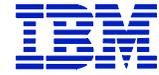




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II. Business Blueprint

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

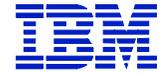
The General Ledger Accounts (GL Accounts) are the structures that classify debit and credit values for accounting transactions in the FI module and form the basis for creating balance sheets and income statements. The GL accounts are defined for the Chart of Accounts.

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.

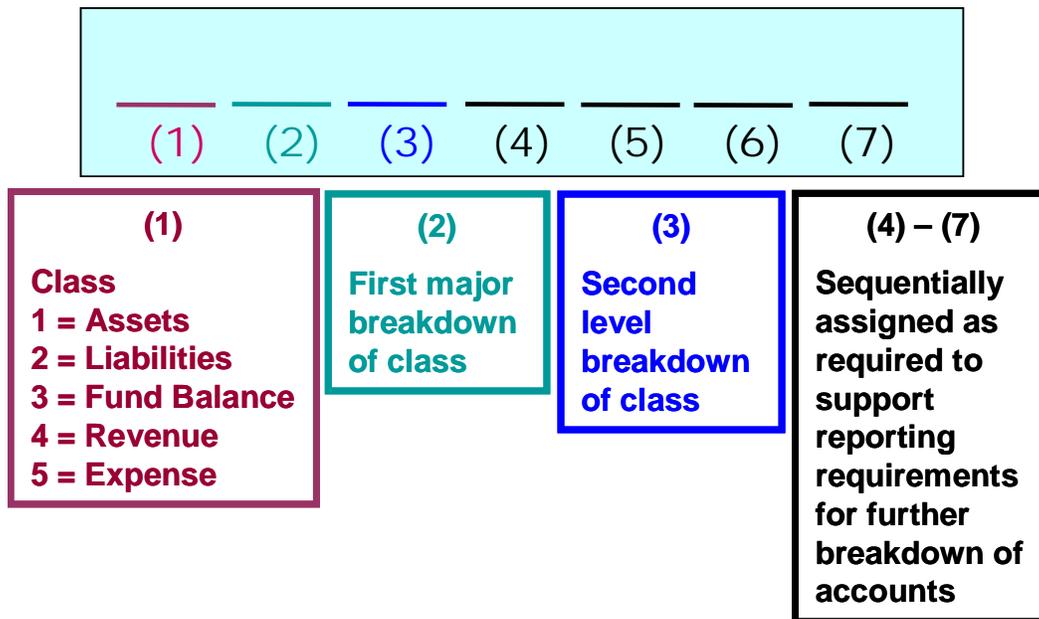


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Design Decision:

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

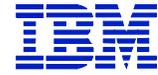
The legacy Charts of Accounts must be overhauled as part of the implementation of SAP. There are currently accounts that are not used, but that have not been deleted from the legacy chart. The exercise of producing an SAP Chart of Accounts is planned in the following steps:

- 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.



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- 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)



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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 (11xxxx)
Cash (111xxxx)
Investments (112xxxx)
Receivables (113xxxx)
Inventory (114xxxx)
Other Current Assets (115xxxx)
Non-Current Assets (12xxxx)
Restricted Assets (121xxxx)
Land, Buildings, & Equipment (122xxxx)
Other Non-Current Assets (123xxxx)
Liabilities (2000000 - 2999999)
Current Liabilities (21xxxx)
Accounts Payable (211xxxx)
Other Current Liabilities (212xxxx)
Long-Term Liabilities (22xxxx)
Long-Term Obligations Payable (221xxxx)
Other Long-Term Liabilities (222xxxx)
Fund Balance (3000000 - 3999999)
Fund Balance (31xxxx)
Fund Balance - Reserves (32xxxx)
Fund Balance - Retained Earnings (33xxxx)
Fund Balance - Other (34xxxx)

Revenue account groupings:

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



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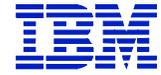


Local (408xxxx)
Other (409xxxx)
Taxes (41xxxxx - 42xxxxx)
Sales - State (411xxxx)
Income (412xxxx)
Inheritance Tax (413xxxx)
Gift Tax (414xxxx)
Minerals, Oil and Gas (4150xxx - 4154xxx)
Petroleum Products (4155xxx - 4159xxx)
Automobile Rental - State (416xxxx)
Hazardous Waste Site Cleanup (417xxxx)
Consumer 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)



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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)

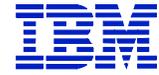
Expense account groupings:

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)



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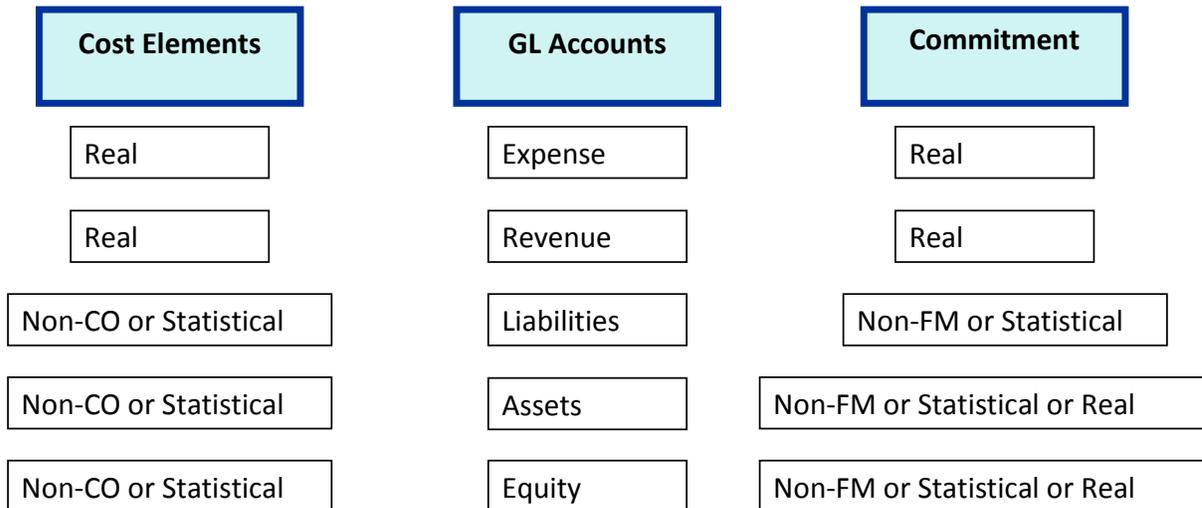


Major Repairs (58xxxxx)
Debt Service (59xxxxx)

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:



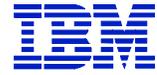
Real indicates that the posting will update the specific ledger with a actual posting, as opposed to a statistical posting, which is posted purely for visibility, reconciliation, and reporting purposes. Statistical postings do not consume budget. Field length will be the same for all three fields, using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



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#	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.

