account Symbol
I100	Basic LT Rent Exp	S	I110	K	**K***
I101	Basic LT Rent Exp – FU	S	I110	K	**K***
I102	Basic LT Rent Exp – FU	K	K*	S	**I110**
I103	Basic LT Rent Exp – XD	S	TBD	S	**I110**
I104	Basic LT Rent Exp – XC	S	I110	S	**TBD**
O100	Basic Rent Income	D	D*	S	**O100**
O101	Basic Rent Income – FU	D	D*	S	**O100**
O102	Basic Rent Income – FU	S	O100	D	**D***
O103	Basic Rent Income – XC	S	TBD	S	**O100**
O104	Basic Rent Income- XD	S	O100	S	**TBD**
O140	Operating Exp Rec.	D	D	S	**O140**
O141	Operating Exp Rec. – FU	D	D*	S	**O140**
O142	Operating Exp Rec. – FU	S	O140	D	**D***
O143	Operating Exp Rec. – XC	S	TBD	S	**O140**
O144	Operating Exp Rec. – XD	S	O140	S	TBD

Operating Cost Recovery

SAP functionality has the capability of capturing expenses for services delivered as and when they occur. These costs can be settled monthly, quarterly, annually etc. During the settlement process, the costs are shared amongst the occupants in a building (or buildings) that participate in the services being provided. The allocation of costs is done through the Service Charge Settlement functionality.

Currently, the Department of Administration (DOA) has no business requirement for the recovery of actual expenses (incurred on buildings) from the agencies occupying space within those buildings. Their recovery of costs is based upon budgeted amounts of building expenses and the calculation of a rate per square foot that is multiplied by the area occupied by each agency to determine the amount to be charged.

The rate (cost) per square foot is first determined by dividing the total cost on a building by its total floor area. These costs are (a) direct costs posted to the buildings, (b) indirect costs, and (c) allocated costs (i.e. overhead expenses). The rate per square foot is also adjusted for inflation. The result is an all inclusive “rent” that is recovered from agencies for the space occupied by them in DOA owned buildings. If an agency that is external to DOA occupies space within a DOA-owned building, that agency is invoiced. If one of DOA’s agencies occupies space within that DOA building, that agency’s cost center is charged.

DOA’s requirement can be accommodated in SAP through a combination of CO and RE-FX functionality.

