Asset: Acquisitions and Subsequent Valuations
FI-AA-03

LaGOV

Version 1.0
Updated: Sept. 29, 2008
Logistics

Before we get started ...
## Blueprint Schedule - Tentative

<table>
<thead>
<tr>
<th>Workshop ID</th>
<th>Process Area</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI-AA-01</td>
<td>Asset Classes</td>
<td>Aug 14 (Thu)</td>
</tr>
<tr>
<td>FI-AA-02</td>
<td>Asset Master Records</td>
<td>Aug 19 (Tue)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Aug 20 (Wed)</td>
</tr>
<tr>
<td>FI-AA-03</td>
<td>Asset Acquisitions and Subsequent Valuations</td>
<td>Sept 30 (Tue)</td>
</tr>
<tr>
<td></td>
<td><em>(note: Oct 2 is for Infrastructure assets only ... merged with Agile Assets)</em></td>
<td>Oct 1 (Wed) Oct 2 (Thur)</td>
</tr>
<tr>
<td>FI-AA-04</td>
<td>Transfer of Assets</td>
<td>Oct 21 (Tue)</td>
</tr>
<tr>
<td>FI-AA-05</td>
<td>Retirement of Assets</td>
<td>Oct 23 (Thu)</td>
</tr>
</tbody>
</table>
## Blueprint Schedule - Tentative

<table>
<thead>
<tr>
<th>Workshop ID</th>
<th>Process Area</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI-AA-06</td>
<td>Physical Inventory / Bar Coding</td>
<td>Oct 28 (Tue)</td>
</tr>
<tr>
<td>FI-AA-07</td>
<td>Periodic Processing</td>
<td>Nov 5 (Wed)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nov 6 (Thu)</td>
</tr>
<tr>
<td>FI-AA-08</td>
<td>Conversion</td>
<td>Nov 18 (Mon)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nov 19 (Wed)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nov 20 (Thu)</td>
</tr>
<tr>
<td>FI-AA-Validation</td>
<td>Validation Sessions</td>
<td>Dec 10 (Wed)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dec 11 (Thu)</td>
</tr>
</tbody>
</table>
### Blueprint Schedule – Integration Points Tentative

<table>
<thead>
<tr>
<th>Workshop ID</th>
<th>Process Area</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA-MD-004</td>
<td>Linear Assets / AMR for GASB</td>
<td>Oct 2 (Thur)</td>
</tr>
<tr>
<td></td>
<td>&gt; Merged with 3rd day of FI-AA-003</td>
<td></td>
</tr>
<tr>
<td>FI-AP-002</td>
<td>AP Processing</td>
<td>Sept 17,18,23 (Wed, Thur, Tues)</td>
</tr>
<tr>
<td>FI-AP-006</td>
<td>Purchasing Cards – Financial Processing</td>
<td>Oct 30 (Thur)</td>
</tr>
<tr>
<td>FI-RE-001</td>
<td>Real Estate Master Data</td>
<td>Sept 23-25 (Tue - Thur)</td>
</tr>
<tr>
<td>FI-RE-004</td>
<td>Right of Way Parcels</td>
<td>Oct 30 (Thur)</td>
</tr>
<tr>
<td>LOG-MM-009</td>
<td>Purchase Requisitions – Assets</td>
<td>Oct 9 (Thur)</td>
</tr>
<tr>
<td>FI-PS-009</td>
<td>Capital Projects – Periodic Processing</td>
<td>Nov 12-13 (Wed -Thur)</td>
</tr>
</tbody>
</table>

Note: There may be other related sessions that participants will also be interested in, however, these reflect sessions with major integration points to SAP-AA.
Work Session Objectives

DAY 1 & 2:

1. Review, at high level, process requirements for AMR:
   a) Create
   b) Change or Update

Scenarios:
- * Purchase – PReq/PO <MM>
- * Purchase, Invoice w/out PO <AP or MM>
- * Build – WBS <PS>
- Transfer <AA>

Note: * process details will be reviewed, at high level only, during Asset Acquisition session. As assets are integration points – detailed discussions will be addressed during sessions held by MM, AP, PS, Agile and PM
Work Session Objectives

**DAY 1 & 2:**

2. Define the ‘to-be’ process for asset additions:
   - Donations and Corrections (e.g. additions to AA database for current and prior year acquisitions)
   - Additional value to existing asset

3. Define the ‘to-be’ process for asset valuation adjustment:
   - Decrease (e.g. impairment)
   - Increase (e.g. excessive depn. in prior years)

4. Security (Roles & Authorization) Requirements?
Work Session Objectives

DAY 3 (Infrastructure):

1. Define what will be the ‘start/stop’ point or object level for SAP-AA asset master records? How will this relate to AGILE asset master records?

2. Define what data will be maintained in:
   - SAP-AA: Asset Master Records
   - AGILE: Asset Master Records
   - What are the linkage requirements between AA and AGILE asset master records,

3. Define the numbering structure for SAP-AA asset master records.

4. Define the process for maintaining Asset status, acquisition, transfer, valuation adjustments and retirements for Assets common to Agile and SAP AA?
Work Session Objectives

DAY 3 (Infrastructure):

5. Define recording and reporting requirements:
   - GASB 34/42
   - OSRAP reporting requirements for these Assets?
   - What other state or federal reporting requirements are required of this data?

6. Discuss:
   - Existing legacy asset record conversion

7. Define the depreciation methods to be used for existing infrastructure assets and post go-live acquisitions?

8. Security (Roles & Authorization) Requirements?
AS IS…..
AS-IS: Acquisition

- **Acquisition Methods:**

<table>
<thead>
<tr>
<th>Protégé:</th>
<th>SLABS owned or insured:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Transfer</td>
<td>Agency Transfer</td>
</tr>
<tr>
<td>Agency Manufactured</td>
<td>Agency Manufactured</td>
</tr>
<tr>
<td>Birth</td>
<td>--</td>
</tr>
<tr>
<td>Donation</td>
<td>Donation</td>
</tr>
<tr>
<td>Federal Surplus</td>
<td>--</td>
</tr>
<tr>
<td>Loan</td>
<td>Loan / Insured Lease</td>
</tr>
<tr>
<td>Original Purchase</td>
<td>Original Purchase</td>
</tr>
<tr>
<td>Seizure</td>
<td>Seizure</td>
</tr>
<tr>
<td>State Surplus</td>
<td>--</td>
</tr>
</tbody>
</table>
AS-IS: Acquisition - Protégé

Process: Purchasing – Dept of Health and Hospitals

DHH-Purchasing

- Catalog Contract Order?
  - Yes: Attach quote to CRO
  - No: Printing Order?
    - No: OTM review required
      - No: Sign and fax or mail or scan and email order to vendor
      - Yes: Forward CRO with backup documents to OTM
    - Yes: Attach sample to CRO

Off of Telecommunications

- OTM distributes CRO to vendor
- End
**AS-IS: Acquisition - Protégé**

**Process:** Purchasing – Dept of Health and Hospitals

<table>
<thead>
<tr>
<th>State Purchasing</th>
<th>S</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Purchasing has final approval and completes and forwards order to vendor</td>
<td></td>
</tr>
</tbody>
</table>
AS-IS: Acquisition - Protégé

Process: Receiving – Dept Health Hospitals
Prepared by: Mark L. Wright

<table>
<thead>
<tr>
<th>Receiving Agency</th>
<th>Accounts Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt of goods or services</td>
<td>Invoice received</td>
</tr>
<tr>
<td>Enter partial or final receipt in AGPS</td>
<td>Receipts entered</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Pay invoice</td>
</tr>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Contact Receiving Agency to enter receipt</td>
</tr>
</tbody>
</table>
AS-IS: Acquisition from Surplus

Process: Asset Management
Sub-Process: Web Surplus
Prepared by: Salvaggio, Teal & Associates

File: AM Web Surplus v02.vsd
Date: 9/16/2008
Page: 1/1

September 30 through October 2, 2008

FI-AA-03 Asset Acquisitions

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AS-IS: Agency Transfers - Protégé

Process: Asset Management
Sub-Process: Transfer to Agency
Prepared by: Salvaggio, Teal & Associates

File: AM Transfer to Agency v02.vsd
Date: 9/16/2008
Page: 1/2

Flowchart:

- **Sending Agency**
  - Need to identify asset
  - Enters request into Protégé
  - Status of asset changes to "in transfer" and transfer # assigned
  - Intra Agency?
    - Yes
      - Email sent to receiving agency
    - No
      - Sends backup data to LPAA
      - B
      - 30 days and transfer not accepted?
        - Yes
          - Transfer voided and status back to "active"
        - No
          - Receives asset?
            - Yes
              - Enters receiving of asset
            - No
              - Transfer voided and status back to "active"

- **Receiving Agency**
  - Receives backup data
  - Approve?
    - Yes
      - Receives transaction fee
    - No
      - Transfer voided and status back to "active"

- **LPAA**
  - Receives backup data
  - Approve?
    - Yes
      - Receives transaction fee
    - No
      - Transfer voided and status back to "active"
AS-IS: Agency Transfers - Protégé

Process: Asset Management
Sub-Process: Transfer to Agency
Prepared by: Salvaggio, Teal & Associates

Yes

A

Accept transaction fee?

No

Transfer voided and status back to “active”

LPAA

LPAA invoices agency

B

A
Process: Asset Management
Sub-Process: Change Data Request
Prepared by: Salvaggio, Teal & Associates
File: AM Change Data Request v01.vsd
Date: 9/16/2008
Page: 1/1

AS-IS: Data Correction - Protégé

LPAA

Agency

Submits Data Change request for restricted fields

Enters request into Protege

Provide additional information

Review request

Request additional info?