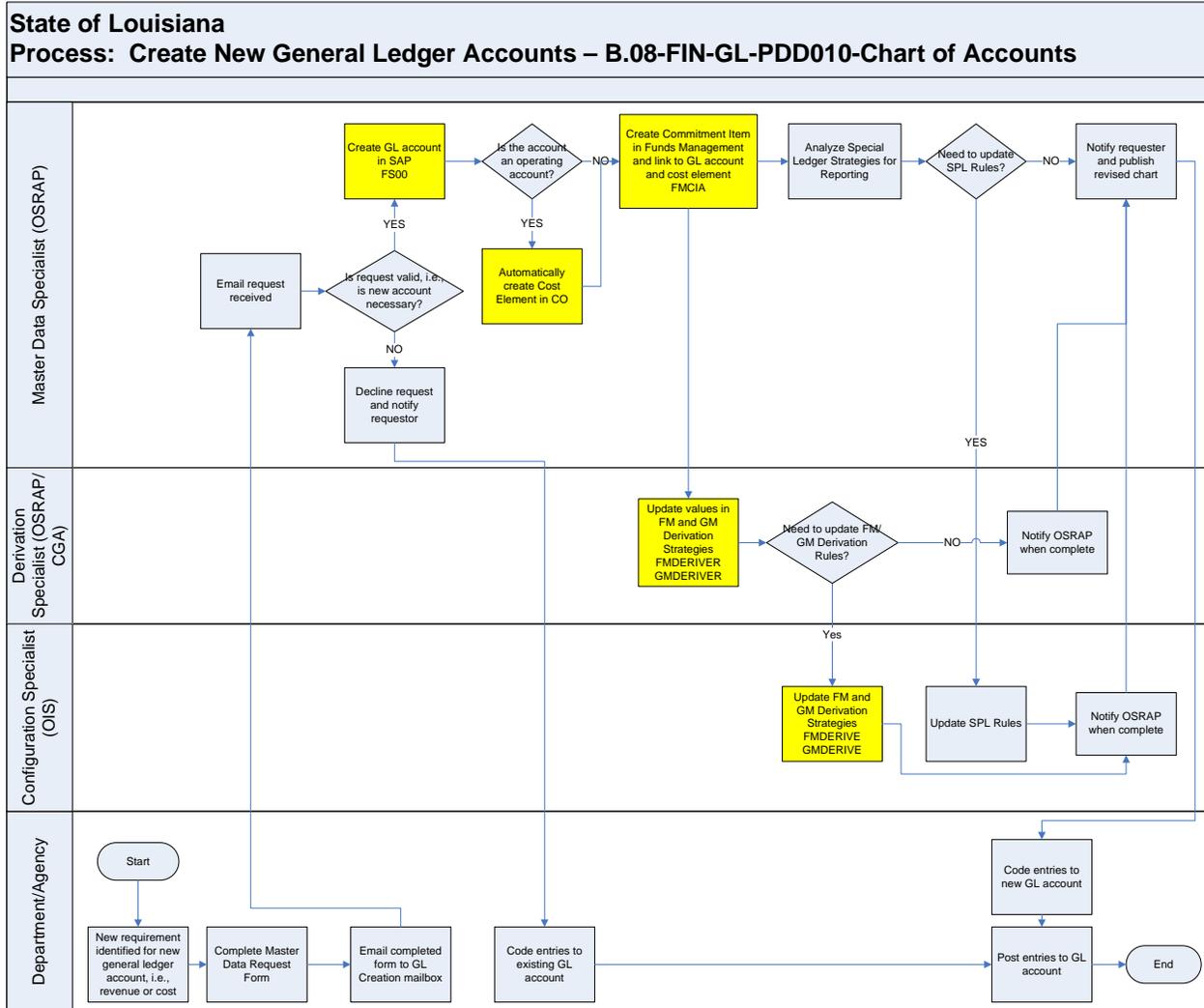
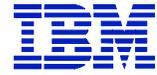
Once a new account is established, the Special Ledger and Derivation strategies must be assessed to determine if value or rule changes are required. Assessment of the Special Ledger strategies must be completed by an accountant with a detailed understanding of the Special Ledger and Split Processor. 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.



