Asset: Transfers
FI-AA-04
Oct. 21, 2008

LaGOV

FINAL Version 1.0
Updated: Oct 20, 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 …</em></td>
<td>Oct 1 (Wed)</td>
</tr>
<tr>
<td></td>
<td><em>merged with Agile Assets)</em></td>
<td>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>
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<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>
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<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 Session</td>
<td>Dec 10 (Wed)</td>
</tr>
<tr>
<td></td>
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<td>Dec 11 (Thu)</td>
</tr>
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</table>
# Blueprint Schedule – Integration Points Tentative

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<thead>
<tr>
<th>Workshop ID</th>
<th>Process Area</th>
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</thead>
<tbody>
<tr>
<td>LA-MD-004</td>
<td>Linear Assets / AMR for GASB</td>
<td>Oct 2 (Thur)</td>
</tr>
<tr>
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<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>Nov 10 (Mon)</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: Additional working session for Capital Leases to be scheduled*
Work Session Objectives

1. Review SAP functionality for ‘transfer’ handling for Capital Assets and LVA:
   - Financial impact
   - Location/Ownership/Stewardship impact.

2. Review, at high level, process requirements for AMR Transfers:
   - Transfer Transaction
   - AMR field update.

3. Transfer transaction: Discuss fields that should be copied from sending to receiving asset (i.e. new asset master record).

AS IS.....
AS-IS

- Transfer Methods:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Inter-Departmental Transfer</td>
</tr>
<tr>
<td>2.</td>
<td>Intra-Departmental Transfer</td>
</tr>
<tr>
<td>3.</td>
<td>Retire to State Surplus</td>
</tr>
<tr>
<td>4.</td>
<td>Acquire from State Surplus</td>
</tr>
</tbody>
</table>
Moveable Property – tagged:
  – Sending agency:
    • Transfer request submitted to LPAA
    • LPAA decides to accept or reject the request. If accepted and transferred to another department, LPAA assigns Transfer fee
    • When receiving dept accepts receipt, the transfer is complete
  – Receiving agency:
    • Receive from another state agency or LPAA Surplus Warehouse
    • Need to acknowledge ‘receipt’
    • Need to ‘retag’ item (reason for retagging?)
    • At receipt – removed from sender and added to receiver inventory...
    what is time lag on this?

Non-tagged items to Surplus
  – Sending agency:
    • Entered into system by Transferring Agency and treated as a tagged item there after
Real Property (Land, Buildings, Improvements):

- **Sending agency:**
  - Agency sends notification of transfer to OSRAP
  - OSRAP changes the Department and Agency in the system and on their depreciation worksheet

- **Receiving agency:**
  - ORM, SLO, OSRAP, and FP&C receive notification
  - ORM impact – need to be notified for risk updates
  - SLO impact – need to be notified for documentation updates
Infrastructure:

- **Sending agency:**
  - Asset is fully depreciated and retired from books of transferring agency
  - Does this happen?

- **Receiving agency:**
  - Asset received with net book value of $0
AS IS: Value & Depreciation Calculation:
1. Asset Transferred Intra-Departmentally

- Moveable Property: Capital Assets
  - FREQUENCY?
  - Sending agency:
    - Has an ending capitalization date at the time of transfer
    - Current net book value is transferred with the asset
  - Receiving agency:
    - New asset’s current acquisition cost equals the depreciated value of the asset
    - Depreciation continues for the remainder of the asset’s financial life

- Moveable Property: LVA - no depreciation
  - FREQUENCY?
  - Sending agency:
    - Has an ending capitalization date at the time of transfer
    - Current net book value is transferred with the asset
  - Receiving agency:
    - New asset’s current acquisition cost equals the current acquisition cost of the asset
AS IS: Value & Depreciation Calculation:

1. Asset Transferred Intra-Departmentally

- **Real Property (Buildings, Land, Improvements):**
  - **FREQUENCY?**
  - **Sending agency:**
    - Has an ending capitalization date at the time of transfer. The current net book value is transferred with the asset
  - **Receiving agency:**
    - Asset is received at its current net book value
    - Depreciation for the full year of transfer occurs on the receiving agency at the end of that Fiscal Year
    - Depreciation continues for the remainder of the 40 years
    - Non depreciable Land, Improvements and Buildings – no depreciation impact

- **Infrastructure**
  - **FREQUENCY?**
  - **Sending agency:**
    - Takes all remaining depreciation of current year projects on that asset at the time of transfer to make Net Book Value = $0
  - **Receiving agency:**
    - Asset received with net book value of $0
Moveable Property: Capital Assets

- **FREQUENCY?**
- **Sending agency:**
  - Takes all remaining depreciation at time of transfer to make Net Book Value = $0
- **Receiving agency:**
  - New asset gets a current acquisition cost equal to transfer fee assigned by LPAA
  - If fee is greater than or equal to $5000, then it will be added to the depreciable basis (i.e. current NBV=$0) and depreciated over 2 years.
  - If fee is less than $5,000 the cost is expensed and not depreciated.

Moveable Property: LVA - No depreciation

- **FREQUENCY?**
- **Sending agency:**
  - Removes item from inventory with LPAA approval
- **Receiving agency:**
  - New asset gets a current acquisition cost equal to transfer fee assigned by LPAA.
  - The transfer fee is expensed and not depreciated
Real Property (Buildings, Land, Improvements):
- **FREQUENCY?**
- **Sending agency:**
  - Has an ending capitalization date at the time of transfer
  - Current net book value is transferred with the asset
- **Receiving agency:**
  - Asset is received at its current net book value
  - Depreciation for the full year of transfer occurs on the receiving agency at the end of that Fiscal Year
  - Depreciation continues depreciation for the remainder of the 40 years
  - Non depreciable Improvements and Buildings – no depreciation impact

**Infrastructure**
- **FREQUENCY?**
- **Sending agency:**
  - Takes all remaining depreciation of current year projects on that asset at the time of transfer to make the Net Book Value = $0
- **Receiving agency:**
  - Asset received with net book value of $0
Moveable Property: Capital Assets
- FREQUENCY?
- Sending agency:
  - Takes all remaining depreciation at time of transfer to make Net Book Value = $0
  - Identifies ‘pickup type’
- Receiving agency (i.e. LPAA):
  - Surplus receives asset at Net book value of $0