Yes

Approve?

No

Data is updated

Notify agency that request has been denied

No

Yes

Yes

No
Change Requests are Required for These Fields in Protege:

- **Change AMR:**
  - Asset Number
  - Class
  - Serial Number
  - Relocate an Asset
  - Acquisition Date

- **Change Valuation:**
  - Acquisition Cost
  - Purchase Order Number
  - Acquisition Method
AS-IS Multiple Funding

- **Frequency:**
  - Buildings – often
  - Moveable Property – often (only for some agencies)

- **Types of assets:**
  - Buildings
  - Land
  - Moveable property with funds match

- **In SAP** – will need to use Subnumbers to identify funding:
  - Consider Main Shell and Subnumbers with detail
AS IS: Depreciation Calculation – Value Added via Subnumber

- Protégé Assets (i.e. Machinery/Equipment):
  - Straight line
  - Depreciation convention if acquired:
    • A full year’s depreciation will be taken for the fiscal year of acquisition.
  - Useful life value is defined by Protégé and defaults to rules established by OSRAP

- SLABS (i.e. Real Property):
  - Straight line
  - Depreciation convention if acquired:
    • A full year’s depreciation will be taken for the year of acquisition.
  - Useful life value of 40 years continues throughout state ownership regardless of agency or department transfers.
AS-IS Asset Value

- Parent/Child relationship (protégé manual pg 21)
  - Used to identify component parts when surplusing / disposing of asset
  - Frequency/volume data pending response from LPAA
How often do values get added to original asset?

Protégé Assets:
- Upgrades will be depreciated only if the upgrade is over $5,000. Protégé will add the upgrade to the depreciable basis and depreciation over the remaining life of the asset.
- For upgrades under $5,000, the depreciation calculations will ignore upgrades and decreases, and use only the main asset’s original acquisition cost.

SLABS / Other Systems?: Real Property (depreciable):
- Building Improvements – depreciation starts over for addition for 40 years.
- Depreciable Land improvements
- Major Repairs do not affect the depreciation schedule of the building or depreciable land improvement.

- How is depreciation handled for additional value?
  - Major Repair (generally repairs are not a capital asset)
  - Improvement over $100,000 threshold
  - Improvement less than $100,000 threshold
Protégé Assets:

- For the receiving agency, the new asset gets a current acquisition cost that is equal to the transfer fee assigned by LPAA. (typically $10 - $100). If less than $5,000 the cost is not depreciated.
- If the fee is greater than $5,000, then it will be added to the depreciable basis and depreciated over 2 years. This is a very rare occurrence.
- The transferring agency takes all remaining depreciation at the time of transfer to make the Net Book Value = 0$

Real Property (depreciable):

- Currently takes over capitalization date/depreciation date and values from original asset
GASB 42

- **GASB 42** *(Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries)*:
  - Issued November 2003: GASB Statement No. 42 ‘requires governments to report the effects of capital asset impairment in their financial statements when it occurs. The guidance also enhances comparability of financial statements by requiring all governments to account for insurance recoveries in the same manner.’  
  - Impacts how to:
    - Determine Impairment and value of impairment
    - Accounting for insurance recoveries (including financial impact to asset).

.... TO BE
Asset Master Record: TO-BE Update

- Change in AMR approach for record maintenance:
  - Capital Assets will continue to be treated as fully valued asset master records:
    - Valuation will be only via transactional update (e.g. acquisition, transfer, retirement, depreciation, etc. transactions). Asset Value Tab (i.e. Asset Explorer) will contain the transactional detail and various value fields.
    - Capitalization Date will be updated via the initial asset acquisition transaction.
    - Assets will be depreciated (with a few exceptions such as land)
    - Reported on the Balance Sheet / CAFR
  - Low Value Assets will be treated as ‘shells’:
    - AMR’s **will not** be attached to acquisition transactions
    - AMR’s will be created after goods are received:
      - Acquisition date(s) will be manually entered
      - Acquisition value(s) will be manually maintained on valuation field(s) (i.e. detail will not be available on the ‘Asset Value’ tab)
Asset Master Record: TO-BE Update

- Reason for decision change:
  - Maintain assets for financial and tracking of assets in one database (i.e. similar to Protégé), while using relevant applicable SAP functionality for items such as real estate, maintenance, etc.
  - Reduce procurement processing issues:
    - Identifying asset class
    - Creating and attaching AMR for low value assets at PReq stage (or having approval process responsible for this at PO stage)
      - reducing number of shells that are not approved for PO
  - Reduce transaction processing to ‘transfer’ or ‘retire’ assets
  - Reduce financial postings that will not be used for financial reporting (i.e. ‘depreciation’)
  - AMR for LVA created after Goods Receipt (will not require multiple create/update steps)
SAP Glossary

- **Asset Class** - Main criterion for classifying fixed assets according to legal and management requirements.

- **Asset Master Record (AMR)** – Contains general information and valuation/depreciation rules for a specific item in the Asset Accounting (AA) module. In SAP, it also stores all the values and transaction data for the item.

- **Main Asset Number** - Unique number, in combination with company code and asset sub number, that identifies a fixed asset.

- **Sub Asset Number** – Asset record for an individual part of an asset, or subsequent acquisitions, can be represented by a subnumber to a main asset number.

- **Asset under Construction (AuC)** - An asset that you produce yourself which must be managed as a separate asset master record, generally without depreciation, during the construction phase.
SAP Glossary

- **Asset ‘Shell’** – an AMR which does not have the values in the Asset Value Tab (i.e. asset values are not managed via transaction updates). *Note: a Capital Asset record will be a ‘shell’ until time of acquisition value update.*

- **Incomplete Asset** – an AMR which does not have fields, which have been defined as ‘mandatory or required’ completed.

- **Capital Asset** - Tangible property which cannot easily be converted into cash and which is usually held for a long period, including real estate, equipment, etc. With a few exceptions (e.g. land), this type of asset will be depreciated or amortized. These types of assets are reported in the Asset section of Balance Sheets.

- **Low Value Asset (LVA)** – Items that do not meet the capital asset criteria and are recorded for tracking purposes only. LVA’s can be handled as:
  - valued AMR (i.e. cap date and values are integrated via acquisition paths in PS, MM, AA, etc. and transaction updates). Generally, the LVA is fully depreciated in the year of purchase or in the period of acquisition.
  - ‘shell’: the cap date is manually entered. The AMR is not integrated with acquisition paths and asset values are not managed via transaction updates (i.e. no values on Asset Value Tab). Value can be manually maintained in another field.
SAP Glossary

- **Capital Lease** - A lease that meets one or more financial criteria as defined by FASB. This type of lease considered to have the economic characteristic of asset ownership, thus it is recognized both as an asset and as a liability (for the lease payments) on the balance sheet.

- **Operating Lease** - In an operating lease, the lessor (or owner) transfers only the right to use the property to the lessee with the property being returned to the lessor at the end of the lease. This type of lease is treated as an operating expense in the income statement and the lease does not affect the balance sheet.

- **Depreciation** - Allocation of original cost of a tangible asset computed over its anticipated useful life, based on its physical wear & tear, and passage of time.

- **Amortization** - Writing off of loans or intangible assets in equated annual/monthly installments over a scheduled period.

- **Depreciation Area** - An area showing the valuation of a fixed asset for a particular purpose (for example, for individual financial statements, balance sheets for tax purposes, or management accounting values).

- **Equipment Master Record (EMR)** – Details recorded for an individual, physical object that is maintained as an autonomous unit in the Plant Maintenance (PM) module.
SAP Glossary

- **Screen Layout** – Settings that specifies the fields that are displayed during master data maintenance and the field entry characteristics (e.g. required, optional, display only). Field entry characteristics are also referred to as ‘Field Status’.

- **Account Assignment** – Settings which determines which general ledger accounts to post to from a business transaction. Sometimes referred to as ‘Account Determination’.

- **Account Determination** – see ‘Account Assignment’

- **Post Capitalization** – Correction of asset value, which was either set too low because capitalization was not performed in the past, or which was treated entirely as expense.

- **Goods Receipt (GR)** - A term from inventory management denoting a physical inward movement of goods or materials. It is usually triggered by a document that denotes the delivery of goods from a vendor to a company. For assets, the AMR valuation occurs at either time of GR or IR.

- **Invoice Receipt (IR)** - A term from Invoice Verification describing the receipt of an invoice issued by a vendor (creditor). For assets, the AMR valuation occurs at either time of GR or IR.
SAP Glossary

- **Project System** – Module that allows the user to plan, execute and account for a project.
- **WBS Element** - Work Breakdown Structure – Forms the basis for the coordination and organization of a project. It is the Hierarchical outline of a task, item or process, described in the project definition.
- **Settlement** - Full or partial allocation of costs from one object to another (e.g. from WBS to AuC, from AuC to final AMR)
- **Write-up** – Financial valuation adjustment which increases the asset net book value via adjustment to depreciation posted. Reasons for adjustment include excessive past depreciation or reversal of unplanned depreciation.

- **Unplanned depreciation** – Financial valuation adjustment which decreases the asset net book value via adjustment to depreciation posted. Reasons for adjustment include unexpected permanent reduction in the worth of the asset due to damage, technical obsolescent, etc.
Asset Financial Life Cycle

Asset Master Record (AMR)

Acquisition -> Use of Asset e.g. depreciation -> Retirement

Asset Movement or Change
Asset Master Record

- What is it?
- What type of information is stored?
Asset Master Record

What is it?