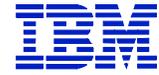
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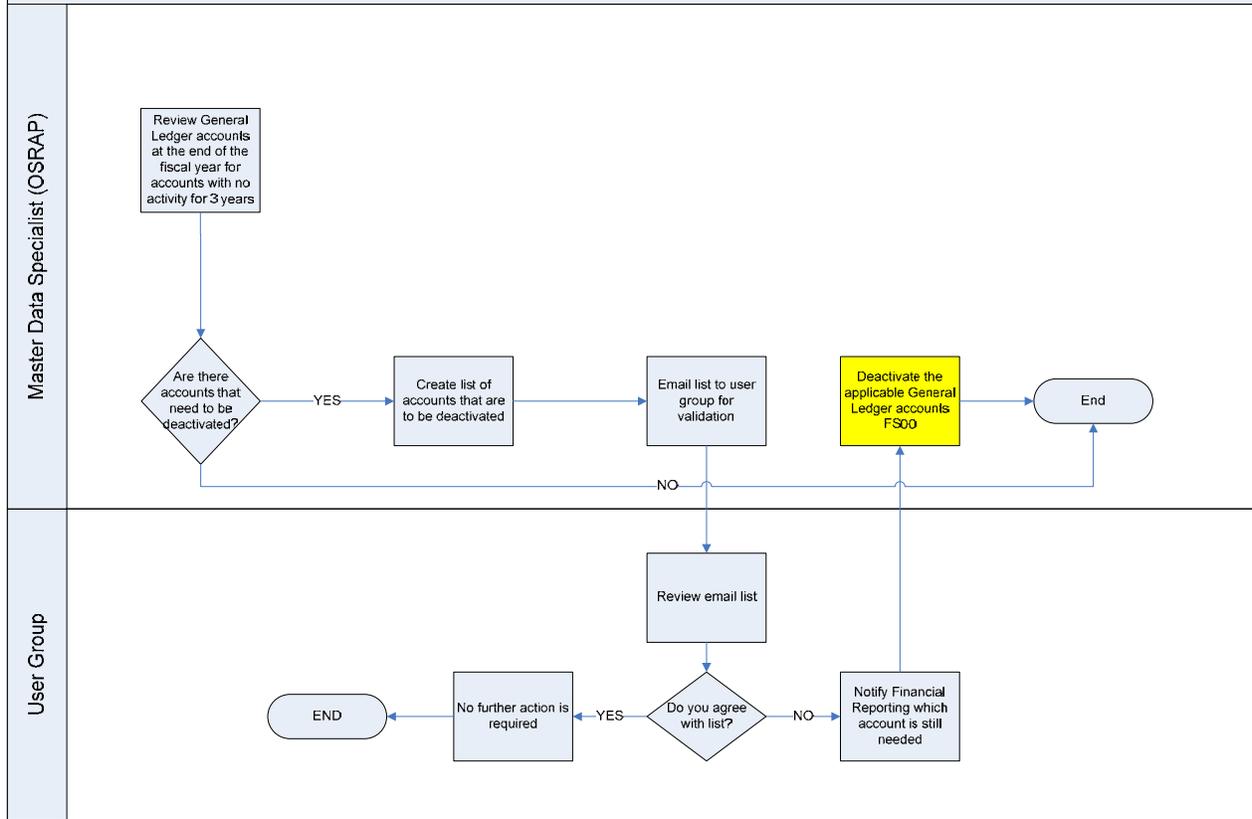




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State of Louisiana Process: Deactivating General Ledger Accounts – No Account Activity – B.08-FIN-GL-PDD010 Chart Of Accounts



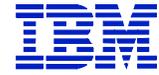
Key Business Process Decisions

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



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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			



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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.

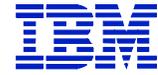
Appendix

Not Applicable



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Business Blueprint



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

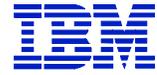
The use of special periods is defined as follows:

- 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)



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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.

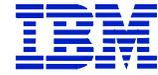
The system derives the posting period from the posting date. When the posting date falls within the last normal posting period, the transaction may be posted into one of the special periods. If the posting date falls in the 12th period, the transaction can instead be posted in one of the four special 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.



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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:



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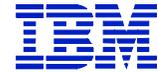
Tasks specific to SAP:

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.



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<i>SAP-specific task</i>	<i>Module</i>	<i>Explanation</i>
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.

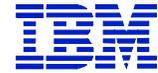
Sample year-end SAP specific tasks are detailed below:

<i>Task specific to SAP</i>	<i>Target Date</i>	<i>Module</i>	<i>Explanation</i>
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



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<i>Task specific to SAP</i>	<i>Target Date</i>	<i>Module</i>	<i>Explanation</i>
			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.

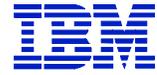
GL Balance Conversion

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



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- 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:

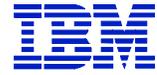
- Extract balances to be converted
- Reconcile extraction file to source system
- Map balances via crosswalk tables in SAP
- Upload the balances via conversion program
- Reconcile loaded data to extraction file

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	



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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.

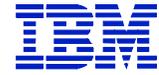
Month Close

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: OBS2)	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: OBS2)
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: OBS2)		EOD: Close A/R period (Tcode: OBS2)		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 AP period (Tcode: OBS2)								



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Final Month and Year-End Close

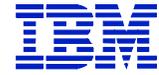
Task	Month -1 (May)	Month 0 (June)				Month 1 (July)			
		Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4
1	FM - Open new fiscal year	MM - Last day to create new requisitions	HR - Payroll cost distribution - Change 1018's	Submit invoices, check requests, and travel to AP for year end processing	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									



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Business Blueprint



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						



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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	



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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	<p>conversions and interfaces use the standard financial function module for financial data crosswalk. Under no circumstances should individual development call the z-tables directly.</p> <p>The logic for the function module is anticipated to be significantly complex, with changes and additions required throughout integration testing.</p> <p>Z-tables for GL accounts, reporting categories, grants, projects, funds, functional areas, cost centers, and sub-objects are anticipated at a minimum.</p>
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

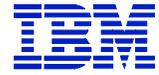
W – Workflow		Master List of Future State Workflow Events: Period Management and Closing Operations		
No.	Description	Justification	Comments	
1.	Non Identified			

Gaps

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



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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

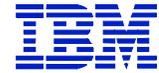
- OSRAP, STO and OIS will require significant training of the new closing processes. OSRAP, STO and OIS will need to participate in user acceptance testing for month-end and year-end processing. Agencies will need to understand the new closing protocols as well as be trained in running the appropriate 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



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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

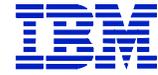
The need for a journal entry is identified in the agency. The agency enters the journal entry in SAP and parks the document. The document is reviewed internally, if required. Workflow routes the document to the control agency. The control agency posts the document or returns the document for correction.

Option 2 – Centralized



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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

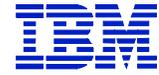
Accrual Journal Entries:

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.



