

State of Louisiana
LaGov ERP Project

LaGov Grants Structure

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Grants Management (GM)

The purpose of this document is to provide education that will assist Agency personnel in creating their Grants Management (Grantee) structure as well as other structures that would support the processing of grants.

Grants Management (GM) Definition

Grantee (GM) functionality supports any grant business processes where the grant is awarded to the State from an external entity, as in the case of the federal government or private entity (Organizations, Foundations, etc.), and the State consumes that grant fund. This portion of the module could be thought of as similar to the Federal Aid System in ISIS.

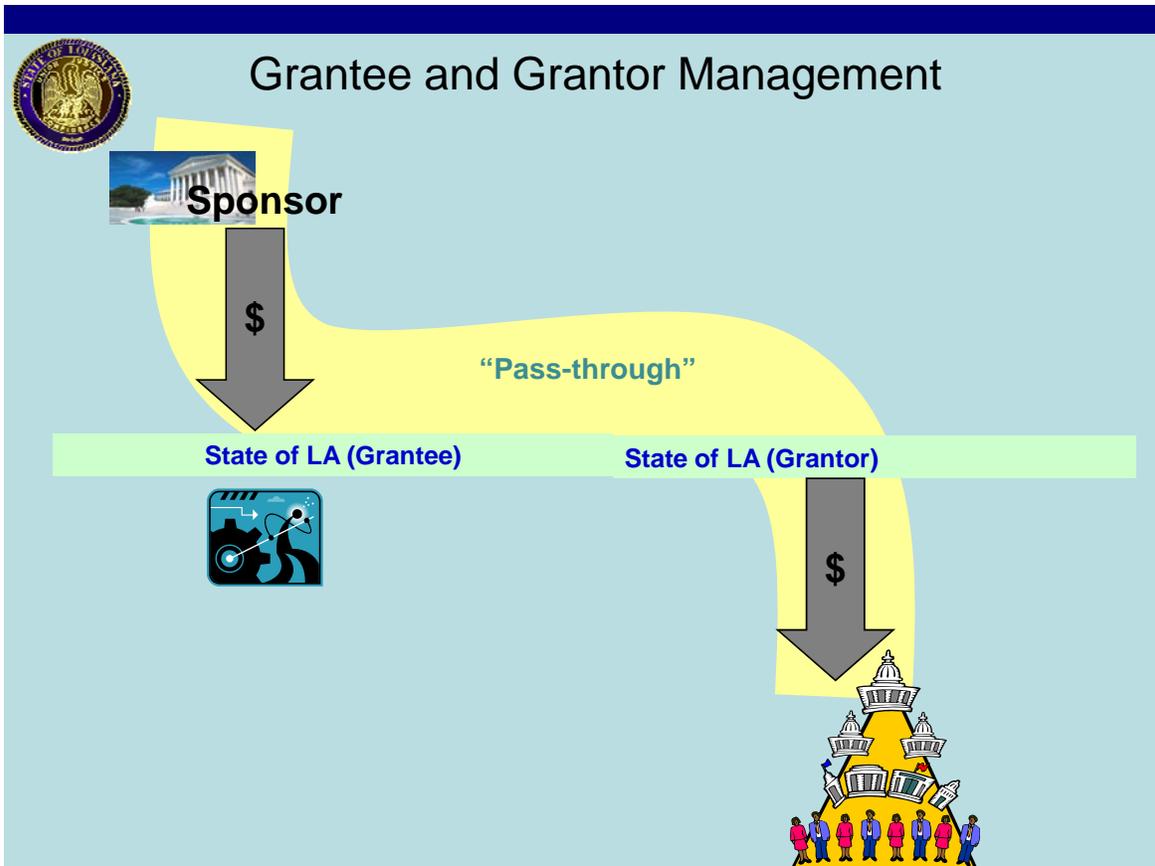
Grantor (GTR) supports any grant activities in which the State is the sponsor, thereby the original source of funding, and awards the grant to an outside entity such as a parish or any third party.

In GM, an agency receiving federal funds from another agency through a grant is not considered a “pass-through” grant. There will be further explanation in the Budget section. Together, GM and GTR will support the business process for “pass-through” grants as in the case of a Federal grant awarded to the State to “pass-through” to a third party, an entity outside of the State such as a parish or foundation.