- Method by which detailed general and financial information about each asset is stored
Asset Master Record

What type of information is stored?

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Asset No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Asset Detail</td>
<td></td>
</tr>
<tr>
<td>Asset Depreciation Rules</td>
<td></td>
</tr>
<tr>
<td>Asset Values</td>
<td></td>
</tr>
</tbody>
</table>
AMR – Initial Screen

- **Create an Asset Master Record**

Create Asset: Initial screen

<table>
<thead>
<tr>
<th>Master data</th>
<th>Depreciation areas</th>
</tr>
</thead>
</table>

- **Change or Display an Asset Master Record**

Change Asset: Initial screen

<table>
<thead>
<tr>
<th>Master data</th>
<th>Depreciation areas</th>
<th>Asset values</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>TEST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Code</td>
<td>0008</td>
</tr>
<tr>
<td>Number of similar assets</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset</td>
</tr>
<tr>
<td>Sub-number</td>
</tr>
<tr>
<td>Company code</td>
</tr>
</tbody>
</table>

- Post-capitalization
TO-BE: Search Options

- Multiple matchcode choices
  - Wildcards available
Asset Master Record – General Detail

- Stores concrete detail information about your asset including:
  - Informative detail
  - Financial posting
  - Financial calculation parameters
  - Integration linkages
  - Etc.

- Uses ‘Tab’ format to access data elements
### AMR – General Information (sample)

**Asset** | INTERN-00001 | 0
--- | --- | ---
**Class** | ZTEST | Z_All fields open | **Company Code** | 0008

**General**

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Asset main no. text</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Acct determination</th>
<th>2000</th>
<th>Buildings</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Serial number</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory number</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quantity</th>
<th></th>
</tr>
</thead>
</table>

**Inventory**

<table>
<thead>
<tr>
<th>Last inventory on</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory note</td>
<td></td>
</tr>
</tbody>
</table>

| Include asset in inventory list |  |

**Posting information**

<table>
<thead>
<tr>
<th>Capitalized on</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First acquisition on</td>
<td></td>
</tr>
<tr>
<td>Acquisition year</td>
<td>2000</td>
</tr>
<tr>
<td>Deactivation on</td>
<td></td>
</tr>
<tr>
<td>PInd. retirement on</td>
<td></td>
</tr>
<tr>
<td>Ordered on</td>
<td></td>
</tr>
</tbody>
</table>
### AMR – Time Dependent Data (sample)

#### General Form

- **Asset:** INTERN-00001
- **Class:** ZTEST
- **Company Code:** 0008

#### Time-dependent Data

- **Interval from 01.01.1900 to 31.12.9999**
- **Business Area:**
- **Cost Center:**
- **Resp. cost center:**
- **Activity Type:**
- **Int. order:**
- **Maintenance order:**
- **Plant:**
- **Location:**
- **Room:**
- **Tax Jurisdiction:**
- **License plate number:**
- **Personnel Number:**
- **Shift factor:**
- **Functional Area:**
- **Real Estate Key:**

- **Asset shutdown:**

---

**Note:** Additional fields will be available for Fund, Fund Center, Grant.
AMR – Allocations (Sample)
### AMR – Origins (Sample)

<table>
<thead>
<tr>
<th>Asset</th>
<th>INTERN-00001</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class</td>
<td>ZTEST</td>
<td></td>
</tr>
<tr>
<td>Company Code</td>
<td>0008</td>
<td></td>
</tr>
</tbody>
</table>

#### General

- **Vendor**: [Field]
- **Manufacturer**: [Field]
- **Asset purch. new**: [Checkbox]
- **Purchased used**: [Field]
- **Trading Partner**: [Field]
- **Country of origin**: [Field]
- **Type name**: [Field]

#### Time-dependent

- **Original asset**: [Field]
- **Acq. on**: [Field]
- **Orig. Acquis. Year**: [Field]
- **Original value USD**: [Field]
- **In-house produc. perc.**: [Field]

#### Allocations

- **Investment Order**: [Field]
- **WBS element**: [Field]
AMR – Net Worth Tax (Sample)
AMR – Insurance (Sample)
### Leasing

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasing company</td>
<td></td>
</tr>
<tr>
<td>Agreement number</td>
<td></td>
</tr>
<tr>
<td>Agreement date</td>
<td></td>
</tr>
<tr>
<td>Notice date</td>
<td></td>
</tr>
<tr>
<td>Lease start date</td>
<td></td>
</tr>
<tr>
<td>Lease length</td>
<td></td>
</tr>
<tr>
<td>Type</td>
<td></td>
</tr>
<tr>
<td>Base value as new</td>
<td></td>
</tr>
<tr>
<td>Purchase price</td>
<td></td>
</tr>
<tr>
<td>Supplementary text</td>
<td></td>
</tr>
<tr>
<td>No. lease payments</td>
<td></td>
</tr>
<tr>
<td>Payment cycle</td>
<td></td>
</tr>
<tr>
<td>Lease payment</td>
<td>USD</td>
</tr>
<tr>
<td>Annual interest rate</td>
<td></td>
</tr>
<tr>
<td>Present Value</td>
<td>0.00 USD</td>
</tr>
</tbody>
</table>
Asset Master Record – Depreciation Rules

- Stores detail information about depreciation calculation:
  - calculation parameters
  - useful life
  - depreciation start date
  - Etc.

- Data stored for each Depreciation Area

- Relevant to Capital Assets only
### AMR – Depreciation Area Detail (Sample)

#### General

<table>
<thead>
<tr>
<th>Deact</th>
<th>A., Depreciation area</th>
<th>DKey</th>
<th>UseLife</th>
<th>Prd</th>
<th>ODep Start</th>
<th>Index</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book depreci.</td>
<td>LINA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Asset

- **Asset**: INTERN-96661
- **Class**: ZTEST
- **Area**: 01 Book depreci.
- **Interval from 01.01.1900 to 31.12.9999**

#### General Specifications

- **Depreciation Key**: LINA
- **Useful life**: 1
- **Spec. depreciation**:  
- **Due date**:  
- **Operating readiness**:  

#### Additional Specifications

- **Index series**:  
- **Age-dependent index**:  
- **Variable dep. portion**:  
- **Scrap value**: USD  
- **Scrap Value %**:  
- **Acquis year**:  

---

September 30 through October 2, 2008

FI-AA-03 Asset Acquisitions
Asset Master Record – Values Tabs

- Stores data for each Depreciation Area
  - Values for the AMR (planned and actual)
  - Depreciation posting status (and amount)
  - Integration objects (with drill down ability)
  - Transactions
- Values derived from transactions and asset master record details
  - Cannot manually update the Asset Values tab fields
- Cannot configure screen layout or this section of AMR

IMPORTANT:
- Valid for Capital Assets only
- Low Value Assets – limited valuation fields to be developed
Asset Master Record – Values Tabs

- Many ‘views’ for analysis purposes
- Multi year and/or depreciation area comparison
- Depreciation simulation for asset
- Drill-down to more details, such as:
  - AA, FI & other related documents
  - rules defined in IMG
  - depreciation calculation
AMR – Asset Value Display (Sample)

Sample detail if transactions available for AMR

e.g. links to:
• PO, if applicable
Asset Acquisition Transactions
Asset Financial Lifecycle

**Acquisition via:**
- Purchase – PReq/PO <MM>
- Purchase, Invoice w/out PO <AP>
  - Build – WBS <PS>
  - Donation <AA>
  - Correction <AA>
  - Transfer <AA>
- Capital Lease (separate session)

**Use of Asset**
- *e.g. depreciation*

**Retirement**

**Asset:**
- Transfer (financial change)
  - Movement
  - Master Data Change

**Asset Master Record (AMR)**
Acquisition Methods

- Purpose of this data element for reporting, analysis?

<table>
<thead>
<tr>
<th>Protégé:</th>
<th>SLABS owned / insured:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Transfer</td>
<td>Agency Transfer</td>
</tr>
<tr>
<td>Agency Manufactured</td>
<td>Agency Manufactured</td>
</tr>
<tr>
<td>Birth</td>
<td>--</td>
</tr>
<tr>
<td>Donation</td>
<td>Donation</td>
</tr>
<tr>
<td>Federal Surplus</td>
<td>--</td>
</tr>
<tr>
<td>Loan</td>
<td>Loan / Insured Lease</td>
</tr>
<tr>
<td>Original Purchase</td>
<td>Original Purchase</td>
</tr>
<tr>
<td>Seizure</td>
<td>Seizure</td>
</tr>
<tr>
<td>State Surplus</td>
<td>--</td>
</tr>
</tbody>
</table>

- Use ‘Investment Reason’ field on ‘Allocations’ tab
  - Additional values post go-live via Change Control process
Acquisition via MM Procurement
(i.e. PReq or PO)
Asset Acquisition: Purchased Items

- Three methods:

1. Purchase via PReq / PO <MM>
   - Account Assignment ‘A’ <MM>

2. Purchase, Invoice without PO <MM or AP>
   - Unique process to define an Asset purchase

3. Purchase, PCard <AP>
   - Re-coding process to define an Asset purchase
Asset Acquisition: Purchase via PO

- Two processing paths in MM:
  - Purchase via PReq
  - Purchase via PO (without PReq)

- Will be examined in more detail during:

<table>
<thead>
<tr>
<th>Workshop ID</th>
<th>Process Area</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOG-MM-009</td>
<td>Purchase Requisitions – Assets</td>
<td>Oct 9 (Thur)</td>
</tr>
</tbody>
</table>
Asset Acquisition: Purchase – Capital Asset

For Capital Assets:

Account Assignment ‘A’ to define an Asset purchase:
- Screen input fields for Asset detail
- Enables AMR update with capitalization date/values at time of GR or IR.