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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.

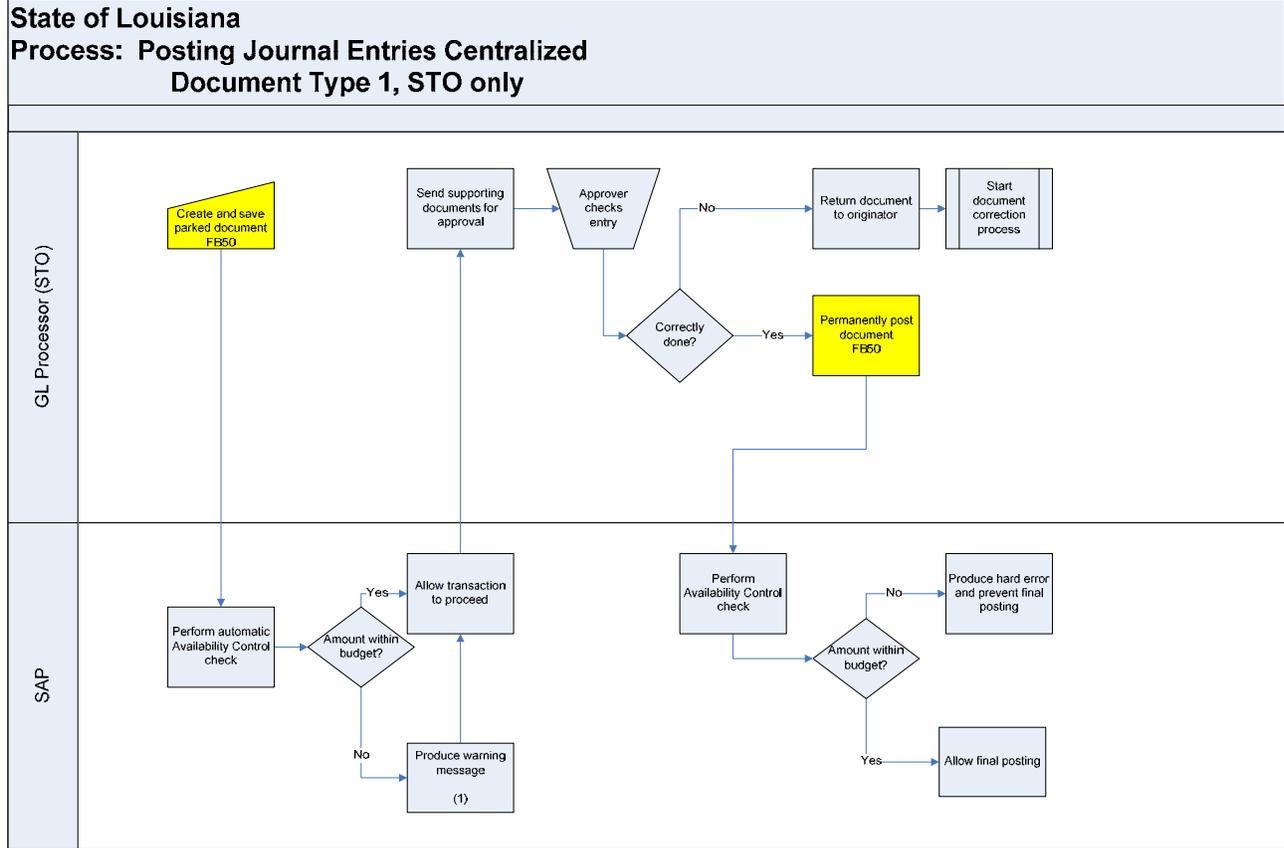
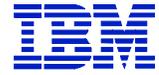
To-Be Process Flows

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.



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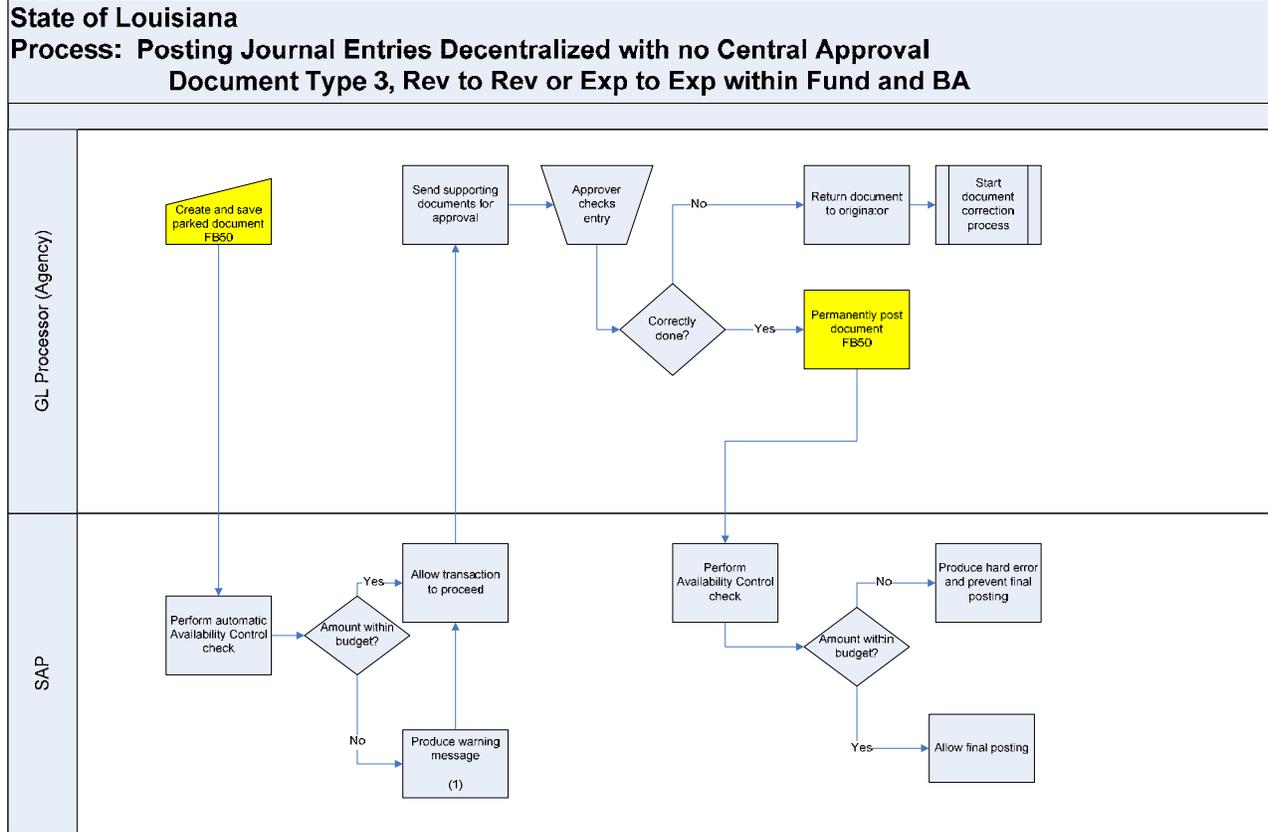
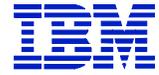