GTR and GM offer distinct functionalities that will support different aspects of the “pass-through” process: GTR offers application, assessment, agreement, and claims functionality for interactions between third parties and the State; while GM offers billing and reporting functionality for interactions between the State and the Sponsor. GM can also account for federal “pass-through” grants awarded to third parties without the use of GTR. This functionality of GM will be used for agencies that are not a part of the GTR pilot and for specified programs within pilot agencies.

Four state agencies have been chosen to pilot GTR: Department of Education (non-eGMS grants), Department of Transportation and Development, Board of Regents, and Office of Community Development (two state appropriated grants).

A graphical depiction of the flow of grant funds through the Grantee and Grantor modules is presented on the next page.



Overview of GM Functionality

SAP GM module meets the needs of agencies by offering tools to manage a wide range of grant programs and automating the grants management life-cycle. GM streamlines the business processes and reduces the complexity of how agencies manage grant accounting and budgeting. Sponsors have different requirements for how their funds may be used and how to show accountability. Agencies often use multiple accounting methods to manage these funds such as the AFS Federal Aid System, Access databases, Excel spreadsheets, and other agency specific legacy systems. GM is a financial posting and reporting toolset, allowing a financial view of funding and activity by grant award as well as by grant programs, known as Sponsored Programs in SAP. Compared to the legacy AFS system where grants are primarily managed offline, employing the GM module will allow a uniform approach to the management of grant-funded activities. GM provides a view of grant related activities by Sponsor (federal government, foundations, etc.) dimensions. These dimensions are the Sponsor, Grant, Sponsored Program, Sponsored Class, Fund, and Fiscal Year. Details of these dimensions and any other master data required to support grant activities, such as the Work Breakdown Structure (WBS) element and GM Derivation tool, are discussed in subsequent sections.

GM supports specific grant related business processes an agency must engage in, starting with preliminary activities prior to receiving grant awards. An agency's financial administrators can manage and control grant transactions and postings and perform availability checks to ensure that expenditures comply with agency budgets and sponsor budgets.

Employing GM will allow a uniform integrated approach to the management of grant-funded activities. GM allows a financial view of funding and activity by Grant award as well as by Grant Sponsored Program. GM provides the following additional advantages:

- View the Grant and Sponsored Programs' budgets, revenues, and costs in terms of the Sponsor's dimensions. These dimensions are simultaneously updated when posting to the State's internal dimensions (FI).
- Flexibility to accommodate for the different funding periods of an agency vs. that of the Sponsor organization.
- Document the Sponsor mandated Sponsored Program requirements by
 - Budgeting
 - Cost sharing and matching
 - Billing
 - Indirect cost calculations
- Simplify the claiming process by automatically deriving the Sponsor's reporting revenue/expense categories and Sponsored Programs from the State postings.
- Use of GM Sponsored Classes allows the presentation of the State's costs in sponsor-required format, which increases cost-efficiency due to accurate revenue and expense planning.
- Online budget control by Grant, Sponsored Programs, or Sponsored Classes, as required by Sponsor, and budgeting for internal and external funding sources.
- Automatic billing and posting of receivables where possible.
- Additional posting controls, many of which are currently tracked offline, according to:
 - Allowable expense codes
 - Grant cut-off control
 - Control of posting by grant life-cycle
- Elimination of, or reduced dependence on, manual shadow systems such as Excel to track grants by sponsor or internal dimensions and standardization of grants processes throughout the State.
- Efficient, cost-effective deployment of people and systems to offset reduced budgets and a shrinking workforce.
- Improved efficiency and visibility through direct charge capability by being able to see the responsible agency's financial transactions.
- Associating sponsor requirements to the managing agency's financial structures.
- Faster decision making enabled by access to real-time information and standardized reporting across agencies.
- Manage sponsor receivables, standardize business processes across agencies, and automate the grant budget process.