Moveable Property: LVA - no depreciation
- FREQUENCY?
- Sending agency:
  - LVA items do not depreciate in Protégé and therefore have a Net Book Value = $0
  - Identifies ‘pickup type’
- Receiving agency (i.e. LPAA):
  - Surplus receives asset at Net book value of $0
AS IS: Value & Depreciation Calculation:
3. Asset Transferred To Surplus

- **Real Property (Buildings, Land, Improvements):**
  - *Judicial, Legislative and Higher Education branches can ‘dispose (i.e. sell)’ assets on their own.*
  - *FREQUENCY? – Does this happen?*
  - *Sending agency:*
    - Has an ending capitalization date at the time of transfer
    - Current net book value is transferred with the asset
  - *Receiving asset (DOA?):*
    - Capitalization date and net book value transferred, depreciation continues
    - Non depreciable Improvements & Buildings – no depreciation impact

- **Infrastructure**
  - *FREQUENCY? – Does this happen?*
  - *Sending agency:*
    - Takes all remaining depreciation of current year projects on that asset at the time of transfer to make Net Book Value = $0
  - *Receiving asset (?????):*
    - *Wooster method currently fully depreciates projects at end of FY and brings net book value = $0*
Receiving agency:
- ‘Buys’ item from surplus stock in LPAA warehouse or Web auction
- Agencies do not ‘buy’ at periodic (i.e. monthly) auction
- Only certain individuals are allowed to buy ‘surplus’?

- **Moveable Property: Capital Assets**
  - FREQUENCY?
  - LPAA agency:
    - Takes all remaining depreciation at the time of transfer to make the Net Book Value = $0
  - Receiving agency:
    - Transfer fee < $5000 - Receives asset at Net Book Value = $0, no depreciation
    - Transfer fee >= $5000 – Receives asset at Net Book Value = Transfer Fee, depreciates 2 years

- **Moveable Property: LVA - no depreciation**
  - FREQUENCY?
  - LPAA agency:
    - Net Book Value = $0, No depreciation
  - Receiving agency:
    - Net Book Value = $0, No depreciation
Receiving agency:

- ‘Buys’ item from surplus??
- Only certain individuals are allowed to buy ‘surplus’?

- Real Property (Buildings, Land, Improvements):
  - FREQUENCY?
  - NOT APPLICABLE??

- Infrastructure
  - FREQUENCY?
  - NOT APPLICABLE??
AS IS: Value & Depreciation Calculation:
5. Asset Transferred to Non-State

NON-STATE:  This is a RETIREMENT: with revenue (i.e. sale) or without revenue (i.e. donation)...not a TRANSFER. Will be discussed during session on Oct 23.

- Moveable Property: Capital Assets & LVA - no depreciation
  - FREQUENCY?
  - Sending agency (i.e. LPAA):
    - Done only from surplus
    - LPAA can do 'sale'

- Real Property (Buildings, Land, Improvements):
  - FREQUENCY?
  - Sending agency:
    - Has an ending capitalization date at the time of transfer
    - Fully depreciated prior to transfer.

- Infrastructure
  - FREQUENCY?
  - Sending agency:
    - The transferring agency takes all remaining depreciation of current year projects on that asset at the time of transfer to make the Net Book Value = 0$
Protégé: additional considerations

- Protégé agencies are not equivalent to State agencies structure ....
  - But there is a walk over
    - What is reason/need for this difference?
    - Conversion implications?
.... TO BE
Asset Master Record: TO-BE Update

- Change in AMR approach for record maintenance:
  - Capital Assets will 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.
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 specify the fields that are displayed during master data maintenance and the field entry characteristics (e.g. required, optional, display only). Field entry characteristics are also referred to as ‘Field Status’.

- **Account Assignment** – Settings which determine 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.
- **Transaction Type (TType)** - An object that classifies the business transaction (e.g. acquisition, retirement, or transfer), determines how the transaction is processed in the SAP system and defines how the posting is reported in the asset history sheet (i.e. which column). All capital asset financial postings require a transaction type.
SAP Glossary

- **Transaction Variant:** A transfer variant is used in transfer transactions to identify the:
  - combination of retiring and acquiring transaction types
  - method of valuation for the receiving asset
  - data fields to be copied from the sending to the receiving asset (if a new AMR).

- **Transfer:** A transfer is a partial or complete movement of an asset from a physical, financial or responsibility / ownership perspective. This can include a change in tracking location, responsibility/ownership, splitting of an asset/moving part of an asset to another asset.

- **Transfer Transaction:** In SAP, this is used to record asset movements that have a financial impact. This can be due to account coding/funding, splitting up or moving part of an asset to another asset, or correction of a posting (e.g. to wrong asset class, financial recording).
  - Transfers without a financial/funding impact can often be recorded by a change to AMR field (e.g. room, proposed new fields for location, position/non-state person, unit, etc.)
  - There are special types of ‘transfers’ called ‘settlements’ which are used to move values (e.g. from WBS to AuC, AuC to final asset) – these use different business processes/SAP transactions.
Retirement: Asset retirement is the removal of an asset or part of an asset from the asset portfolio. In SAP, when a transaction results in an asset being 100% retired, the ‘deactivation on’ date for the asset is automatically updated.
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>
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<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
    - Master data
    - Depreciation areas

  - Asset Class: TEST
  - Company Code: 0008
  - Number of similar assets: 1

- **Change or Display an Asset Master Record**
  - Change Asset: Initial screen
    - Master data
    - Depreciation areas
    - Asset values

  - Asset
  - Sub-number: 0
  - Company Code: 0008

  - 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)*

<table>
<thead>
<tr>
<th>Asset</th>
<th>INTERN-06001</th>
<th>0</th>
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<tbody>
<tr>
<td>Class</td>
<td>ZTEST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Z_All fields open</td>
<td>Company Code</td>
</tr>
</tbody>
</table>

### General Data

**Description:**

**Asset main no. text:**

**Acct determination:**

2000 Buildings

### General Information

**Capital Asset:** auto update for capital asset transactions: detail completed dependent on transfer rules used (i.e., transaction type)