(1) The system message can be configured to be either a soft message (warning) or a hard message (error), the latter of which prevents further processing.



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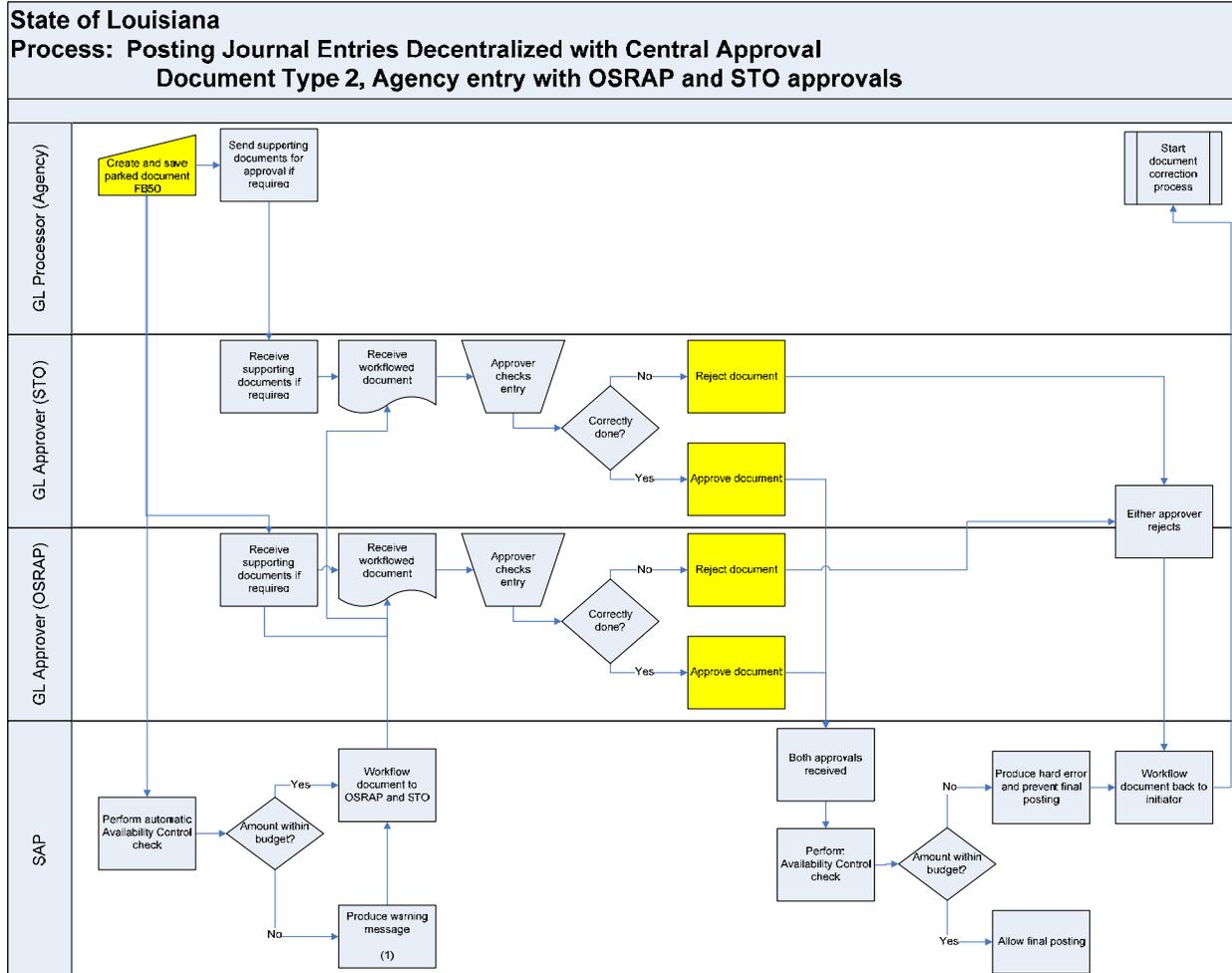
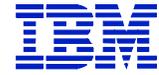
Business Blueprint



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



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

Key Business Process Decisions

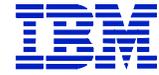
A guiding principle for the project is to adapt to a common system-enabled business process design as provided by the best business practices inherent in the SAP and Agile applications. This section is used to document the key decisions that will impact existing business processes that may or may not 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.



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#	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

#	Statute, 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	



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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			

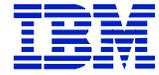
Organizational Impact

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



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Business Blueprint



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



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Business Blueprint



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:

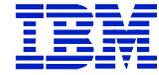
SPLIT PROCESSOR SPLITTING METHOD

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.