- Purchase Req:
  - If unsure if Capital Asset use Account Assignment ‘K’ (Cost Center)
  - Always use a ‘K’ (even if you are sure that is a Capital Asset, don’t use ‘A’ - must create or identify existing AMR to attach to PO)

- Purchase Order:
  - Approval process will include reviewing and updating for capital assets, if PReq:
    - is Account Assignment ‘A’ – ensure that appropriate Asset Class used for AMR.
    - should be for a Capital Asset, account assignment of PO must be changed to ‘A’ (asset) & AMR assigned (new AMR created or existing AMR).

- Goods Receipt:
  - Capital Assets valued at time of Goods Receipt
  - AMR record automatically updated with Capitalization Date, Depreciation Start Date, Acquisition value.

- Invoice Receipt:
  - Generally, no update to AMR
    - Exception is valuation change only if invoice amount difference is within tolerance limits.
Asset Acquisition: Purchase – LVA

For Low Value Assets:

AMR are created as ‘shell’ after Goods Receipt
- not automatically updated during procurement process

Procurement is via Account Assignment ‘K’ (Cost Center)

- Purchase Req:
  - use Account Assignment ‘K’
- Purchase Order:
  - Approval process for purchase (Asset check for items close to the capital asset limits, closer evaluation re: should this be for capital or low value asset)
- Goods Receipt:
  - AMR not linked (i.e. no automatic update)
- Report on Purchased Items:
  - Review purchases for items meeting Low Value criteria (e.g. value, tracking requirements)
  - Create AMR ‘shell’ in appropriate LVA class – update including capitalization date and value
- Invoice Receipt:
  - AMR not linked (i.e. no automatic update)
- Report on Purchased Items:
  - If valuation change on invoice (which is within tolerance limits).
  - Manually adjust valuation on Existing AMR
Asset Acquisition: Purchase - starting at Purchase Req.

1. Asset Need Identified
   - Purchase Request
     - Account Assignment = K
       - Capital Asset?
         - Y: Approval Process
         - N: Purchase Order
           - Acct Assign = ‘K’
             - GR: Acquisition: Valuation at GR
               - IR: $ change w/i tolerance?
                 - Y: Procurement Value Report
                 - N: End
           - Acct Assign = ‘A’
             - GR: Acquisition: Valuation at GR
               - IR: $ change w/i tolerance?
                 - Y: Procurement Value Report
                 - N: End

2. End
Asset Acquisition: Purchase - starting at Purchase Order

**Asset Need Identified**

- **AMR**
  - AGILE Asset
  - SAP: RE Object
  - SA: PM EMR

**Approval Process**

- **Purchase Order**
  - Acct Assign = ‘K’
    - GR: Acquisition
      - Valuation at GR
    - IR
      - $ change w/i tolerance?
  - Low Value Asset?
    - Y
      - End
    - N
      - Procurement Value Report

- **Purchase Order**
  - Acct Assign = ‘A’
    - GR: Acquisition
      - Valuation at GR
    - IR
      - $ change w/i tolerance?

**Retirement**

**Transfer**

**Depreciation Posting**

**Auto update**
- Cap date if change (w/i tolerance)
- Valuation if change (w/i tolerance)

**Manual Create and / or Update Existing AMR**
- including capitalization date and valuation

**Create or Attach Existing AMR**

**YN**

September 30 through October 2, 2008

FI-AA-03 Asset Acquisitions 64
Conversion Considerations:

- **Outstanding PReq’s?**
  - To be defined…

- **Outstanding PO’s:**
  - Capital Assets will need to have an AMR attached
    - Consider ‘cut-off’ time to reduce conversion items?
  - Low Value Assets will need to follow process for create AMR after GR
Reporting Requirements:

- **Report for MM procurements:**
  - Include ‘Select / Sort / List’ criteria to include: $ range, GR /IR date, commodity code, PO# (details to be refined)
  - Used to identify LVA creation/update requirements

- **Report for AA – LVA acquisition costs:**
  - Include ‘Select / Sort / List’ criteria to include: $ range, PO#, AMR #, asset class, acquisition date (details to be refined)
  - Used for LVA analysis

- **Consider report that merges detail from MM/AP/AA:**
  - i.e. $ range, GR /IR date, commodity code, PO#, AMR #, asset class, acquisition date (details to be refined)

- **Other?**
Development Requirements:

- **Workflow for procurement approval?**
  - Investigate workflow or user exits to make the procurement process more streamlined (e.g. creation of AMR, use of ‘commodity code’ to alert this is an asset procurement, etc.)?

- Upload program to create LVA asset master records?
Training / Change Management Considerations:

- **Asset Master Record identification and classification:**
  - Need to identify the Asset Class correctly:
    - Many asset classes - need to select correct class (e.g. Capital Asset vs. LVA classes)
    - If incorrectly chosen - financial and corrective posting requirements
  - Assets that:
    - Meet Capital Asset criteria (e.g. movable equipment over $5000) require procurement via asset assignment path
      - Must be ‘fully valued’ AMR records
      - Must be attached to PO
    - Do not meet Capital Asset criteria but must be tracked (e.g. movable equip. between $1000-4999.99, and items of interest < $1000 requiring tagging)
      - Will be manually created as LVA shells after Goods Receipt
  - Process to update AMR for additional info (e.g. serial number, inventory/tag number, tracking details, etc.)
  - New transactions, screens, reports
Asset Acquisition: Purchase – PReq and/or PO

Training / Change Management Considerations:

- **Transaction processing:**
  - Two Procurement Paths:
    - Capital Asset
    - Low Value Asset
  - Understanding processing impact and choosing correct Account Assignment
  - Linking correct AMR for Capital Asset procurement
  - Report review to determine LVA asset creation/update requirements
  - Monitoring, more frequently at time of go-live, re: correct coding and master record updates (i.e. in MM and AA modules)
  - New transactions, screens, reports
Asset Acquisition: Purchase – PReq and/or PO

Training / Change Management Considerations:

- *Reports, in MM and AA, for acquisition cost (in MM, also by commodity code)*
- *Timing and procedure for AMR / EMR linkage still under discussion*
Acquisition via AP Procurement

(i.e. Direct Purchase or PCard)
Asset Acquisition: Purchase - Invoice without PO

- Two processing paths:
  - Invoice, without PO, Received <MM or AP>
  - PCard <AP>

- Will be examined in more detail during:

<table>
<thead>
<tr>
<th>Workshop ID</th>
<th>Process Area</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI-AP-002</td>
<td>AP Processing</td>
<td>Sept 17, 18, 23 (Wed, Thur, Tues)</td>
</tr>
<tr>
<td>FI-AP-006</td>
<td>Purchasing Cards – Financial Processing</td>
<td>Oct 30 (Thur)</td>
</tr>
</tbody>
</table>
Asset Acquisition: Purchase – Capital Asset

For Capital Assets:

Account Assignment using Posting Key ‘70: Debit Asset’ to define an Asset purchase:
- Screen input fields for Asset detail
- Enables AMR update with capitalization date/values at time of GR or IR.

Invoice:
- Invoice without PO:
  - Additional step via ‘sub-menu’ to access screen detail which enables asset processing
  - AMR assigned (new AMR created or existing AMR).

PCard:
- Create PCard File
- Park PCard file
  - Items initially coded to default expense account
- Reviewed by Agency
  - If Capital Asset, must change accounting line (i.e. change posting key and attach AMR - either create one or assign existing AMR)
- Released for Posting
Asset Acquisition: Purchase – LVA

For Low Value Assets:

AMR are created as ‘shell’ after Goods Receipt
  • not automatically updated during payment process

Invoice:

- Invoice without PO:
  - No AMR attached.

PCard:

- Create PCard File
- Park PCard file
  - Items initially coded to default expense account
- Reviewed by Agency
  - No AMR attached
- Released for Posting
- Report on Purchased Items:
  - Review purchases for items meeting Low Value criteria (e.g. value, tracking requirements)
  - Create AMR ‘shell’ in appropriate LVA class – update including capitalization date and value
Asset Acquisition: Purchase – Invoice without PO

**Asset Need Identified**

- **AMR**
  - **Low Value Asset?**
    - **Y**
      - **Procurement Value Report**
    - **N**
      - **End**
  - **N**
    - **Capital Asset?**
      - **Y**
        - **Create Direct Invoice (AP or MM)**
        - **Park Direct Invoice (AP or MM)**
        - **Release Direct Invoice (AP or MM)**
        - **Transfer**
          - **Depreciation Posting**
          - **AGILE Asset**
          - **SAP: RE Object**
          - **SA: PM EMR**
      - **N**
        - **Create Direct Invoice (AP or MM)**
        - **Park Direct Invoice (AP or MM)**
        - **Release Direct Invoice (AP or MM)**
        - **Create or Attach Existing AMR**
          - **YN**
            - **auto update Cap date/ Valuation**
            - **Update Existing AMR – including capitalization date and valuation**

- **SAP: RE Object**
- **SA: PM EMR**
Asset Acquisition: Purchase – PCard

Asset Need Identified

Create PCard file (AP)

Park PCard file (with default expense lines)

Capital Asset?