**LVA:** manual update of Capitalized field only

#### Receiving Asset

**Capital Asset:** auto update for capital asset transactions: detail completed dependent on transfer rules used (i.e., transaction type)

**LVA:** manual update of Capitalized field only

#### Sending Asset

**Capital Asset:** auto update if 100% transfer

**LVA:** investigating use of this or new field

- **Capitalized on:**
- **First acquisition on:**
- **Acquisition year:** 000
- **Deactivation on:**
- **Pdnd. retirement on:**
- **Ordered on:**
**AMR – Time Dependent Data** *(sample)*

<table>
<thead>
<tr>
<th>Asset</th>
<th>INTERN-00001</th>
<th>Z_All fields open</th>
<th>Company Code</th>
<th>0003</th>
</tr>
</thead>
</table>

### General
- **Business Area**: 3
- **Cost Center**:
- **Plant**:
- **Location**:
- **Room**: 1
- **Tax Jurisdiction**:
- **License plate number**:
- **Personal Number**:
- **Shift factor**:
- **Functional Area**:
- **Real Estate Key**:

### Time-dependent
- **Capital Assets**: Typically, require a transfer transaction to change.
- **LVA**: Typically, can do an AMR Change.
- **Activity Type**:
- **Int. order**:
- **Maintenance order**:

### Solid line fields:
- **Capital Assets**: Typically, require a transfer transaction to change.
- **LVA**: Typically, can do an AMR Change.

### Dotted line fields:
- **Capital Assets & LVA**: Typically, can do an AMR Change. Including new fields to be developed for tracking purposes.
- **Parish** (use reporting variance to report by districts)
- **Floor**
- **Location** (User defined location – moveable prop)
- **ORM Building** (s/b same as SLABS bldg #)
- **Unit Number** (vehicle classes)
- **ORM Location** *(ORM RE only)*?
- **Responsible Person** (for non-system employees - e.g. contractors and positions)

### Proposed for Development:
- Parish (use reporting variance to report by districts)
- Floor
- Location (User defined location – moveable prop)
- ORM Building (s/b same as SLABS bldg #)
- Unit Number (vehicle classes)
- ORM Location *(ORM RE only)*?
- Responsible Person (for non-system employees - e.g. contractors and positions)

### SAP Standard:
- Dept, Agency will be based on Financial Structure (e.g. Business Area, Cost Center)

---

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

Dotted line fields: Capital Assets & LVA: Require an AMR Change. Including new fields to be developed for tracking purposes.

PROPOSED FOR CONFIGURATION:
- Acquisition Method
- Disposition Method
- Status
- LPAA Approval Status
- OSRAP Group
- Classification
**AMR – Origins (Sample)**

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

**Origin**

- **Vendor**
- **Manufacturer**
- **Trading Partner**
- **Country of origin**
- **Type name**
- **Original asset**
- **Orig. Acquis. Year**
- **Original value**
- **Acq. on**

**PROPOSED FOR DEVELOPMENT (LVA):**

- Original Acquisition Cost
- Original Acquisition Date
- Current Acquisition Cost
- Current Acquisition Date
- PO number
- Vehicle Year (if needed…will be on EMR/Fleet)

**Dotted line fields:**

- Capital Assets & LVA: may use these or newly developed fields,
- manual update via AMR Change

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October 21, 2008

FI-AA-04 Transfer of Assets
AMR – Net Worth Tax, Insurance, Leasing (Samples)

Insurance Value, Date, Type=Appraisal or Replacement and Limited Text Info
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)

Receiving Asset: Capital Asset: detail completed dependent on transfer rules used (i.e., transaction type) LVA: no depreciation applicable
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 record details
  - Cannot manually update the Values tab fields
- Cannot configure screen layout or this 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)

Asset Explorer

- **Capital Asset:** e.g. automatically links to PO, if applicable
- **LVA:** not applicable for PO
- **Linkage (potentially, new field for manual entry)**

Sample detail if transactions available for AMR

<table>
<thead>
<tr>
<th>Transactions</th>
<th>AssetVal date</th>
<th>Amount</th>
<th>TType</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></td>
<td>External asset acquisition</td>
<td>USD</td>
</tr>
</tbody>
</table>
SAP Asset Transfers
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)

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

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

**Asset Master Record (AMR)**

**Retirement**
Asset: SAP Transfer

- **What is an asset ‘transfer’?**
  - Movement of ‘responsibility/stewardship’ or physical location
  - Movement of ownership, financial or funding values
  - Splitting up an asset/moving part of an asset to another asset
  - Correction for asset coding that cannot be changed (e.g. asset class, financially relevant data such as fund, cost center, grant, etc.)

- **One-step transaction which accomplishes both Asset Retirement and Asset Acquisition:**
  - Can be complete or partial
    - If complete – sending asset is retired (i.e. deactivated)
    - If new receiving asset – capitalization date is defined
Asset: SAP Transfer

- How are transfers accomplished?
  - Change AMR:
    • Change non financially relevant data field, such as those for stewardship, physical location, etc.
    • NO funding or financial impact (* cost center, business area have financial impact)
  - Transfer Transaction:
    • Movement of ownership, financial or funding values
    • Splitting up an asset/moving part of an asset to another asset
    • Correction for asset coding that cannot be changed (e.g. asset class, financially relevant data such as fund, cost center, grant, etc.)