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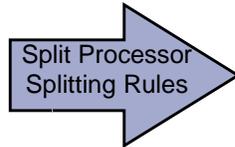
Business Blueprint



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:

FI Accounting Document

DR Expense BA1 Fund1	\$10,000
DR Expense BA1 Fund2	\$20,000
DR Expense BA2 Fund1	\$30,000
DR Expense BA2 Fund2	\$40,000
CR Accounts Payable	\$100,000

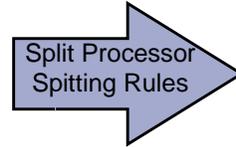


FI Special Ledger Document

DR Expense BA1 Fund1	\$10,000
DR Expense BA1 Fund2	\$20,000
DR Expense BA2 Fund1	\$30,000
DR Expense BA2 Fund2	\$40,000
CR A/P BA1 Fund1	\$10,000
CR A/P BA1 Fund2	\$20,000
CR A/P BA2 Fund1	\$30,000
CR A/P BA2 Fund2	\$40,000

FI Payment Document

DR Accounts Payable	\$100,000
CR Checks Paid	\$100,000



FI Special Ledger Document

DR A/P BA1 Fund1	\$10,000
DR A/P BA1 Fund2	\$20,000
DR A/P BA2 Fund1	\$30,000
DR A/P BA2 Fund2	\$40,000
DR Checks Paid BA1 Fund1	\$10,000
DR Checks Paid BA1 Fund2	\$20,000
DR Checks Paid BA2 Fund1	\$30,000
DR Checks Paid BA2 Fund2	\$40,000

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.).

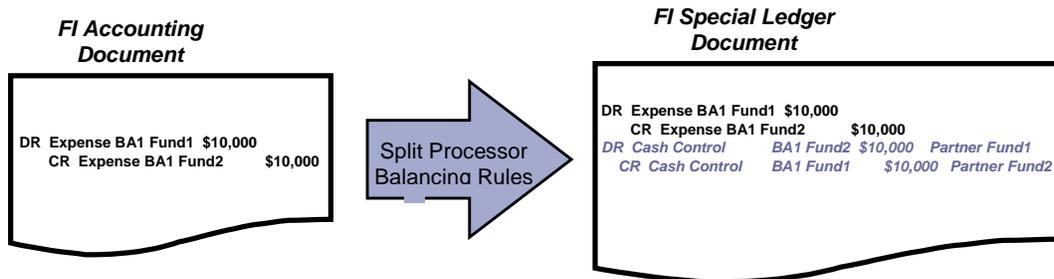
SPLIT PROCESSOR BALANCING METHOD

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).



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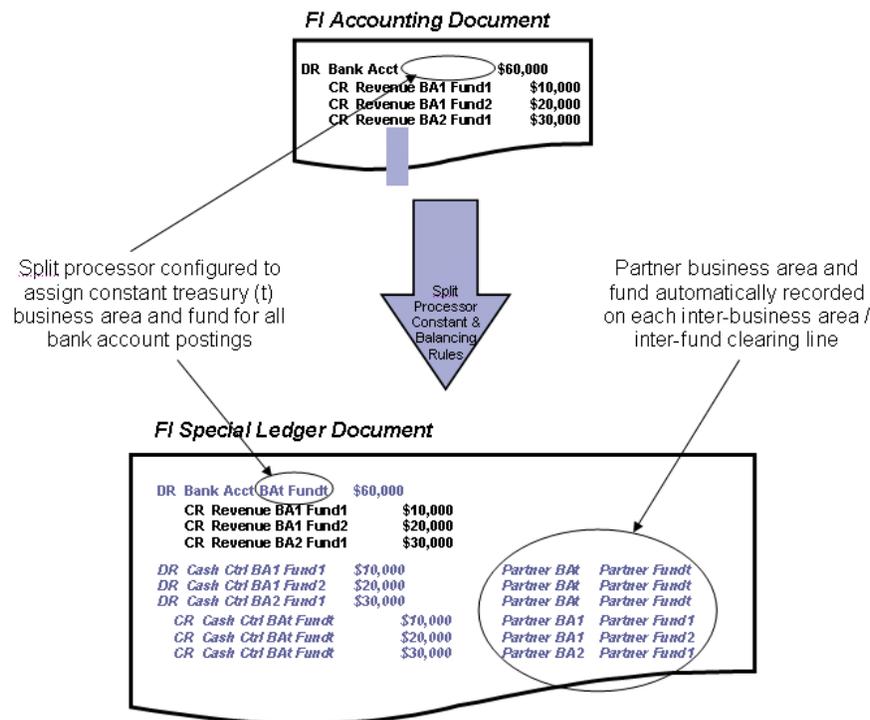
If no splitting has been configured for document type and item categories within a document type, the document is then balanced using an inter-business area/inter-fund clearing account.

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.

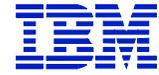
SPLIT PROCESSOR CONSTANT AND BALANCING RULES – "POOLED CASH & INVESTMENTS" BEST BUSINESS PRACTICE