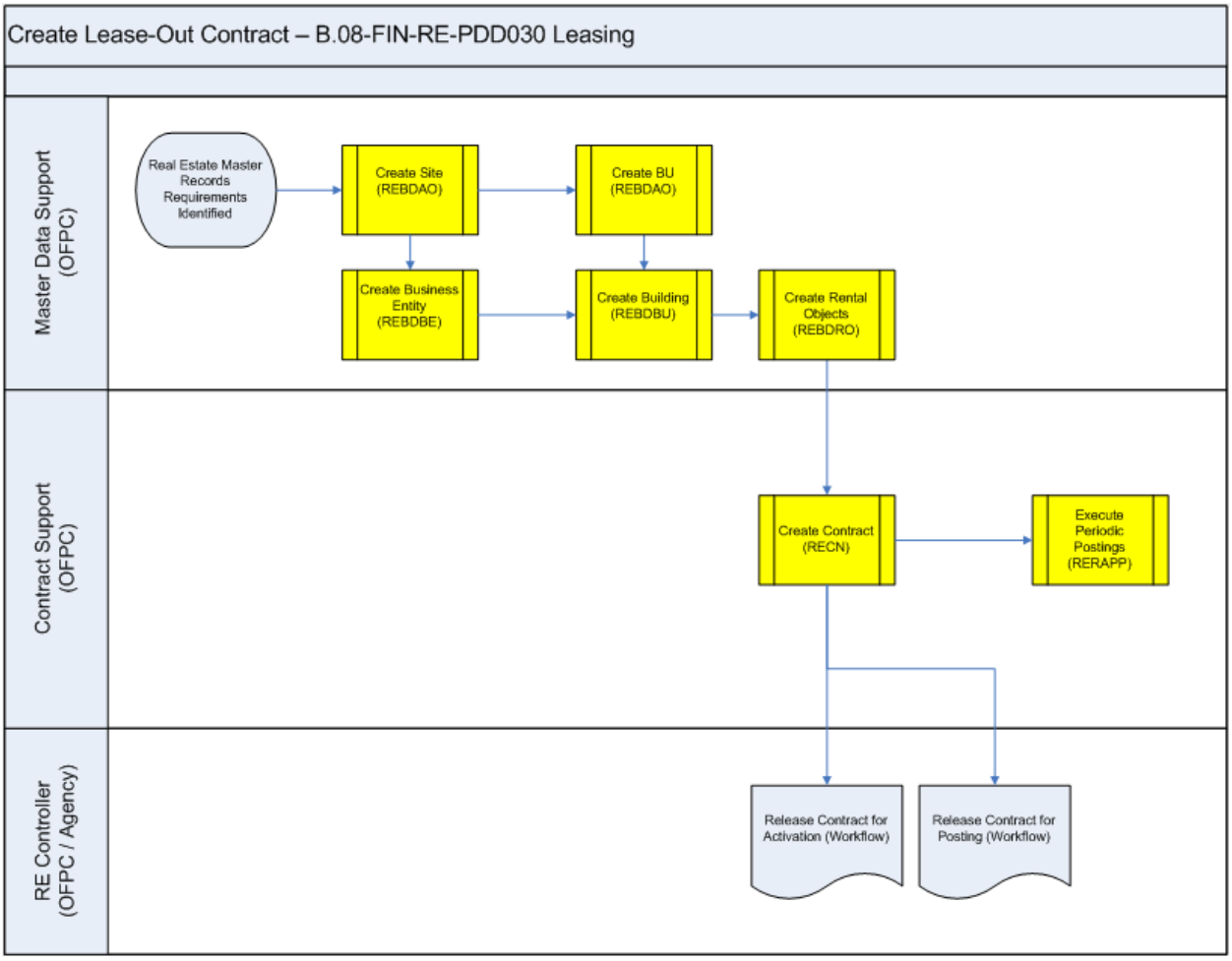
- Direct costs will be posted to buildings via Accounts Payable. Where invoices apply to multiple buildings, the split amongst the various buildings will be at the invoice level.
- Overhead and indirect costs will be allocated to buildings based upon Statistical Key Figures (SKF's). This will be done in CO. The building measurements will be used to determine the SKF's.
- A real estate controlling report will be executed to determine the total cost per building. The report will also compute the cost per sq.ft based upon the area of each building. This report will form the basis for determining the budgeted expense for each building for a specific year.
- DOA will adjust the budgeted expense for inflation to determine the final budgeted amount that is to be appropriated for each building for a future year. This final budgeted rate (cost) per sq.ft is what will be charged to agencies in a future year. DOA has the discretion to charge agencies the full amount, or to waive charges.
- These all inclusive charges will be a rate (cost) per sq.ft. on a condition type called "rent" for both external and internal lease-out's. Transaction RERAPP will be executed to carry out the financial posting. An invoice will be generated for the 'external' agency and the internal agency's cost center will be debited.