Note: Moving values from WBS to AuC or from AuC to Final Asset Record is a transfer (however, this is done using separate ‘settlement’ processes not AA ‘Transfer’ transaction).
Asset Acquisition: Transfer

- Receiving Asset Dates/Valuation:
  - Defined by transaction types chosen (i.e. transfer variant)
  - Historical (i.e. based on sending asset) or transaction defined for:
    - Valuation Dates (e.g. Capitalization)
    - Depreciation Terms
    - Values (APC and Depreciation)

- Receiving Asset Data Field Copy:
  - Can define which fields get copied to receiving asset for each transfer variant
  - Caution: auto population of fields may result in less review/update of data
    - Some fields, like description line 1, manufacturer, type (e.g. model), serial number are ‘safe’ to transfer
Asset: SAP Transfer

- What does a transfer transaction do?
  - Check budget
  - Commit funds in the Funds Management module
  - Perform postings in the General Ledger
  - Update values on the AMR (e.g. sending asset – deactivation date, valuation; receiving asset – capitalization date, valuation)
    - Value updates follow generally accepted accounting principles
Asset: SAP Transfer

- **What does a ‘transfer transaction’ update on the AMR?**
  - **Sending Asset:**
    - Deactivated on date (if 100% transfer)
    - Values (asset value tab)
  - **Receiving Asset:**
    - Capitalization on date (if new AMR)
    - Original asset (i.e. sending AMR #)
    - Values (asset value tab)

- **How do other fields such as location, stewardship, status, etc. get updated?**
  - Must be entered manually on AMR (i.e. AMR Change transaction)
  - NB!!! for LVA shells: acquisition value/date fields will also need to be updated manually
Asset: Transfer

- IMPORTANT CONSIDERATIONS for Capital Assets:
  - Posting and AMR update requirements for sending and receiving assets must be carefully evaluated so that the correct transaction type (i.e. variant) is selected, for example:
    - should the historical depreciation start date/capitalization date be adopted from the retiring asset OR from the transaction detail
    - should historical acquisition and depreciation values get transferred, should only NBV be assigned to new acquisition value, etc.
AA: Single/Multiple Transfer Transaction
AA: Single/Multiple Transfer Transaction

**Partial Transfer**

**Multiple Assets Transfer**
AA: Mass Transfer Transaction

- Sending asset:
  - Select assets via report (i.e. Create a worklist)
    - Worklist can be created, displayed, changed
    - Select reason for worklist (i.e. Asset Transfer)
    - Enter Posting Date and Transfer Variant

- Target asset:
  - Can identify one target asset:
    - system transfers the values of all sending assets to this one asset.
  - If you do not enter a target asset:
    - system creates a receiving asset in the target company code for each sending asset, and transfers the values of each sending asset to a new asset.

NB:
- Can use workflow
- Only main asset numbers are created automatically during a mass transfer, therefore, sub-numbers are transferred to main numbers.
AMR – Asset Value Display (Sample) - after Transfer Transaction update

Sample detail if transactions available for AMR
TO-BE: Asset Transfers
Asset: Transfer

How will transfers be handled in SAP?

▪ Capital Assets:
  – Asset transaction required if:
    • Change or correction to ‘ownership’ or financial/funding values
    • Split/movement of part of an asset to another
    • NB! Will also require AMR change to update other fields.
  – AMR change if:
    • Change to non-financial field (e.g. most tracking location fields) are generally an AMR field update

▪ Low Value Assets:
  – AMR change:
    • AMR field updates to existing record (valuation not maintained on AMR, therefore, does not have same financial implications for CAFR reporting)
    • NB! May require new AMR (or update to sending and receiving AMR) if split/movement of part of an asset to another
Asset Acquisiton: Transfer

Asset Transferred

LVA- AMR (Create/Edit)

Capital Asset?

N

Sending AMR

AMR Change Transaction

Y

Asset Transaction: Transfer

* Create or Attach Existing AMR
* Limited updates on AMR

Depreciation Posting

Receiving AMR:

Transfer

Retirement
### Acquisition Methods (on receiving asset)

<table>
<thead>
<tr>
<th>Protégé:</th>
<th>SLABS:</th>
<th>Infrastructure</th>
<th>SAP Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Transfer</td>
<td>Agency Transfer</td>
<td>Acquired/Received from Inter-Department Agency Transfer</td>
<td></td>
</tr>
<tr>
<td>Agency Manufactured</td>
<td>Agency Manufactured</td>
<td></td>
<td>Acquired/Received from Intra-Department Agency Transfer</td>
</tr>
<tr>
<td>Birth</td>
<td>--</td>
<td>Birth</td>
<td></td>
</tr>
<tr>
<td>Donation</td>
<td>Donation</td>
<td>Donation</td>
<td></td>
</tr>
<tr>
<td>Federal Surplus</td>
<td>--</td>
<td>Federal Surplus</td>
<td></td>
</tr>
<tr>
<td>Loan</td>
<td>Loan / Insured Lease</td>
<td></td>
<td>Loan</td>
</tr>
<tr>
<td>Original Purchase</td>
<td>Original Purchase</td>
<td></td>
<td>Original Purchase</td>
</tr>
<tr>
<td>Seizure</td>
<td>Seizure</td>
<td>Seizure</td>
<td></td>
</tr>
<tr>
<td>State Surplus</td>
<td>--</td>
<td>Acquire from State Surplus</td>
<td></td>
</tr>
<tr>
<td>* LPFA/3rd party financing</td>
<td></td>
<td>* LPFA/3rd party financing</td>
<td></td>
</tr>
<tr>
<td>* Lease</td>
<td></td>
<td>* Lease</td>
<td></td>
</tr>
<tr>
<td>* Elective</td>
<td></td>
<td>* Elective</td>
<td></td>
</tr>
</tbody>
</table>

- Use ‘Investment Reason’ field on ‘Allocations’ tab:
  - Manual update of fields (via AMR Change)
  - Additional values, post go-live, via Change Control process
### Disposition Methods (on sending asset)

<table>
<thead>
<tr>
<th>Protégé:</th>
<th>SLABS:</th>
<th>Infrastructure</th>
<th>SAP Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Transfer</td>
<td>Agency Transfer</td>
<td>Retire to Inter-Departmental Agency Transfer</td>
<td>Retire to Intra-Departmental Agency Transfer</td>
</tr>
<tr>
<td>State Surplus</td>
<td>--</td>
<td>Retire to State Surplus</td>
<td></td>
</tr>
<tr>
<td>Dismantled for Parts</td>
<td></td>
<td>Dismantled for Parts</td>
<td></td>
</tr>
<tr>
<td>Scrap</td>
<td></td>
<td>Scrap</td>
<td></td>
</tr>
<tr>
<td>Stolen</td>
<td></td>
<td>Stolen</td>
<td></td>
</tr>
<tr>
<td>Deceased</td>
<td></td>
<td>Deceased</td>
<td></td>
</tr>
<tr>
<td>Trade In</td>
<td></td>
<td>Trade In</td>
<td></td>
</tr>
<tr>
<td>Inventory Adjustments</td>
<td></td>
<td>Impairment - Hurricane XXX</td>
<td></td>
</tr>
<tr>
<td>Lost</td>
<td></td>
<td>Lost</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unlocated 20XX (with value for each yr)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not applicable</td>
<td></td>
</tr>
</tbody>
</table>

- Use ‘Evaluation Group’ field (which will be relabeled) on ‘Allocations’ tab:
  - Manual update of fields (via AMR Change)
  - Additional values, post go-live, via Change Control process
Approval Status

- Use ‘Evaluation Group’ field (which will be relabeled) on ‘Allocations’ tab:
  - Manual update of fields (via AMR Change)
  - Additional values, post go-live, via Change Control process

- Consider setting as a restricted field?

