Logistics

Before we get started ...
<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>(note: Oct 2 is for Infrastructure assets only … merged with Agile Assets)</td>
<td>Oct 1 (Wed)</td>
</tr>
<tr>
<td></td>
<td></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>
</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</td>
</tr>
<tr>
<td></td>
<td>(Wed, Thur, Tues)</td>
<td>(Thur)</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</td>
</tr>
<tr>
<td></td>
<td>(Tue - Thur)</td>
<td>(Thur)</td>
</tr>
<tr>
<td>FI-RE-004</td>
<td>Right of Way Parcels</td>
<td>Nov 13 (Thur)</td>
</tr>
<tr>
<td>LOG-MM-009</td>
<td>Purchase Requisitions – Assets</td>
<td>Oct xx</td>
</tr>
<tr>
<td>FI-PS-009</td>
<td>Capital Projects – Periodic Processing</td>
<td>Nov 12-13</td>
</tr>
<tr>
<td></td>
<td>(Wed -Thur)</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Additional working session for Capital Leases to be scheduled*
Work Session Objectives

1. Review SAP functionality for ‘retirement’ handling for Capital Assets and LVA:
   – Financial impact
   – Accounting for gain/loss and handling of proceeds
   – AMR updates

2. Define the ‘to-be’ process for asset retirements:
   – Retirement Transactions:
     ▪ Retirement without Revenue (i.e. disposal, demolition, donation, lost, etc.)
     ▪ Retirement by Sale:
       ▪ With Revenue (i.e. Immediate payment)
       ▪ With Customer (i.e. Sale is recorded as a Receivable)
   – AMR Update:
     ▪ AMR Change (i.e. field updates)

3. Identify unique requirements for posting retirements and proceeds for surplus assets.

4. Security (Roles & Authorization) Requirements?
AS IS
## Retirement: Disposal Methods

<table>
<thead>
<tr>
<th>Moveable Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deceased (livestock)</td>
</tr>
<tr>
<td>Dismantle for Parts</td>
</tr>
<tr>
<td>Invoice Adjustment</td>
</tr>
<tr>
<td>Lost 3rd Yr Disc</td>
</tr>
<tr>
<td>Scrap</td>
</tr>
<tr>
<td>Stolen</td>
</tr>
<tr>
<td>Trade In</td>
</tr>
</tbody>
</table>
Disposals – Moveable Property

- Non-Tagged items are entered into Protégé by the agency.
- Agency submits “Disposal Request”
  - Disposal Remarks: on the request include the condition or explanation for disposal. This field applies to all items on a multi-line disposal request.
- Request goes to LPAA for review / approval
- Approved disposals automatically create a disposal entry in the accounting tab and populate the Disposal fields on the Disposition tab on the asset detail.
  - Disposition Date – The transaction date of the “Final Disposition” entry from the accounting tab.
  - Disposition Method - The transaction method of the “Final Disposition” entry from the accounting tab.
  - Disposition Proceeds - The transaction amount of the “Final Disposition” entry from the accounting tab.
- Protégé uses the fund breakdown to calculate the required reimbursement to the transferring agency. This takes place when the item is sold from the Surplus Module, and will be implemented through a report.
.... 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.
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 of 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.
SAP Glossary

- Retirement: Asset retirement is the removal of an asset or part of an asset from the asset portfolio. When an asset is 100% retired, the deactivation date for the asset should be defined.
Asset Financial Life Cycle

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

Asset Movement or Change

Asset Master Record (AMR)
Asset Master Record

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

- Method by which detailed general & financial information is stored for each asset.

- What type of information can be stored on an AMR?

<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>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</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>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Reference

- Asset
- Sub-number
- Company code

- 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-00001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class</td>
<td>ZTEST</td>
</tr>
<tr>
<td>Allocations</td>
<td>Z_All fields open</td>
</tr>
<tr>
<td>Company Code</td>
<td>9008</td>
</tr>
</tbody>
</table>

#### General Data

- **Description**: 
- **Asset main no. text**: 
- **Acct determination**: 2000 Buildings
- **Serial number**: 
- **Inventory number**: 
- **Quantity**: 
- **Manage historically**: 

#### Inventory

- **Last inventory on**: 
- **Include asset in inventory list**: 
- **Inventory note**: 