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Business Blueprint

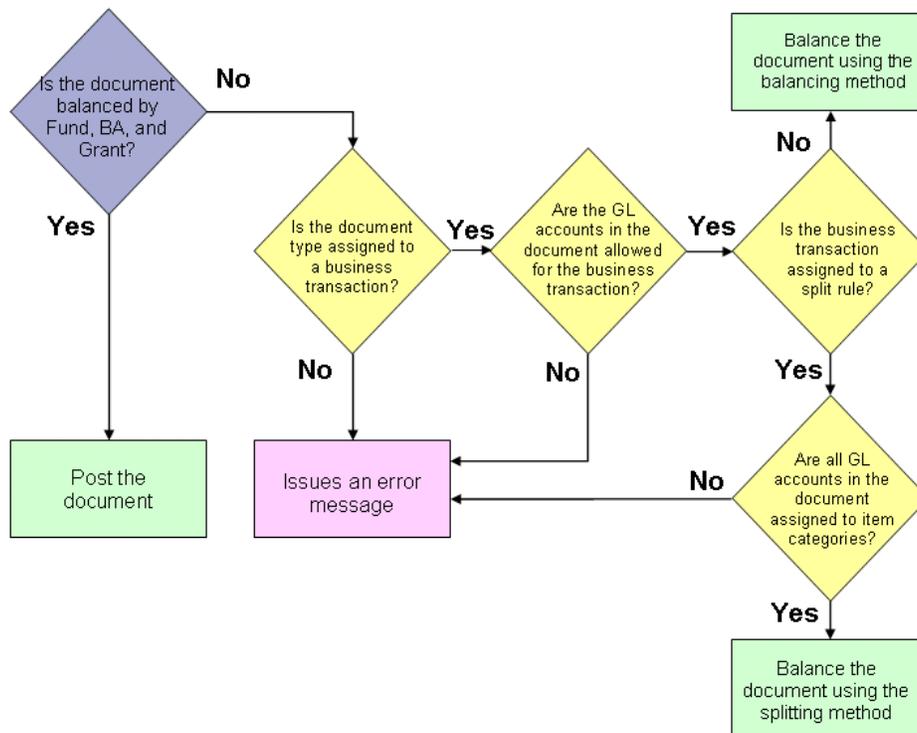


Treasurer's Business Area / Fund		Owned by Bus Areas	Owned by Funds
Bank Account	\$60,000DR	BA 1 \$30,000	Fund 1 \$40,000
Clearing	\$60,000CR	BA 2 \$30,000	Fund 2 \$20,000
Balance	<u>- 0 -</u>	<u>\$60,000</u>	<u>\$60,000</u>

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:

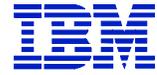


The split processor will require ongoing maintenance after the SAP project goes live. Assessment of the Special Ledger strategies requires significant understanding of the fund accounting methodology employed by the State as well as extensive, holistic knowledge of the impact of all financial postings 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



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Business Blueprint



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.

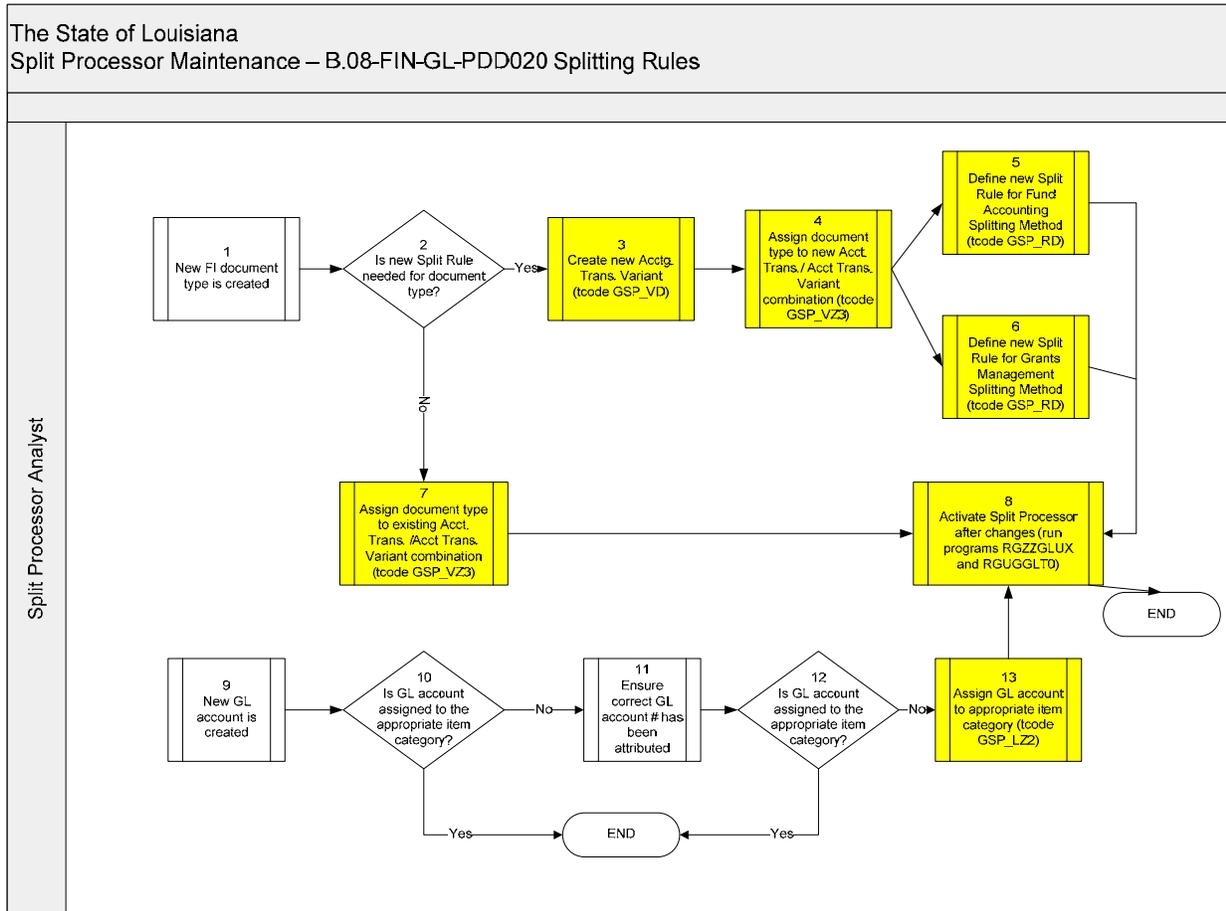
To-Be Process Flows

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.



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Business Blueprint

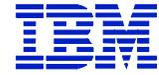


Key Business Process Decisions

#	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.



LaGov ERP Project Business Blueprint



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						

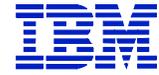
C - Conversions		Master List of Future State Data Conversions: Splitting Rules					
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1.	Non Identified						

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



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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.

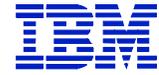
Appendix A

Not Applicable



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Business Blueprint



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.