<table>
<thead>
<tr>
<th>Protégé:</th>
<th>SLABS:</th>
<th>Infrastructure</th>
<th>SAP Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>LPAA Approved</td>
<td>???</td>
<td></td>
<td>LPAA Approved</td>
</tr>
<tr>
<td>LPAA Denied</td>
<td>???</td>
<td></td>
<td>LPAA Denied</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Other approved?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Other denied?</td>
</tr>
</tbody>
</table>
Pickup Status

<table>
<thead>
<tr>
<th>Protégé:</th>
<th>SLABS:</th>
<th>Infrastructure</th>
<th>SAP Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Picked up by LPAA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Delivered to LPAA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>As-Is / Where-Is</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>

Why is this important?

Consider:

- ‘Evaluation Group’ field (which will be relabeled) on ‘Allocations’ tab or create new field:
  - Manual update of fields (via AMR Change)
  - Additional values, post go-live, via Change Control process

- Use Description Line 2 on AMR
Asset: Transfer

- Further discussion required with LPAA and OSRAP:
  - Financial postings
  - Value updates
  - Transfer processing approval process

- Meeting scheduled with LPAA and OSRAP – Oct 29/08
Funding impact:

- Moveable Assets: Capital
- Moveable Assets: LVA – no depreciation
- Real Property (Land, Buildings, Improvements)
- Infrastructure

- What happens when Intra-Department transfer?
  - Is there a financial impact?
  - What about reimbursement information if future sale?

- What happens when Inter-Department transfer?
  - Is there a financial impact?
  - What about reimbursement information if future sale?
Asset: Transfer

For each of:
- Moveable Asset – Capital Asset
- Moveable Asset – LVA
- Real Property
- Infrastructure

1. **Asset Transferred Intra-Departmentally**
2. Asset Transferred Inter-Departmentally
3. Asset Transferred To Surplus
4. Asset Transferred From Surplus (to Agency)
5a. Asset Transferred to Non-State
5b. Asset Transferred to Non-LAGov project entity
6a. Error Correction – Financial impact
6b. Error Correction – No Financial Impact
TO BE: Value & Depreciation Calculation:

1. Asset Transferred Intra-Departmentally

- **Moveable Property: Capital Assets**
  - **Sending agency:**
    - Agency property manager or designate initiates
    - Process transfer transaction
      - Property manager or designate?
    - Update AMR – sending
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: effectively NBV of $0
      - Asset depreciation: may have adjustment for month of transfer – depn run
  - **Receiving agency:**
    - Update AMR – receiving
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: effectively NBV of transferred asset at time of transfer
      - Asset depreciation: assumes balance of useful life

- **No transfer fee assessed to receiving agency.**

- **Process will change (e.g. report reviews and AMR updates)**
  - If many updates, may want to use ‘Mass AMR Change’ functionality
TO BE: Value & Depreciation Calculation:
1. Asset Transferred Intra-Departmentally

- Moveable Property: LVA - no depreciation
  - **Sending agency:**
    - Agency property manager initiates
    - Process transfer transaction
      - Property manager or designate?
    - Update AMR – sending
      - Property manager or designate?
    - **Asset Valuation:**
      - Asset end date: date of transfer
      - Asset value: effectively NBV of $0
      - Asset depreciation: not applicable
  - **Receiving agency:**
    - Update AMR – receiving
      - Property manager or designate?
    - **Asset Valuation:**
      - Asset end date: date of transfer
      - Asset value: effectively NBV of transferred asset at time of transfer
      - Asset depreciation: not applicable

- No transfer fee assessed to receiving agency.

- Process will change (e.g. report reviews and AMR updates)
  - If many updates, may want to use ‘Mass AMR Change’ functionality
TO BE: Value & Depreciation Calculation:
1. Asset Transferred Intra-Departmentally

- **Real Property (Buildings, Land, Improvements):**
  - **Sending agency:**
    - Agency facility manager or designate?
    - FPC, ORM, SLO, OSRAP must be advised
    - SLO must provide approval
    - Update ??? approval / denied status
      - ??? – title/position
    - OSRAP processes transfer
    - Process transfer transaction
      - OSRAP designate?
    - Update AMR – sending
      - OSRAP designate?
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: effectively NBV of $0. Current net book value is transferred with the asset
      - Asset depreciation: may have adjustment for month of transfer – depn run
  - **Receiving agency:**
    - Update AMR – receiving
      - OSRAP designate?
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: effectively NBV of transferred asset at time of transfer
      - Asset depreciation: assumes balance of useful life. Depreciation for full year of transfer occurs for receiving agency at end of that Fiscal Year. Depreciation continues for remainder of the 40 years.
    - Non depreciable Land, Improvements and Buildings – no depreciation impact

- **No transfer fee assessed.**

- **Process will change (e.g. report reviews and AMR updates)**
  - If many updates, may want to use ‘Mass AMR Change’ functionality
TO BE: Value & Depreciation Calculation:
1. Asset Transferred Intra-Departmentally

- **Infrastructure**
  - **Sending agency:**
    - Agency property manager initiates?
    - OSRAP & ??? must be advised
    - ??? must provide approval
    - Update ??? approval / denied status
      - ??? – title/position
    - Process transfer transaction
      - Property manager or designate?
    - Update AMR – sending
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: effectively NBV of $0. Current net book value is transferred with the asset
      - Asset depreciation: may have adjustment for month of transfer – depn run
  - **Receiving agency:**
    - Update AMR – receiving
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: effectively NBV of transferred asset at time of transfer
      - Asset depreciation: assumes balance of useful life.