#### Posting Information

- **Capitalized on**: 
- **First acquisition on**: 
- **Acquisition year**: 000
- **Deactivation on**: 
- **Plnd. retirement on**: 
- **Ordered on**: 

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

**LVA**: investigating use of this or new field
AMR – Time Dependent Data (sample)

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)

PROPOSED FOR CONFIGURATION:
- Acquisition Method
- Disposition Method
- Status
- LPAA Approval Status
- OSRAP Group? (OSRAP to confirm if Asset Classes will replace)
- Classification
- Pick Up Status

Dotted line fields: Capital Assets & LVA: Require an AMR Change. Including new fields to be developed for tracking purposes.
### AMR – Origins (Sample)

#### 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)

![Image of AMR Origins (Sample)](image-url)

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

**Origin**

- Vendor
- Manufacturer
- Asset purch. new
- Purchased used
- Trading Partner
- Country of origin
- Type name
- Original asset
- Orig. Acquis. Year
- Original value
- USD
- In-house prod. perc.

**General**

- Z_All fields open
- Company Code 0008

**Allocations**

- Account assignment for investment
- Investment Order
- Sale element
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
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)

- 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>
</tr>
</thead>
<tbody>
<tr>
<td>AsstVal date</td>
</tr>
<tr>
<td>14.07.2008</td>
</tr>
</tbody>
</table>
Asset Retirements
Asset Financial Lifecycle

Acquisition

Use of Asset e.g. depreciation

Retirement

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

Asset Master Record (AMR)
Asset: Retirement

What is an asset ‘retirement’?

- Asset retirement is the removal of a partial or complete asset from the asset portfolio (i.e. ‘title’ changes for the asset or it is disposed of):
  - In SAP, financial and ‘technical’ updates are required to record the retirement.
  - However, the asset record remains available for viewing/reporting until it is removed for off-line storage (i.e. archiving of records).

- Retirements can be defined as:
  - Sale with revenue:
    - sale is recorded as a receivable with a customer.
    - sale results in ‘immediate’ payment and it is posted against a clearing account.
  - No revenue, asset is disposed of:
    - scrapped, donated, destroyed, dismantled, etc.
Asset: Retirement

How is a retirement transaction recorded?

- **Capital Assets** - Retirement transactions automatically updates:
  - Values
  - If 100% retired updates ‘deactivation on’ date (which disallows further acquisition postings to asset)

  NOTE: SAP designed to immediately update the transaction (i.e. no parking ability), expectation that approvals have already been completed.

- **Capital Assets & LVA** - AMR field update:
  - Additional fields (e.g. disposition reason, value fields for LVA, etc.) must be updated manually in the AMR.
Asset: Retirement

How is a retirement transaction recorded?

- **Capital Assets** - Retirement transactions automatically updates:
  - Values
  - If 100% retired updates ‘deactivation on’ date (which disallows further acquisition postings to asset)

  NOTE: SAP designed to immediately update the transaction (i.e. no parking ability), expectation that approvals have already been completed.

- **Capital Assets & LVA** - AMR field update:
  - Additional fields (e.g. disposition reason, value fields for LVA, etc.) must be updated manually in the AMR.
Asset: Retirement

IMPORTANT CONSIDERATIONS:

- for Capital Assets:
  - Transactions integrated with GL – postings with Loss/Gain
  - Depreciation handling in Protégé is non standard…need OSRAP decision on go-forward financial impact

- for all assets:
  - Reimbursement process appears to be inconsistent with Title 34 (e.g. federal fund % varies from x-100%)
    - Is this due to way fund detail is recorded? Or are there overwrites on %?
      - In Protégé based on % of acquisition value – which is what is shown on the report
      - sub #’s in SAP will be used to define value by funding source
  - Existing Protégé invoices appear to be ‘paper trail’?
  - Are there Customer Receivables currently (i.e. full payment not received at time of sale?)
## Status

<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></td>
<td>Acquired/Received from Inter-Department Agency Transfer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Acquired/Received from Intra-Department Agency Transfer</td>
</tr>
<tr>
<td>Agency Transfer</td>
<td>Agency Transfer</td>
<td></td>
<td>Retire to Inter-Departmental Agency Transfer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Retire to Intra-Departmental Agency Transfer</td>
</tr>
<tr>
<td>State Surplus</td>
<td>--</td>
<td></td>
<td>Retire to State Surplus</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Complete? ADD ACQUIRE FROM SURPLUS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Initial (set as default)</td>
</tr>
</tbody>
</table>