Reviewed by Agency: update PCard acct’g lines

Released for posting

Procurement Value Report

Low Value Asset?

End

YN

Auto update Cap date/ Valuation

SAP: RE Object

SA: PM EMR

AGILE Asset

Transfer

AMR

AMR

Retirement

Depreciation Posting

YN

YN

(Manual Create and / or Update Existing AMR – including capitalization date and valuation )

(Create or Attach Existing AMR)

(Manual Create and / or Update Existing AMR – including capitalization date and valuation )

(Y)

Create PCard file

Park PCard file
Conversion Considerations:

- AMR’s will need to be attached to:
  - Outstanding *Invoices without PO or PCard* with Capital Asset related purchases will need to have an AMR attached
    - Consider a ‘cut-off’ time to reduce conversion items?
  - Low Value Assets will need to follow the process for LVA create after GR
Reporting Requirements:

- **Report for AP procurements:**
  - Include ‘Select / Sort / List’ criteria to include: $ range, GR /IR date, commodity code, PO# (details to be refined)
  - Used to identify LVA creation/update requirements

- **Report for AA – LVA acquisition costs:**
  - Include ‘Select / Sort / List’ criteria to include: $ range, PO#, AMR #, asset class, acquisition date (details to be refined)
  - Used for LVA analysis

- **Consider report that merges detail from MM/AP/AA:**
  - i.e. $ range, GR /IR date, commodity code, PO#, AMR #, asset class, acquisition date (details to be refined)

- **Other?**
Training / Change Management Considerations:

- **Asset Master Record identification and classification:**
  - Need to identify the Asset Class correctly:
    - Many asset classes - need to select correct class (e.g. Capital Asset vs. LVA classes)
    - If incorrectly chosen - financial and corrective posting requirements
  - Assets that:
    - Meet Capital Asset criteria (e.g. movable equipment over $5000) require procurement via asset assignment path
      - Must be ‘fully valued’ AMR records
    - Do not meet Capital Asset criteria but must be tracked (e.g. movable equip. between $1000-4999.99, and items of interest < $1000 requiring tagging)
      - Will be manually created as LVA shells after Goods Receipt
    - Process to update AMR for additional info (e.g. serial number, inventory/tag number, tracking details, etc.)
  - New transactions, screens, reports

Asset Acquisition: Purchase – Invoice without PO / PCard
Asset Acquisition: Purchase – Invoice without PO / PCard

Training / Change Management Considerations:

- **Transaction processing:**
  - **Two Procurement Paths:**
    - Capital Asset
    - Low Value Asset
  - Understanding processing impact and choosing correct Account Assignment
    - Invoice posting process for assets is different in 'look and feel' from the standard invoice posting process
    - PCard process for assets will require a variance on the review and edit process (e.g. change posting key, add AMR)
  - Linking correct AMR for Capital Asset procurement
  - Report review to determine LVA asset creation/update requirements
  - Monitoring, more frequently at time of go-live, re: correct coding and master record updates (i.e. in MM and AA modules)
  - New transactions, screens, reports
Asset Acquisition: Purchase – Invoice without PO / PCard

Training / Change Management Considerations:

- **Considerations**
  - *Purchase - without PO or PCard, for capital assets should be an infrequent occurrence, how many users need to be trained on this?*
    *How often will users bypass the asset posting and just process as an expense item?*
  - *How often are low value assets purchased without PO or using PCard?*
  - *Timing and procedure for AMR / EMR linkage still under discussion*
Asset Acquisition

Recommendation:

- **Policy for:**
  - All capital asset purchases should require a Purchase Order
    - If Invoice received without PO, then a PO must be created retroactively and the procurement process followed
      > Provides, albeit retroactively, SAP best practice of procurement ‘matching’ process for item ordered to invoice received
    - PCard are not be used to purchase capital assets.
      - Handling of Low value assets purchases?
  
- Periodic review of Direct Invoice/PCard purchases to ensure that Asset Policy is being followed

- Periodic review of AA items to ensure that coding is being made to correct asset class (e.g. particularly Capital vs. LVA classes).
Acquisition via PS Project
AA: Asset Financial Life Cycle

Acquisition via PS project:

- Build - new project
- Build - add value to Existing Asset (project completed)
- Build - add value to Existing Asset (project partially completed and in use, balance still under construction)

- How often will Projects be used to build items that considered LVAs?
  - What type of LVA are built (e.g. building?), other?
Asset Acquisition: Build

- **Multiple Step Process:**
  - As relevant: Costs collected in WBS
  - Each month end: Values in WBS moved at month end to AuC asset master records (i.e. WBS to AuC settlement)
  - Project completion: Values in AuC moved to final AMR(s)
    - May be some situations where project will be partially finished and put into service while construction continues?

- Will be examined in more detail during:

<table>
<thead>
<tr>
<th>Workshop ID</th>
<th>Process Area</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI-PS-009</td>
<td>Capital Projects – Periodic Processing</td>
<td>Nov 12-13 (Wed -Thur)</td>
</tr>
</tbody>
</table>
Linkage to PS (i.e. WBS-AuC-AMR)

- How do assets need to be linked to SAP-PS?
  - How will costs be allocated to WBS for settlement to AuC(s)?
  - How will settlement of AuC to final AMR be determined
    • If project complete
    • If project partially complete and ready for use, while balance of project is ongoing

- Handling of values if, during construction, it is determined that item does not meet ‘asset’ criteria (e.g. costs)?

- Are ‘Low Value Assets’ constructed?
  - Examples?
  - Volume & Frequency?
Asset Acquisition: Build

**PS Settlement:**
- **WBS to AuC**
  - monthly until complete
  - set capitalization date on AMR
  - FI posting:
    - cr. 'Expense Offset'
    - dr. AuC (WIP)

**AuC Master Record**
- **Month 1**
  - $25k
- **Month 2**
  - 15
- **Month 3**
  - 40

- **AuC Total** (80)

- **Transfer to AMR**
  - $0
  - After AuC settled

**Final AMR**
- **Asset Total** $80

**WBS Element(s)**
- material $$
- services $$
- architect fee $$
- overhead $$

**MONTH 1** $25k

**WBS offset** (25)
- overhead $$

**MONTH 2** $15k

**WBS offset** (15)
- overhead $$

**Settlement:**
- **AuC to AMR**
  - generally one time (at project completion)
  - set capitalization date on AMR
  - set deactivation date on AuC
  - FI posting:
    - cr. AuC (WIP)
    - dr. APC (for AMR)
Asset Acquisition: Build

- Project costs collected in WBS <PS>

- WBS to AuC settlement <PS>
  - Must attach AMR shell(s) to Settlement Rules
    - AMR subnumbers will be used for funding distinction
    - Enables AMR update with capitalization date/values at time of settlement
    - Periodic (e.g. monthly) settlement of values from WBS to AuC

- AuC to AMR settlement <PS or AA>
  - Must attach final AMR shell(s)/existing AMR to Settlement Rules
    - AMR subnumbers will be used for funding distinction
    - Can be done when initial AuC shell created or immediately prior to AuC to AMR settlement
    - Enables AMR update with capitalization date/values at time of settlement
  - Generally, settlement done when asset is deemed complete
    - May be variations on settlement processing if asset is partially completed and put into service prior to ‘final’ completion
Asset Acquisition: Build

Asset Need Identified

- **WBS Element**
  - Asset Create Subnumber Program
    - <TCode: AS11_FMIM>

- **Asset Class Ind: Investment Measure Indicator**
  - Settlement rules
    - WBS – AuC
      - <CJ20N – Project Builder>
    - ‘Depreciation’ Posting
      - <TCode: AS01>
      - Asset Class Ind: No AuC or Summary mgmt of AuC

- **Create AMR (AuC) or Use Existing AMR (AuC)**
  - Create AMR
    - or
    - Attach Existing AMR
  - AGILE Asset
  - SAP: RE Object
  - SA: PM EMR

- **Update AMR**
  - Update AMR
    - (AuC)
    - ‘Final’ AMR
      - <CJ20N – Project Builder>

- **Depreciation Posting**
  - Retirement
  - Transfer
  - PS: Periodic Settlement *
    - <CJ8G - Collective Processing>
  - PS: ‘Final’ Settlement *
    - <CJ88 – Individual Processing>
AMR – Asset Value Display (Sample)

Sample detail if transactions available for AMR

Transactions

<table>
<thead>
<tr>
<th>ASSTVAL</th>
<th>DATE</th>
<th>AMOUNT</th>
<th>TTYPE</th>
<th>TRANSACTION NAME</th>
<th>CRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000</td>
<td>14.07.2008</td>
<td>100.00</td>
<td>STUP</td>
<td>External asset acquisition</td>
<td>USD</td>
</tr>
</tbody>
</table>
AA: Asset Financial Life Cycle

- During construction – AuC is determined to not be a Capital Asset:
  - What causes situation like this?
  - Volume of such situations per year?
Asset Acquisition: AuC and/or AMR no longer applicable

Not relevant to Capital Asset

WBS Element

Settlement rules WBS – AuC

PS: Periodic Settlement *

Settlement rules AuC – ‘final’ AMR

PS: ‘Final’ Settlement *

Update AMR (AuC)

General Journal Entry – if additional non AA adjustments req’d

Transfer

Relevant to LVA? Y

Update AMR

Retirement

N
AMR – Asset Value Display (Sample)