Process Terminology

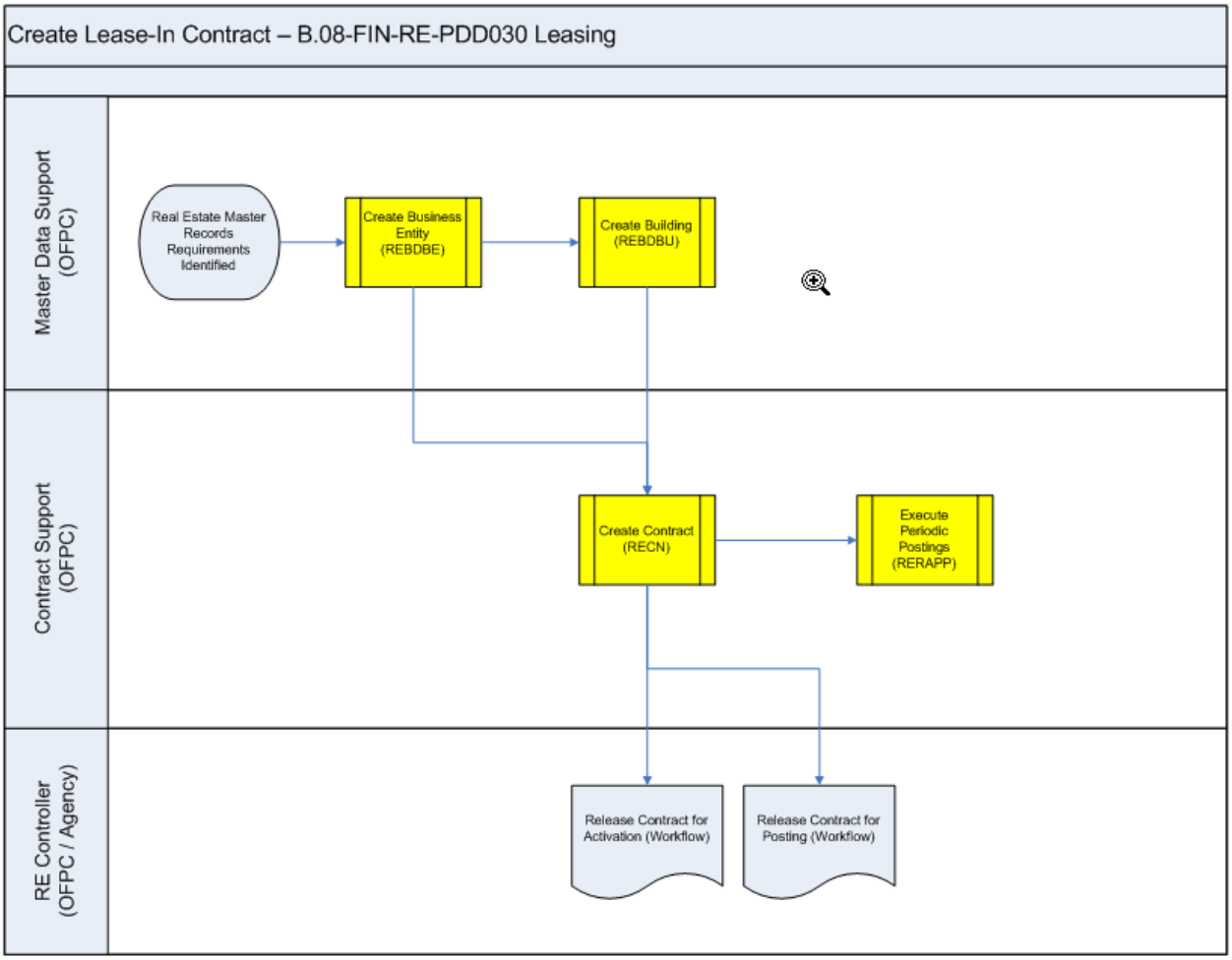
#	Process Terminology	Description
1	Partners & Roles	Business Partners are contacts associated with real estate processes. They are in the form of persons, organizations, or groups. They are linked to real estate data records via business partner roles. These roles identify the relationship of the business partner to the real estate object and its processes. Business Partners can have an unlimited number of roles and they can have roles in association with an unlimited number of real estate objects.
2	Contract	The RE contract is used to map all contracts related to Real Estate Management.
3	Contract Objects	Real Estate Objects are assigned to the RE contract. A contract can include more than one object (even across different buildings and business entities). Individual rental spaces of the same Usage Type can be grouped together in Object Groups.
4	Contract Conditions	Various time-dependent condition types for the real estate contract or for the rental objects are defined, such as basic rent, advance payments, or flat rates for service charges, surcharges and other conditions for various services, etc. Contract and object cash flows are forecast based on these conditions. In the case of own usage, you can either specify one cost center for the cash flow or a different cost center for each condition type. Account determination is defined linking to the G/L via the conditions. Periodic posting of due items is carried out based on condition flows and amounts. For cost distribution, transfer postings can be made to individual objects. This is in order to distribute revenues earned and costs incurred to the objects according to cause. Internal calculation and distribution formulas are predefined.

To-Be Process Flows

Create Lease-Out Contract – FIN-RE-PDD030 Leasing



Create Lease-In Contract – FIN-RE-PDD030 Leasing



Key Business Process Decisions

#	Decision	Process Impact	Organizational Impact
1	The real estate contract will be used for the leasing of real estate (i.e. building) from an external party. In SAP, this is called a “lease-in” (payable). The business partner will be a landlord with vendor account.	None	None
2	The real estate contract will be used for sub-leasing excess/vacant space in a building to an external party. In SAP, this is called a “lease-out” (receivable). The business partner will be a tenant with customer account.	None	None
3	The real estate contract will be used for leasing space in a building internally to an agency. In SAP, this is called an “internal “lease-out”. This is also known as an occupancy agreement. Since it is internal to the organization, the agency’s cost center will be debited.	This will be a new requirement.	OFPC will need to create the occupancy agreements for space occupied by agencies in state-owned buildings.