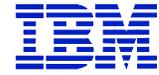
Reporting and automated reconciliation of the different accounting methods will be done by determining which GL accounts, cost elements and commitment items are used for which basis of accounting. These accounts/elements/commitment items will then be included or excluded (using grouping functionality) 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.

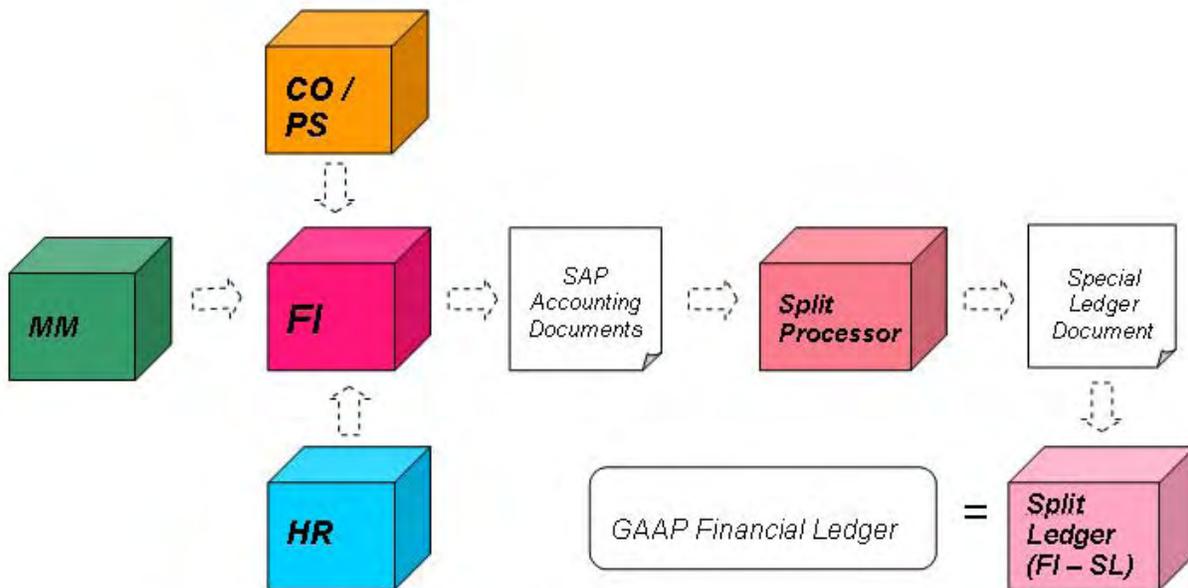


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To-Be Process Description

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.

	<u>Original Posting</u>	<u>General Ledger</u>
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



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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

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

Balance Sheets Possible

<u>Full Accrual</u>	<u>Original Posting</u>	<u>General Ledger</u>
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	<u>\$1,000CR</u> Ccode1 ONLY!	<u>\$1,000CR</u> Ccode1 & BA1 & Fund1
Total Assets	<u>\$8,000DR</u> Ccode1 ONLY!	<u>\$6,000DR</u> 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	<u>\$2,000CR</u> Ccode1 ONLY!	<u>\$2,000CR</u> Ccode1 & BA1 & Fund1
Total Liabilities	<u>\$4,000CR</u> Ccode1 ONLY!	<u>\$4,000CR</u> Ccode1 & BA1 & Fund1
Fund Balance	<u>\$4,000CR</u> Ccode1 ONLY!	<u>\$2,000CR</u> Ccode1 & BA1 & Fund1
Total Liabilities and Equity	<u>\$8,000CR</u> Ccode1 ONLY!	<u>\$6,000CR</u> Ccode1 & BA1 & Fund1



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

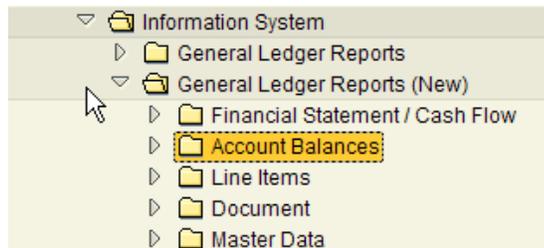
GENERAL LEDGER REPORTING TYPES

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.

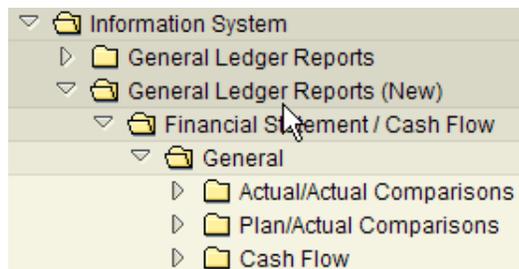
GL and BI budgetary reports will be made available to all agencies' authorized SAP users, who will be trained to run their own reports. These reports will provide the end-users with real-time (or in the case of BI, near real-time), multi-dimensional reports with drill down capabilities. Currently, many 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:



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- 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



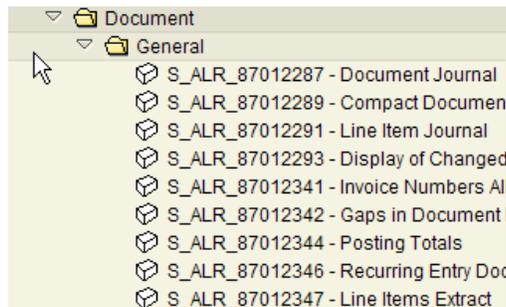
Account balance reports provide the ability to report balances overall by period and by individual general ledger account. Account balances can be filtered and restricted by many selection criteria including business area and fund.

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.



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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.



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#	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)

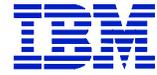
F – Forms		Master List of Current and Future State Forms: GL Reporting					
No.	Form Name	Purpose	As-Is	To-Be	Justification	Contact Person	Comments
1.	Non Identified						

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



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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		

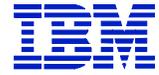
Organizational Impact

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.



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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