Sample detail if transactions available for AMR
Conversion Considerations:

- Outstanding Projects for:
  - Capital Assets will need to have AMR(s) and settlement rules attached:
    - WBS and AuC phase
  - Low Value Assets:
    - how to create and valuate assets needs further discussion
    - Initial discussions indicate that this is a very low volume occurrence
Asset Acquisition: Build

Reporting Requirements:

- ?
Asset Acquisition: Build

Training / Change Management Considerations:

- **Asset Master Record identification and classification:**
  - Need to identify the Asset Class correctly:
    - Many asset classes - need to select correct class
    - If incorrectly chosen - financial and corrective posting requirements
  - May need to use multiple asset classes for a project (e.g. infrastructure may be classified at a lower level such as roadways, bridges, etc.)
  - Assets that:
    - Meet Capital Asset criteria (e.g. movable equipment over $5000) require procurement via asset assignment path
      - Must be ‘fully valued’ AMR records
      - Do not meet Capital Asset criteria but must be tracked (e.g. movable equip. between $1000-4999.99, and items of interest < $1000 requiring tagging)
      - Will be manually created as LVA shells after Goods Receipt
  - Constructed assets will have unique AMR’s during:
    - Construction phase (i.e. AuC)
      *AuC’s can be ‘automatically’ created but will likely need edits for additional data*
    - Finished/In Service phase
      *Final AMR’s must be created manually*
    - Process to update AMR for additional info (e.g. serial number, inventory/tag number, tracking details, etc.)
  - Subnumber assets become very important – are used for funding distinction.
  - New transactions, screens, reports
Asset Acquisition: Build

Training / Change Management Considerations:

- **Transaction processing:**
  - **Two Procurement Paths:**
    - Capital Asset
    - Low Value Asset
  - Need to ensure that users post project relevant procurement items to WBS not to an asset or expense
  - Understanding processing impact and choosing correct Account Assignment
  - Requires specific processing flow to ensure financial postings are correct
    - e.g. WBS cost collection, periodic settlement to asset AuC(s), settlement to final AMR(s)
  - Linking correct AMR for Capital Asset procurement
  - Limited number of individuals who will do Project to Asset processing?
  - Report review to determine LVA asset creation/update requirements
  - Monitoring, more frequently at time of go-live, re: correct coding and master record updates (i.e. in MM and AA modules)
  - New transactions, screens, reports
Asset Acquisition: Build

Training / Change Management Considerations:

- **Considerations**
  - *Timing and procedure for AMR / EMR linkage still under discussion*
Acquisition via AA Transactions
(correction, non-cash acquisition, subsequent acquisitions, value adjustment, transfers)
Acquisition via AA Transactions:

Donation / Correction
Asset Acquisition: Donation or Correction

- Asset not in Asset Accounting database:
  - External Acquisition with Offsetting Entry
    - Correction of current year acquisition posting to non AMR record (e.g. expense account)
    - Addition of non-cash current year acquisition to asset database (e.g. donation)
    - Sets capitalization date for asset in the AMR and updates APC values
    - Can create unique ‘transaction types’ to identify the type addition (e.g. Donation, Inventory Correction, Seizure, etc.)
  - Post Capitalization
    - Correction of prior year acquisition posting to non AMR record (e.g. expense account)
    - Addition of non-cash prior year acquisition to asset database (e.g. donation)
    - Automatic ‘catch-up’ of accumulated depreciation
    - Can create unique ‘transaction types’ to identify the type addition (e.g. Donation, Inventory Correction, Seizure, etc.)
    - Must attach AMR (either new AMR shell created, use existing AMR shell or AMR record) at time of transaction initiation.
  - For prior year assets must use ‘post capitalization’ transaction/indicator to enable prior year asset capitalization date
Acquisition for (Current or Prior Year addition) via:

- Donation or Correction
  - What causes situation like this?
    - Art, Bldg, land, infrastructure, vehicles from federal programs, livestock, computer equip.
  - Volume of such situations per year?
    - Bldg / land / infrastructure - infrequent, others infrequent but in batches

- Donation - add value to Existing Asset
  - What causes situation like this (e.g. from subdivision developer, from non-State government, others?)
  - Volume of such situations per year?
Asset Acquisition: Donation or Correction (not in AA database – current yr. acq.)

Asset – Item Donated or Correction (current year)

Asset Transaction: Asset with Offsetting Entry

AMR

Capital Asset?

N

Y

(Manual Create and / or Update Existing AMR – including capitalization date and valuation)

(Create or Attach Existing AMR)

Sensor

Transfer

Depreciation Posting

Retirement

SAP: RE Object

SA: PM EMR

AGILE Asset

AMR

YN

auto update Cap date/ Valuation

SAP: RE Object

SA: PM EMR

AGILE Asset
Asset Acquisition: Donation or Correction (not in AA database – current yr. acq.)

Enter Asset Transaction: Acquis. w/Autom. Offsetting Entry

Company Code: M101
OEM Company, USA, Inc

Existing asset: 63009
Description: laptop for wbs 2

Asset Class
Cost Center

Transaction data

Document Date: 06.09.2004
Posting Date: 11.09.2004
Asset value date: 02.09.2004
Amount posted: 10,000.00 USD
Quantity:
Text: informative text here

Additional details

Special specif. for document
Posting Period
Document Type
Offsetting acct no.

Special specif. for transaction
Transaction Type
Trading Partner

Additional info on document
Reference: REF DOC #?
Allocation: for sort criteria

Note
AMR – Asset Value Display (Sample)

### Planned values

**Book depreciation**

<table>
<thead>
<tr>
<th>Value</th>
<th>Fiscal year start</th>
<th>Change</th>
<th>Year-end</th>
<th>Crty</th>
</tr>
</thead>
<tbody>
<tr>
<td>APC transactions</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Investment support</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Revaluation</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Transfer reserve</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Acquisition value</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Ordinary deprec.</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Special deprec.</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Unplanned dep.</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Write-up</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Value adjustment</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
</tbody>
</table>

No postings for selected fiscal year.

### Transactions

<table>
<thead>
<tr>
<th>AssetVal date</th>
<th>Amount</th>
<th>TType</th>
<th>Transaction type name</th>
<th>Crty</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.07.2008</td>
<td>100.00</td>
<td>100</td>
<td>External asset acquisition</td>
<td>USD</td>
</tr>
</tbody>
</table>
Asset Acquisition: Donation or Correction  (not in AA database – prior. acq.)

Asset – Item Donated or Correction  (prior year)

Asset Transaction: Post Capitalization

AMR with Post Cap. Indicator

Capital Asset?

N

Y

(Manual Create and/or Update Existing AMR – including capitalization date and valuation)

AMR

Transfer

Depreciation Posting

Retirement

(Create or Attach Existing AMR)

auto update Cap date/Valuation

SAP: RE Object

SA: PM EMR

AGILE Asset

SAP: RE Object

SA: PM EMR

AGILE Asset
Asset Acquisition: Donation or Correction (not in AA database – prior yr. acq.)
AMR – Asset Value Display (Sample)
Asset Acquisition: Donation (not in AA database – current yr. acq.)

TO-BE HIGH LEVEL PROCESS: Capital Asset Acquisition – Donation (current year transaction)
Asset Acquisition: Correction (not in AA database – current yr. acq.)

TO-BE HIGH LEVEL PROCESS: Capital Asset Acquisition – Correction (current year transaction)
Asset Acquisition: Correction (not in AA database – prior yr. acq.)

TO-BE HIGH LEVEL PROCESS: Capital Asset Acquisition – Correction (prior year transaction)
Conversion Considerations:

- Not applicable
Asset Acquisition: Donation or Correction (current or prior year)

Reporting Requirements:

- ?
Asset Acquisition: Donation or Correction (current or prior year)

Training / Change Management Considerations:

- **Asset Master Record identification and classification:**
  - Need to identify the Asset Class correctly:
    - Many asset classes - need to select correct class (e.g. Capital Asset vs. LVA classes)
    - If incorrectly chosen - financial and corrective posting requirements
  - Assets that:
    - Meet Capital Asset criteria (e.g. movable equipment over $5000) require procurement via asset assignment path
      - Must be ‘fully valued’ AMR records
    - Do not meet Capital Asset criteria but must be tracked (e.g. movable equip. between $1000-4999.99, and items of interest < $1000 requiring tagging)
      - Will be manually created as LVA shells after Goods Receipt
  - Process to update AMR for additional info (e.g. serial number, inventory/tag number, tracking details, etc.)
  - New transactions, screens, reports
Training / Change Management Considerations:

- **Transaction processing:**
  - **Two Procurement Paths:**
    - **Capital Asset**
      - Need to understand ‘offsetting’ account posting impacts
    - **Low Value Asset**
      - No transaction processing required
  - Understanding processing impact and choosing correct processing path:
    - Can have significant financial impact thus recommend limited access to these transactions
  - Linking correct AMR for Capital Asset procurement
  - Report review to determine LVA asset creation/update requirements
  - Monitoring, more frequently at time of go-live, re: correct coding and master record updates (i.e. in MM and AA modules)
  - New transactions, screens, reports
Training / Change Management Considerations:

- **Considerations**
  - **Volume/frequency of assets acquired via donation:**
    - Capital Assets?
    - Low Value Assets?
  - **Volume/frequency of assets corrections with current year acquisition:**
    - Capital Assets?
    - Low Value Assets?
  - **Volume/frequency of assets corrections with prior year acquisition:**
    - Capital Assets?
    - Low Value Assets?
  - **Timing and procedure for AMR / EMR linkage still under discussion**
Acquisition via AA Transactions

Subsequent Acquisitions
Subsequent Valuation: Additional Values

Training / Change Management Considerations:

- **Considerations**
  - *Volume/frequency of value additions:*
    - *Capital Assets?*
    - *Low Value Assets?*
Protégé Assets:
- Upgrades will be depreciated only if the upgrade is over $5,000. Protégé will add the upgrade to the depreciable basis and depreciation over the remaining life of the asset.
- For upgrades under $5000, the depreciation calculations will ignore upgrades and decreases, and use only the main asset’s original acquisition cost.