Statute, Regulation, Policy, and Procedural Impacts

#	Statue, Regulation, Policy or Procedure	Revision Identified	Business Owner
1	Title 34, Part III – Chapter 5. Rental and Lease Procedure	No revision. This statute outlines the bidding process for spaces greater than 5000 sq.ft	OFPC
2	RS 39:127	All agencies need to report to OFPC	DOA

Identified Development Objects (FRICE-W):

Forms

Standard SAP delivered correspondence will be used, such as an invoice for invoicing a tenant for space occupied.

F – Forms	Master List of Current and Future State Forms: Real Estate Management						
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	See above.						

Reports

Standard SAP delivered reports (ECC and BI) will be used.

R – Reports	Master List of Current and Future State Reports: Real Estate Management						
No.	Report Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	See above.						

Interfaces

No interfaces are required.

I – Interfaces	Master List of Current and Future State Interfaces: Real Estate Management						
No.	Interface Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	None identified.						

Conversions

All existing lease-in's and (external) lease-out's will be converted from SLABS. No conversion will be required for internal lease-out's as this is new functionality that will be used moving forward.

C - Conversions	Master List of Future State Data Conversions: Real Estate Management						
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Lease-In's	Lease buildings or space from landlords / building owners	SLABS		Required	Flat file / LSMW upload	Before the lease-in can be created, the site, building and business partner must exist in the system.

C - Conversions		Master List of Future State Data Conversions: Real Estate Management					
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
2.	Lease-Out's	Lease space in a building to an external tenant	SLABS		Required	Flat file / LSMW upload	Before the lease-out can be created, the site, building, pooled space, rental space, and business partner must exist in the system.
3.	Internal Lease-Out's	Lease space in a building to an internal agency			Required	Flat file / LSMW upload	Before the internal lease-out can be created, the site, building, pooled space, rental space, as well as the agency's cost center must exist in the system.

Enhancements

E – Enhancements		Master List of Future State Enhancements: Real Estate Management			
No.	Type of Enhancement	Details	Target of Enhancement (Gap)	Justification	Comments
1.	None identified.				

Workflow

Standard SAP delivered workflow will be used to check that funds exist before a contract can be activated and for financial postings to take place.

W – Workflow	Master List of Future State Workflow Events: Real Estate Management		
No.	Description	Justification	Comments
1.	Refer FIN-RE-PDD020 Transactions		

Gaps

Gaps	Master List of Future Gaps: Real Estate Management		
No.	Description of Gap	Why Gap Exists?	Impact / Comments
1.	None identified.		

Security & Enterprise Role Definitions

Authorizations	Master List of Future State Roles/Authorizations: Real Estate Management			
No.	Role	Description	Strategy	Special Considerations
1.	Contract Support (RE)	Creating lease-ins Creating lease-outs	This role is intended for users responsible for the lease-in of real	

Authorizations		Master List of Future State Roles/Authorizations: Real Estate Management		
No.	Role	Description	Strategy	Special Considerations
		Carrying out periodic postings Renewing contracts Processing master data	estate objects, as well as the lease-out of space to tenants.	
2.	RE Controller	Approval of contracts Planning of contracts Evaluating reporting activities	This role is intended for users who are responsible for the controlling, analysis and evaluation of relevant data and key figures.	

Organizational Impact

There are a number of organizations that will be involved in the set up of leases. They are as follows:

- DOTD for the temporary leasing out of buildings situated on a Right-of-Way
- Office of Facility Planning & Control (OFPC) for the creation of lease-in's, lease-out's and internal lease-out's.

Training Impact

Users will be trained on standardized processes and functionality available in RE-FX. Specifically, key users will be trained on creating real estate contracts as well as the process flow of which agencies, and in what sequence, the information is to be captured in the system, and what approvals are required (workflow) for the release of funds.

An estimate of the number of people that will be trained in RE-FX is as follows:

- OFPC – 5 persons
- DOTD – 5 persons

Appendix

Not applicable.