GM Master Data

Customer Master (Accounts Receivable) and Business Partner- Sponsor (Sales & Distribution and Grants Management)

There is a link with the Accounts Receivable (AR) and Sales and Distribution (SD) master records for appropriate receivable and billing handling. SAP AR automatically assigns numbers sequentially to customers. The number assignment can be based on number ranges defined for the account groups. The Customer Master contains all the information about the customer that is needed for conducting business with them. Although, the two master data records have a 1:1 relationship, each has unique information as well as shared information. The integration will primarily be used to automatically generate sponsor/customer invoices. Each customer master record is assigned to a specific revenue GL account to support automatic (RRB) billing. Different account assignment groups can be created when there is a business need to have a group of customers with varying revenue GL account number assignments. The Customer Master has a 1:1 relationship to the grant Sponsor Master. A grant Sponsor has 2 views: FI general Business Partner (traditional customer) and GM Sponsor Master (grant customer). Standard customer fields are found on the Customer Master view of the record, and grant module specific fields are found on the Sponsor Master view of the record. The Sponsor Master is assigned the same number as the Customer Master.

GM billing supports the accounting entries (AR/Revenue posting) required for maintaining the sponsor receivables. This provides a consolidated enterprise-wide view of the open accounts receivable and cash position for grants. It standardizes invoicing, payment collection processing of grants, in a central location for reporting.

The exception is manual billing. Manual invoicing allows users to manually enter invoice and credit information into SAP via standard invoicing transactions. This facilitates prior-year revenue, deferred revenue, and accounts receivable entries created manually for revenue earned or received for general ledger accounts other than the default in the customer master data.

With LaGov being an integrated accounting system of record, it is updated in real-time during the invoicing and payment processing. The managing billing agency and accounts receivable/cash management sections of the receiving agency will have equal access to the same information; this will cut down on sending AR reports and other documents between the two groups.

Instructions for Integrating Accounts Receivable with Grants Management

Purpose

The purpose of this activity is to create customer master data that will integrate LaGov Accounts Receivable and LaGov Grants Management.

Customer Master Data Definition

The SAP customer master contains all information required to conduct business with the sponsors. Each customer master record is assigned to a specific GL Account.

Due date

You must complete all mandatory fields and return this spreadsheet to: LaGov-ERP-Support@la.gov on or before June 18, 2009.

Spreadsheet Definition & Instructions

The following table lists the fields contained in the attached spreadsheet. The table also:

- identifies a field as mandatory or optional,
- describes the intended field use,
- defines the maximum characters allowed in the field.

La Gov Data – Grants Management			
Mandatory Optional	Field Name	Information needed in this Field	Length
M	Legacy Customer Account Number	Enter Sponsor's Account Number that is used to identify the customer in the legacy grant system. If there is no legacy sponsor account number, create one for tracking on future spreadsheets. Example: <u>USDOE01</u>	15
M	Name 1	Name of Customer. Example: <u>United States Department of Education</u>	40
O	Name 2	Name of Customer. Example: <u>Office of Elementary and Secondary Education</u>	40
O	House number	Enter customer's house or street number that is part of their address. Example: <u>400</u> Maryland Avenue, S.W.	10
O	Street 1	Enter customer's street name. Example: 400 <u>Maryland Avenue, S.W.</u> If House number (street number) is used, then Street 1 field is required. All customers are required to have at least 1 address (either a PO box or street address)	60
O	Building	Enter name, number or abbreviation of a Building in the address. Example: <u>FB6</u> .	20
O	Room	Enter Room number (suite) in the address. Example: <u>3E 307</u> .	10
O	Floor	Enter Floor number of the building as a more exact specification of the address. Example: <u>3rd Floor</u> .	10
M	City	Enter customer's City. Example: <u>Washington</u>	40
M	State	Enter customer's State in the official USPS abbreviations. Example: <u>DC</u>	3
M	Zip	Enter customer's Zip code using the format: <u>XXXXX-XXXX</u> or <u>XXXXX</u>	10
O	PO Box	Enter customer's PO Box. All customers are required to have at least one address, either a PO Box or Street address.	10
O	Phone number	Enter customer's telephone number using the format: <u>XXX-XXX-XXXX</u>	30
O	Phone extension	Enter customer's telephone number ext.	10
O	Fax number	Enter customer's fax number using the format: <u>XXX-XXX-XXXX</u>	30
M	Sponsor Fiscal Year	Enter Sponsor's fiscal year. Example: <u>October 1 – September 30</u>	N/A
M	AFS Revenue Source	Enter AFS Revenue Source Code used when coding grant revenue for this sponsor. Example <u>1035</u>	N/A