Review handling of the following scenarios:
- Item: $1000, Upgrade: $5001
- Item: $1000, Upgrade: $1000
- Item: $5001, Upgrade: $1000
- Item: $5001, Upgrade: $5000
- Item: $10000, Decrease: $4999
- Item: $10000, Decrease: $5001

- Confirm fields used in Protégé for this?
SLABS / Other Systems?: Real Property (depreciable):

- Building Improvements – depreciation starts over for addition for 40 years.
- Depreciable Land improvements
- Major Repairs do not affect the depreciation schedule of the building or depreciable land improvement.

- How is depreciation handled for additional value?
  - Major Repair (generally repairs are not a capital asset)
  - Improvement over $100,000 threshold
  - Improvement less than $100,000 threshold
Subsequent Valuation: Additional Values

Multiple methods of handling Capital Asset:

Scenario: Original Capital Asset = $1M, Additional Value = $200K

1. ADD VALUE TO EXISTING ASSET MASTER RECORD:
   – New AMR Valuation = $1.2 M, depreciation calculation increased by amount of additional value
     • Note: depreciation parameters cannot be changed without impacting depreciation calculation
   – AMR limitations: cannot track details of subsequent acquisition independently (e.g. cannot have multiple capitalization dates, investment reasons, sub categories, etc. on an asset), however, the transactional detail is maintained independently for each posting.

2. CREATE SUB-NUMBER ASSET RECORD (SAME ASSET CLASS only):
   – Original asset master record not changed
   – New Asset Master Record With Unique Depreciation Rules Created
   – Can ‘Roll-up’ Value Of Initial And Sub-number Asset Master Record

3. CREATE NEW ASSET MASTER RECORD (SAME or DIFFERENT ASSET CLASS):
   – Original asset master record not changed
   – New asset master record with unique depreciation rules created
   – Original asset and new asset do not have an automatic linkage (option to use ‘super-numbering’)
Subsequent Valuation: Additional Values

Multiple methods of handling Low Value Asset:

Scenario: Original Low Value Asset = $1 K, Additional Value = $2 K

1. **ADD VALUE TO EXISTING ASSET MASTER RECORD:**
   - Development item -- additional valuation field (similar to Protégé), will this work for SLAB assets?
     - Two value fields (to be created?): Original valuation, Current valuation
     - Two date fields (to be created?): Original acquisition, Current acquisition
   - AMR limitations: cannot track details of subsequent acquisition independently (e.g. cannot have multiple capitalization dates, investment reasons, sub categories, etc. on an asset), however, the transactional detail is maintained independently for each posting.

2. **CREATE SUB-NUMBER ASSET RECORD (SAME ASSET CLASS only):**
   - Original asset master record not changed
   - New Asset Master Record Created

3. **CREATE NEW ASSET MASTER RECORD (SAME or DIFFERENT ASSET CLASS):**
   - Original asset master record not changed
   - New Asset Master Record Created
   - Original asset and new asset do not have an automatic linkage (option to use ‘super-numbering’)
Asset Acquisition: Additional Values

Value to be added to Existing Asset?

Y

Add to Existing Asset

N

New AMR in same Asset Class as existing asset?

Y

Relationship to Main Asset as Sub-number Asset

N

Add as new Main number Asset

N

Add as Sub-number Asset
AMR – Asset Value Display (Sample)

Sample detail if transactions available for AMR
Acquisition via AA Transactions Value Decrease
Subsequent Valuation: Value Decrease

Asset Value Reduction:

– Unexpected permanent reduction in the worth of the asset (e.g. damage, technical obsolescence)

- Capital Assets: Transaction for Unplanned Depreciation:
  – Value adjustment – 1X posting adjusting asset value by increasing depreciation amount
    • Amount is identified on a separate line in the AMR value display and can be reported on
    • Can create unique ‘transaction types’ to identify the type of impairment (e.g. Hurricane X, Technical Revaluation, etc.)
    • Two step process:
      – Immediately: updates AMR asset value
      – Next depreciation posting: updates GL accounts
    • Access authorization should be limited

- LVA: AMR valuation field change
Subsequent Valuation: Value Decrease

Value Reductions:

- Capital Assets Value Reductions?
  - Frequency
  - Volume
  - Reason
    - e.g. GASB 42 due to hurricane, other?
  - Is there requirement to identify why valuation adjustment occurred?
    - IMPORTANT – post go-live additional TTTypes must be defined via Configuration (i.e. change request which must follow development/testing path to PROD)

- LVA Value Reductions?
  - Frequency
  - Volume
  - Reason
  - Is there requirement to identify why valuation adjustment occurred?
Subsequent Valuation: Value Decrease

Asset – Permanent Value Reduction)

Capital Asset?

Asset Transaction: Unplanned Depreciation

AMR (Edit)

AMR

Transfer

Depreciation Posting

Retirement

Update on AMR

Update GL accounts

Update on AMR

(Create or Attach Existing AMR)
AMR – Asset Value Display (Sample)
Subsequent Valuation: Value Decrease

TO-BE HIGH LEVEL PROCESS: Capital Asset – Value Decrease

- Asset Value Correction Identified
- Supporting Documentation forwarded to ? (Property Manager?, other?)
- AA database Update Approved?
- Non AA Processing
- Identify Existing AMR
- Process Asset Acquisition (Tcode: ABAA – Unplanned Depreciation)
- AMR review/edit?
- Display AMR? (Tcode: AS02)
- Edit AMR? (Tcode: AS02)
- End of Process
- End of Process
Subsequent Valuation: Value Decrease

Unplanned depreciation: Initial Screen

<table>
<thead>
<tr>
<th>Company Code</th>
<th>M101</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset</td>
<td>60069</td>
</tr>
<tr>
<td>Subnumber</td>
<td>0</td>
</tr>
</tbody>
</table>

Date specif.:

<table>
<thead>
<tr>
<th>Document Date</th>
<th>11.09.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Posting Date</td>
<td>11.09.2008</td>
</tr>
<tr>
<td>Posting Period</td>
<td>9</td>
</tr>
</tbody>
</table>

Transact.:

| Transaction Type | 640 Unplanned depreciation |

Create Asset Transaction: Unplanned depreciation on prior-year acquisition

<table>
<thead>
<tr>
<th>Asset</th>
<th>60069</th>
<th>Laptop for wbs 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Code</td>
<td>M101</td>
<td></td>
</tr>
<tr>
<td>Trans. Type</td>
<td>640</td>
<td>Unplanned...</td>
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</table>

Posting data:

<table>
<thead>
<tr>
<th>Amount posted</th>
<th>2000</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset valid date</td>
<td>04.09.2004</td>
<td></td>
</tr>
</tbody>
</table>

Additional details:

Text: Informative text here (50 char)

Reference: source doc #?
Conversion Considerations:

- Not applicable
Subsequent Valuation: Value Decrease

Reporting Requirements:

- ?
Subsequent Valuation: Value Decrease

Training / Change Management Considerations:

- **Asset Master Record identification:**
  - Need to select correct AMR for value adjustment

- **Valuation processing updates:**
  - Need to understand when an asset must have a value reduction recorded
    - Can have significant financial impact thus recommend limited access to this transaction
    - Need to understand transaction posting impacts for Capital Assets
    - Need to understand processing paths:
      - Capital Asset uses Unplanned Depreciation transaction
      - Low Value Asset update to master record valuation field.
  - New transactions, screens, reports
Acquisition via AA Transactions Value Increase
Subsequent Valuation: Value Increase

Asset Value Increase:
- Correction to excessively high depreciation in prior years, for example:
  - Use of incorrect depreciation terms (incorrect expected useful life, incorrect depreciation key) due to:
    - Unplanned depreciation, which is no longer valid in the current situation
    - A later reduction in the acquisition and production costs of an asset (for example, due to a subsequent credit memo)

- Capital Assets: Transaction for Write-up
  - Value adjustment – 1X posting which adjusts the asset value by decreasing the depreciation amount
  - Amount is identified on a separate line in the AMR value display and can be reported on
  - Can create unique transaction types to identify the type of increase.
  - One step process – immediately updates:
    - AMR asset value
    - GL accounts
  - Access authorization should be limited
- LVA: AMR valuation field change

NOTE: will be discussed in more detail in session FI-AA-007: Periodic Processing
AA: Asset Financial Life Cycle

- Capital Assets Valuation Increases?
  - Frequency
  - Volume
  - Reason
    - e.g. Insurance Recovery?
  - Is there requirement to identify why valuation adjustment occurred?
    - IMPORTANT – post go-live additional TTypes must be defined via Configuration (i.e. change request which must follow development/testing path to PROD)

- LVA Value Valuation Increases?
  - Frequency
  - Volume
  - Reason
  - Is there requirement to identify why valuation adjustment occurred?
Subsequent Valuation: Value Increase

Asset Value Adjustment - Increase

Capital Asset?