- **No transfer fee assessed.**

- **Process will change (e.g. report reviews and AMR updates)**
  - If many updates, may want to use ‘Mass AMR Change’ functionality
  - Valuation (i.e. currently: sending takes all depn immediately, receiving gets asset @ $0)
Asset: Transfer

For each of:
  – Moveable Asset – Capital Asset
  – Moveable Asset – LVA
  – Real Property
  – Infrastructure

1. Asset Transferred Intra-Departmentally
2. **Asset Transferred Inter-Departmentally**
3. Asset Transferred To Surplus
4. Asset Transferred From Surplus (to Agency)
5a. Asset Transferred to Non-State
5b. Asset Transferred to Non-LAGov project entity
6a. Error Correction – Financial impact
6b. Error Correction – No Financial Impact
TO BE: Value & Depreciation Calculation:

2. Asset Transferred Inter-Departmentally

- **Moveable Property: Capital Assets**
  
  **Sending agency:**
  - Agency property manager initiates
  - LPAA must provide approval
  - Update LPAA approval / denied status
    - LPAA – title/position
  - Process transfer transaction
    - Property manager or designate?
  - Update AMR – sending
    - Property manager or designate?
  - Asset Valuation:
    - Asset end date: date of transfer
    - Asset value: effectively NBV of $0
    - Asset depreciation: may have adjustment for month of transfer – depn run

  **Receiving agency:**
  - Update AMR – receiving
    - Property manager or designate?
  - Asset Valuation:
    - Asset end date: date of transfer
    - Asset value: effectively NBV of transferred asset at time of transfer
    - Asset depreciation: assumes balance of useful life

- **Transfer Fee:???

- **Process will change (e.g. report reviews and AMR updates)**
  - If many updates, may want to use ‘Mass AMR Change’ functionality
  - Valuation change (i.e. currently: sending takes all depn immediately, receiving gets asset @ transfer fee and depreciates over 2 yrs if > than $5000)
TO BE: Value & Depreciation Calculation:
2. Asset Transferred Inter-Departmentally

- **Moveable Property: LVA - No depreciation**
  - **Sending agency:**
    - Agency property manager initiates?
    - LPAA must provide approval
    - Update LPAA approval / denied status
      - LPAA – title/position
    - Process transfer transaction
      - Property manager or designate?
    - Update AMR – sending
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: effectively NBV of $0
      - Asset depreciation: not applicable

  - **Receiving agency:**
    - Update AMR – receiving
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: effectively NBV of transferred asset at time of transfer
      - Asset depreciation: not applicable

- **Transfer Fee:???
- Process will change (e.g. report reviews and AMR updates)**
  - If many updates, may want to use ‘Mass AMR Change’ functionality
  - Valuation change (i.e. currently: sending deactivated, receiving gets asset @ transfer fee)
Real Property (Buildings, Land, Improvements):
  – **Sending agency:**
    • Agency property manager initiates?
    • ??? must provide approval
    • FC&P, ORM, SOL, OSRAP & ??? must be advised
    • Process transfer transaction
      – Property manager or designate?
    • Update AMR – sending
      – Property manager or designate?
    • Update ??? approval / denied status
      – ??? – title/position
    • Asset Valuation:
      – Has an ending capitalization date at the time of transfer
      – Current net book value is transferred with the asset
  – **Receiving agency:**
    • Update AMR – receiving
      – Property manager or designate?
    • Asset Valuation:
      – Asset is received at its current net book value
      – Depreciation for the full year of transfer occurs on the receiving agency at the end of that Fiscal Year
      – Depreciation continues depreciation for the remainder of the 40 years
      – Non depreciable Improvements and Buildings – no depreciation impact

- No transfer fee assessed.

- Process will change (e.g. report reviews and AMR updates)
  – If many updates, may want to use ‘Mass AMR Change’ functionality
TO BE: Value & Depreciation Calculation:

2. Asset Transferred Inter-Departmentally

- **Infrastructure**
  - **Sending agency:**
    - Agency property manager initiates?
    - ??? must provide approval
    - FC&P, ORM, SOL, OSRAP & ??? must be advised
    - Process transfer transaction
      - Property manager or designate?
    - Update AMR – sending
      - Property manager or designate?
    - Update ??? approval / denied status
      - ??? – title/position
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: effectively NBV of $0. Current net book value is transferred with the asset
      - Asset depreciation: may have adjustment for month of transfer – depn run
  - **Receiving agency:**
    - Update AMR – receiving
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: effectively NBV of transferred asset at time of transfer
      - Asset depreciation: assumes balance of useful life.

- **No transfer fee assessed.**

- **Process will change (e.g. report reviews and AMR updates)**
  - If many updates, may want to use ‘Mass AMR Change’ functionality
  - Valuation (i.e. currently: sending takes all depn immediately, receiving gets asset @ $0)
Asset: Transfer

For each of:

- Moveable Asset – Capital Asset
- Moveable Asset – LVA
- Real Property
- Infrastructure

1. Asset Transferred Intra-Departmentally
2. Asset Transferred Inter-Departmentally

3. **Asset Transferred To Surplus**

4. Asset Transferred From Surplus (to Agency)
5a. Asset Transferred to Non-State
5b. Asset Transferred to Non-LAGov project entity

6a. Error Correction – Financial impact
6b. Error Correction – No Financial Impact
Moveable Property: Capital Assets

Sending agency:
- Agency property manager initiates?
- Identifies 'pickup type'
- LPAA must provide approval
- Process transfer transaction
  - Property manager or designate?
- Update AMR – sending
  - Property manager or designate?
- Update LPAA approval / denied status
  - LPAA – title/position
- Asset Valuation:
  - Asset end date: date of transfer
  - Asset value: effectively NBV of $0
  - Asset depreciation: may have adjustment for month of transfer – depn run

Proceeds if sold – does this need to be assigned to asset for gain/loss posting? How will this be done? How frequent is $ amount significant?