N

Y

Asset Transaction: Write-Up

AMR (Edit)

Transfer

Depreciation Posting

Retirement

AMR

Update on AMR

(Create or Attach Existing AMR)

General Journal Entry
e.g other non-AA entries
Subsequent Valuation: Value Increase

### Write-up: Initial Screen

| Company Code | 2109 |
| Asset        | 1000836 |
| Sub-number   | 0 |

<table>
<thead>
<tr>
<th>Date specif.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document date</td>
</tr>
<tr>
<td>Posting date</td>
</tr>
<tr>
<td>Period</td>
</tr>
</tbody>
</table>

### Create Asset Transaction: Write-up ordinary and special depreciation

<table>
<thead>
<tr>
<th>Display document</th>
<th>Dep. areas...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset</td>
<td>1000836</td>
</tr>
<tr>
<td>Company Code</td>
<td>2109</td>
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<tr>
<td>G/L Account</td>
<td>104999</td>
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<td>Trans.type</td>
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<table>
<thead>
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<th>Posting data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset val. date</td>
</tr>
<tr>
<td>Ord. dep.</td>
</tr>
<tr>
<td>Spec. dep.</td>
</tr>
<tr>
<td>Unplanned dep.</td>
</tr>
<tr>
<td>Reserves trans.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Additional details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Text</td>
</tr>
<tr>
<td>Document type</td>
</tr>
</tbody>
</table>
### AMR – Asset Value Display (Sample)

#### Asset Explorer

**Asset 0008-2/0000**

- **Depreciation Areas**
  - 01 Book depreciation
  - 50 Derived area

**Company Code**: 0008

- **Fiscal year**: 2008

#### Planned values

**Book depreciation**

<table>
<thead>
<tr>
<th>Value</th>
<th>Fiscal year start</th>
<th>Change</th>
<th>Year-end</th>
<th>CrCy</th>
</tr>
</thead>
<tbody>
<tr>
<td>APC transactions</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment support</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer reserve</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition value</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary depreci.</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special depreciation</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unplanned disp.</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write-up</td>
<td>USD</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Value Adjustment</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**No postings for selected fiscal year**

#### Sample detail if transactions available for AMR

**Transactions**

<table>
<thead>
<tr>
<th>AssetVal date</th>
<th>Amount</th>
<th>Type</th>
<th>Transaction type name</th>
<th>CrCy</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.07.2008</td>
<td>100.00</td>
<td>100</td>
<td>External asset acquisition</td>
<td>USD</td>
</tr>
</tbody>
</table>
Subsequent Valuation: Value Increase

TO-BE HIGH LEVEL PROCESS: Capital Asset – Value Increase

<table>
<thead>
<tr>
<th>Function</th>
<th>Supporting Documentation forwarded to? (Property Manager?, other?)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Asset Value Correction Identified</td>
</tr>
<tr>
<td></td>
<td>MA database Update Approved?</td>
</tr>
<tr>
<td></td>
<td>Non MA Processing</td>
</tr>
<tr>
<td></td>
<td>Identify Existing AMR</td>
</tr>
<tr>
<td></td>
<td>Capital Asset?</td>
</tr>
<tr>
<td></td>
<td>Process Asset Acquisition (To Code: ASO3 – Write-Up)</td>
</tr>
<tr>
<td></td>
<td>AMR reviewed/ edit?</td>
</tr>
<tr>
<td></td>
<td>Display AMR (To Code: ASO3)</td>
</tr>
<tr>
<td></td>
<td>Edit AMR (To Code: ASO2)</td>
</tr>
<tr>
<td></td>
<td>End of Process</td>
</tr>
<tr>
<td></td>
<td>End of Process</td>
</tr>
</tbody>
</table>
Subsequent Valuation: Value Increase

Conversion Considerations:

- Not applicable
Subsequent Valuation: Value Increase

Reporting Requirements:

- ?
Subsequent Valuation: Value Increase

Training / Change Management Considerations:

- **Asset Master Record identification:**
  - Need to select correct AMR for value adjustment

- **Valuation processing updates:**
  - Need to understand when an asset must have a value increase recorded:
    - Can have significant financial impact thus recommend limited access to this transaction
    - Need to understand transaction posting impacts for Capital Assets
    - Need to understand processing paths:
      - Capital Asset uses Unplanned Depreciation transaction
      - Low Value Asset update to master record valuation field.
  - New transactions, screens, reports
Acquisition via AA Transactions Transfers
Asset Acquisition: Transfer

- Capital Assets:
  - Receiving Asset:
    - New or Existing AMR
    - Capital Assets: Multiple ways to determine:
      - Valuation Dates (e.g. Capitalization, Depreciation)
      - Depreciation Terms
      - Values (APC and Depreciation)
  - Sending Asset:
    - Automatically ‘retired’ only if complete transfer

- Low Value Assets:
  - Need to discuss requirements further….

- Will be examined in more detail during:

<table>
<thead>
<tr>
<th>Workshop ID</th>
<th>Process Area</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI-AA-04</td>
<td>Transfer of Assets</td>
<td>Oct 21 (Tue)</td>
</tr>
</tbody>
</table>
Asset Acquisition: Transfer

- **Asset Transfer:**
  - Transfers APC and accompanying asset valuations
  - Complete or partial transfer
  - Must attach AMR (either new AMR shell created, use existing AMR shell or AMR record) at time of transaction initiation.

- **Corrections such as:**
  - Input error with financial implications:
    - Incorrect asset classes or another AMR in same asset class
    - Financial data element change – cost center, fund, functional area, business area

- **Trade-In(s)**
Asset Acquisition: Transfer to New AMR

Asset Transferred

Capital Asset?

Sending AMR

AMR (Edit)

Asset Transaction: Transfer

Receiving AMR: Create AMR or Attach Existing AMR

Update on AMR

(Create or Attach Existing AMR)

Depreciation Posting

Transfer

Retirement
AA: Asset Financial Life Cycle - Transfer
AMR – Asset Value Display (Sample)

<table>
<thead>
<tr>
<th>Transactions</th>
<th>Date</th>
<th>Amount</th>
<th>Type</th>
<th>Transaction Name</th>
<th>Ccy</th>
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<tbody>
<tr>
<td></td>
<td>14.07.2008</td>
<td>100.00</td>
<td>100</td>
<td>External asset acquisition</td>
<td>USD</td>
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</table>

Sample detail if transactions available for AMR

Planned values Book depreciation

<table>
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<tr>
<th>Value</th>
<th>Fiscal year start</th>
<th>Change</th>
<th>Year-end</th>
<th>Ccy</th>
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<tbody>
<tr>
<td>APC transactions</td>
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<td>USD</td>
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<tr>
<td>Investment support</td>
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<td>Revaluation</td>
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<tr>
<td>Transfer reserve</td>
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<tr>
<td>Acquisition value</td>
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<tr>
<td>Ordinary deprec.</td>
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<td>Special depreciation</td>
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<tr>
<td>Unplanned dep.</td>
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<td>Value up</td>
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Conversion Considerations:

- Not Applicable
Asset Acquisition: Transfer to New AMR

Reporting Requirements:

- ?
Acquisition via AA Transactions Capital Lease
Asset Acquisition: Capital Lease

- **Capital Lease:**
  - Appears to be limited number of capital leases (i.e. less than 10 identified)
  - Separate meeting to be arranged to discuss capital lease processing
.... SAP Security Considerations
SAP Security Considerations

- What considerations must be made for access restriction?
  - Transactions:
    - Acquisition w. Auto Offsetting Entry (i.e. corrections/donations current yr)
    - Post Capitalization (i.e. corrections prior year)
    - Unplanned Depreciation (e.g. value decrease adjustment such as impairment)
    - Write-up (e.g. value increase adjustment due to depreciation parameter error)
    - Create Asset Master Record
      - NOTE: ‘post cap’ indicator would require field level authorization
      - recommend that restriction at field level not be required rather have this as a training / business process issue
        » Risk should be low, will get an error if enter a current year date and can run periodic reports to identify assets created with a prior year capitalization date
Process Improvement Opportunities
(Pain Points)

- Opportunity to have Accounting and Project processes interact directly with Assets.
- Opportunity to build financial reporting, such as CAFR, in a more centralized and more automated manner.
- Depending on level of AMR detail - a more discrete asset record maintained (e.g. more useful for GASB 42 analysis)
Process Improvement Opportunities (Pain Points)

- ‘Homogenized’ business processes
- Consolidation of tangible assets with financials
- Data layout changes – fields relevant to type of asset
- Insurance Underwriting and Loss Prevention data availability
- Report consolidation
Leading Practices

- Asset Master Record Create/Update – business processes procedure to ensure data elements and values are updated appropriately
  - Restrict access only as required…
    - If too restrictive will become a ‘maintenance’ challenge
- Disallow direct journal postings to asset reconciliation accounts (i.e. all fixed asset financial updates must be done via the asset sub-ledger)
- Consistent handling of assets across the portfolio
- Limit access to sensitive transactions (e.g. asset valuation changes or corrections)
Next Steps

- Prepare and send out meeting minutes to invitees.
- Draft Design Document is prepared.
- Follow up on action items identified during the workshop.
- Schedule off-line meeting (s) to discuss areas of special concern
- Plan follow on workshops, as required.
- Plan validation workshop.
- Ensure all to-do’s are appropriately documented.
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