Receiving agency (LPAA):
- Update AMR – receiving
  - Property manager or designate?
- Asset Valuation:
  - Asset end date: date of transfer
  - Asset value: NBV of $0
  - Asset depreciation: not applicable

No transfer fee assessed.

Process will change (e.g. report reviews and AMR updates)
- If many updates, may want to use ‘Mass AMR Change’ functionality
3. Asset Transferred To Surplus

- Moveable Property: LVA - no depreciation
  - **Sending agency:**
    - Agency property manager initiates?
    - Identifies 'pickup type'
    - LPAA must provide approval
    - Update LPAA approval / denied status
      - LPAA – title/position
    - Process transfer transaction
      - Property manager or designate?
    - Update AMR – sending
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: effectively NBV of $0
      - Asset depreciation: not applicable
    - Proceeds if sold – does this need to be assigned to asset for gain/loss posting? How will this be done? How frequent is $ amount significant?
  - **Receiving agency (LPAA):**
    - Update AMR – receiving
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: NBV of $0
      - Asset depreciation: not applicable

- No transfer fee assessed.

- Process will change (e.g. report reviews and AMR updates)
  - If many updates, may want to use ‘Mass AMR Change’ functionality
Real Property (Buildings, Land, Improvements):
  - **Sending agency:**
    - Agency property manager initiates?
    - Process transfer transaction
      - Property manager or designate?
    - ??? must provide approval
    - Update ??? approval / denied status
      - ??? – title/position
    - FC&P, ORM, SOL, OSRAP & ??? must be advised
    - Update AMR – sending
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date
      - Asset value
      - Asset depreciation
  
  - **Receiving agency:**
    - Update AMR – receiving
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date
      - Asset value
      - Asset depreciation

- No transfer fee assessed.

- Process will change (e.g. report reviews and AMR updates)
  - If many updates, may want to use ‘Mass AMR Change’ functionality
TO BE: Value & Depreciation Calculation:
3. Asset Transferred To Surplus

- **Infrastructure**
  - *Sending agency:*
    - Agency property manager initiates?
    - Identifies ‘pickup type’
    - ??? must provide approval
    - Update ??? approval / denied status
      - ??? – title/position
    - FC&P, ORM, SOL, OSRAP & ??? must be advised
    - Process transfer transaction
      - Property manager or designate?
    - Update AMR – sending
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date
      - Asset value
      - Asset depreciation

  - *Receiving agency:*
    - Update AMR – receiving
      - Property manager or designate?
    - Asset Valuation:
      - Asset end date
      - Asset value
      - Asset depreciation

- No transfer fee assessed.

- Process will change (e.g. report reviews and AMR updates)
  - If many updates, may want to use ‘Mass AMR Change’ functionality
Asset: Transfer

For each of:

- Moveable Asset – Capital Asset
- Moveable Asset – LVA
- Real Property
- Infrastructure

1. Asset Transferred Intra-Departmentally
2. Asset Transferred Inter-Departmentally
3. Asset Transferred To Surplus
4. **Asset Transferred From Surplus (to Agency)**
5a. Asset Transferred to Non-State
5b. Asset Transferred to Non-LAGov project entity
6a. Error Correction – Financial impact
6b. Error Correction – No Financial Impact
TO BE: Value & Depreciation Calculation:
4. Asset Transferred From Surplus (to Agency)

Receiving agency:
- ‘Buys’ item from surplus stock in LPAA warehouse or Web auction
- Does not ‘buy’ at periodic (i.e. monthly) auction
- Only certain individuals are allowed to buy ‘surplus’?

- Moveable Property: Capital Assets
  - LPAA agency:
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: NBV of asset already $0
      - Asset depreciation – not applicable
    - Sale (i.e. Transfer Fee) charged to receiving agency
  
  - Receiving agency:
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: (i.e. Transfer Fee) charged to receiving agency
      - Asset depreciation: not applicable

- Very infrequent that Transfer Fee >$5000, generally, would be LVA

- Transfer fee (i.e. sale amount) assessed to receiving agency.
TO BE: Value & Depreciation Calculation:
4. Asset Transferred From Surplus (to Agency)

Receiving agency:
- ‘Buys’ item from surplus stock in LPAA warehouse or Web auction
- Does not ‘buy’ at periodic (i.e. monthly) auction
- Only certain individuals are allowed to buy ‘surplus’?

- **Moveable Property: LVA - no depreciation**
  - LPAA agency:
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: NBV of asset already $0
      - Asset depreciation – not applicable
      - Sale (i.e. Transfer Fee) charged to receiving agency
  - Receiving agency:
    - Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: (i.e. Transfer Fee) charged to receiving agency
      - Asset depreciation: not applicable
    - Treat as new LVA

- Transfer fee (i.e. sale amount) assessed to receiving agency.
Receiving agency:

- ‘Buys’ Item from surplus stock in LPAA warehouse or Web auction
- Does not ‘buy’ at periodic (i.e. monthly) auction
- Only certain individuals are allowed to buy ‘surplus’?

- Real Property (Buildings, Land, Improvements):
  - ??? agency:
    • Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: NBV of asset already $0
      - Asset depreciation – not applicable
  - Receiving agency:
    • Asset Valuation:
      - Asset end date: date of transfer
      - Asset value: ‘Sale’ charged to receiving agency
      - Asset depreciation: ????
    • Non depreciable Improvements and Buildings – no depreciation impact

- Transfer fee (i.e. sale amount) assessed to receiving agency???
TO BE: Value & Depreciation Calculation:
4. Asset Transferred From Surplus (to Agency)

**Receiving agency:**
- ‘Buys’ Item from surplus stock in LPAA warehouse or Web auction
- Does not ‘buy’ at periodic (i.e. monthly) auction
- Only certain individuals are allowed to buy ‘surplus’?

**Infrastructure**
- ??? agency:
  - Asset Valuation:
    - Asset end date: date of transfer
    - Asset value: NBV of asset already $0
    - Asset depreciation – not applicable
  - Sale charged to receiving agency???

- Receiving agency:
  - Asset Valuation:
    - Asset end date: date of transfer
    - Asset value: ‘Sale’ charged to receiving agency
    - Asset depreciation: not applicable???

**Transfer fee (i.e. sale amount) assessed to receiving agency???
Asset: Transfer

For each of:

- Moveable Asset – Capital Asset
- Moveable Asset – LVA
- Real Property
- Infrastructure

1. Asset Transferred Intra-Departmentally
2. Asset Transferred Inter-Departmentally
3. Asset Transferred To Surplus
4. Asset Transferred From Surplus (to Agency)
5a. Asset Transferred to Non-State
5b. Asset Transferred to Non-LAGov project entity
6a. Error Correction – Financial impact
6b. Error Correction – No Financial Impact
NON-STATE:

- This is a RETIREMENT: with revenue (i.e. sale) or without revenue (i.e. donation)…not a TRANSFER. Will be discussed during session on Oct 23.

  - Moveable Property: Capital Assets & LVA - no depreciation

  - Real Property (Buildings, Land, Improvements):

    - Infrastructure
TO BE: Value & Depreciation Calculation:
5b. Asset Transferred to Non-LAGov project entity

**Non-LAGov project entity:**

- *Issue logged and is with management.*
- *Until management decision: will treat these as RETIREMENT: with without revenue. Will be discussed during session on Oct 23.*

  - Moveable Property: Capital Assets & LVA - no depreciation
  
  - Real Property (Buildings, Land, Improvements):
  
  - Infrastructure
Asset: Transfer

For each of:
- Moveable Asset – Capital Asset
- Moveable Asset – LVA
- Real Property
- Infrastructure

1. Asset Transferred Intra-Departmentally
2. Asset Transferred Inter-Departmentally
3. Asset Transferred To Surplus
4. Asset Transferred From Surplus (to Agency)
5a. Asset Transferred to Non-State
5b. Asset Transferred to Non-LAGov project entity

6a. Error Correction – Financial impact
6b. Error Correction – No Financial Impact
TO BE: Value & Depreciation Calculation:  
6a. Error Correction

Capital Assets:

- Correct an input error (which has financial implications) – Transfer Transaction:
  - Incorrect asset classes or another AMR in same asset class
  - Financial data element change – cost center, fund, functional area, business area Real Property (Buildings, Land, Improvements)

- Dependent on timing of error observation:
  - If same fiscal year:
    - Reverse original entry
    - Create correcting entry
    - Create and/or Change AMR
    
    OR
    - Process Asset with Offsetting Entry (offset g/l against incorrect g/l)
    - Create and/or Change AMR
  
  - If different fiscal year:
    - ???
    - May require multiple steps depending on type of error including:
      - Create retirement for receiving asset
      - Process Post Capitalization (offset g/l against incorrect g/l) for correcting entry(s)
      - Create and/or Change AMR
    
    - Recommend financial advice for this type of correction
TO BE: Value & Depreciation Calculation:

6a. Error Correction – Financial impact

- Correct an input error (which has financial implications) – Transfer Transaction (Capital Assets) & AMR Change:
  - **Sending agency:**
    - Agency property manager initiates?
    - Process correcting transactions
      - Property manager or designate?
    - ??? must provide approval
    - Update ??? approval / denied status
      - ??? – title/position
    - FC&P, ORM, SOL, OSRAP & ??? must be advised
    - Update AMR – sending
      - Property manager or designate?
    - **Asset Valuation: as if error had not occurred**
      - Asset end date
      - Asset value
      - Asset depreciation
  - **Receiving agency:**
    - Update AMR – receiving
      - Property manager or designate?
    - **Asset Valuation: as if error had not occurred**
    - Asset end date
      - Asset value
      - Asset depreciation

- No Transaction Fee assessed.

- Process will change (e.g. report reviews and AMR updates)
  - If many updates, may want to use ‘Mass AMR Change’ functionality
Capital Assets or LVA:

- Correct an input error (which has no financial implications) – AMR Change:
  - Update fields
  - **Sending agency:**
    - Agency property manager initiates?
    - Process transfer transaction
      - Property manager or designate?
    - ???? must provide approval
    - FC&P, ORM, SOL, OSRAP & ???? must be advised
    - Update AMR – sending
      - Property manager or designate?
    - Update ???? approval / denied status
      - ???? – title/position
    - Asset Valuation (LVA only)
      - Asset end date
      - Asset value
  - **Receiving agency:**
    - Update AMR – receiving
      - Property manager or designate?
    - Asset Valuation (LVA only):
      - Asset end date
      - Asset value

- Process will change (e.g. report reviews and AMR updates)
  - If many updates, may want to use ‘Mass AMR Change’ functionality
Asset: Transfers

- Moveable Assets: Capital or LVA – no depreciation:
  - What is significance of these fields?
    - From/To Person
    - From/To Agency
    - Pickup type (including address of pickup in remarks section)
    - Remarks…
      - Receiver
      - Rec’d Date
  - Other considerations?

- Real Property (Land, Buildings, Improvements):
  - Other considerations?
  - Is there a legal document for title change?

- Infrastructure:
  - Other considerations?
Conversion Considerations:

- Not Applicable for Yr End Conversion
  - Will need to consider transactional requirements for Mid-Year Conversion.
Asset: Transfers

Reporting Requirements:

- **Protégé:**
  - Monthly Transfer Report
  - Transfer Details
  - Additions Report (by Acquisition Date or Creation Date)
  - Deletions Report
  - Change Report
  - ???

- **SLABS:**
  - No transfer report

- **INFRASTRUCTURE:**
  - ???
…. SAP Security Considerations
SAP Security Considerations

- What considerations must be made for access restriction?
  - Transfer Transaction
    - ???
  - AMR Change:
    - ???
    - Field specific: LPAA / Other ???? approval status
  - Post Capitalization
    - Agency financial personnel
  - Acquisition with Offsetting Entry
    - Agency financial personnel
  - Other?
Process Improvement Opportunities (Pain Points)

- Opportunity to have Accounting 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)
- ‘Homogenized’ business processes
- Consolidation of tangible assets with financials
Leading Practices

- **Transfers follow GAAP rules for accounting postings**
- 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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