- Use ‘Evaluation Group’ field on ‘Allocations' tab:
  - Manual update of fields (via AMR Change)
  - Additional values, post go-live, via Change Control process
**Acquisition Methods**

<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>Acquired/Received from Intra-Department Agency Transfer</td>
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</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>
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<td>Federal Surplus</td>
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</tr>
<tr>
<td>Loan</td>
<td>Loan / Insured Lease</td>
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<td></td>
</tr>
<tr>
<td>Original Purchase</td>
<td>Original Purchase</td>
<td>Original Purchase</td>
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</tr>
<tr>
<td>Seizure</td>
<td>Seizure</td>
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</tr>
<tr>
<td>State Surplus</td>
<td>--</td>
<td>Acquire from State Surplus</td>
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</tr>
<tr>
<td>LPFA/3rd party financing</td>
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<tr>
<td>Lease</td>
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<tr>
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<tr>
<td>Elective</td>
<td>Elective</td>
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<td>* Buy-back Acquisition</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

<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></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retire to Intra-Departmental Agency Transfer</td>
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</tr>
<tr>
<td>State Surplus</td>
<td>--</td>
<td>Retire to State Surplus</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Surplus – Sold to Non-State</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Surplus – Sold to State</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Surplus - Destroyed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sold (does this need to be distinguished by CS, WB, Auction, Other?)</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 (Livestock)</td>
<td></td>
</tr>
<tr>
<td>Trade In</td>
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<td>Trade In</td>
<td></td>
</tr>
<tr>
<td>Inventory Adjustments</td>
<td></td>
<td>Inventory Adjustment (use note field to give more detail)</td>
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</tr>
<tr>
<td>Lost</td>
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<td>Lost</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Unlocated 20XX (with value for each yr)</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Relocated 20XX (with value for each year)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Buy-Back Retire</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Demolished</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

## Restrict field to authorized personnel

<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>SLO Approved</td>
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<tr>
<td></td>
<td></td>
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<td>SLO Denied</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>FCP Approved</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>FCP Denied</td>
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<td></td>
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<td>DTOD ? Approved</td>
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<td>DTOD ? Denied</td>
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<td>???? Approved</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>???? Denied</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Initial (set as default)</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>Picked up by LPAA</td>
</tr>
<tr>
<td>Delivered to LPAA</td>
<td>NA</td>
<td>NA</td>
<td>Delivered to LPAA</td>
</tr>
<tr>
<td>As-Is / Where-Is</td>
<td>NA</td>
<td>NA</td>
<td>As-Is / Where-Is</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Initial (default)</td>
</tr>
</tbody>
</table>

- ‘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

*OR*

- Use Description Line 2 on AMR for additional detail?
Asset numbers

- When move to Surplus – do not create a new asset number
  - Field settings will identify as ‘surplus’
  - Tag number changes to LPAA tag number
    - Do new tags need to be issued? How are these used?
    - Sending agency tag number manually input into Original AMR <Origins tab>
    - NOTE: same concept re transfers…asset numbers do not change due to movement (although tag numbers will change, based on existing tag number logic).

- This would be a significant change – process & training.
Other fields (Protége related)

- **Fund Type:**
  - Will use actual ‘fund’ as per procurement
  - Sub-numbers if multiple funds for a single asset
    - Main number is $0 with tracking detail, sub-numbers hold funding portion value
    - Conversion issue – Protége fund types are not exact match to actual fund (nor actual fund type)

- **Sale amount:**
  - Record in DA01 Salvage Value
  - With fund detail (and sub-numbers) and original asset number <origins tab> provides detail for determining ‘reimbursement amount’
    - FRICE-W: Will need new report for reimbursement
    - Is sale ‘invoice’ number needed on AMR?

- **Original asset number** – when noted as surplus:
  - Enter tag number of sending agency
Surplus

- How long do items stay in Surplus:
  - E.G. 45 days for State purchase opportunity, 45 days for ‘preferred customer’ opportunity and then sold via Web or Auction
  - Are there other sales methods?
  - What, if any types of items are moved to public sale faster or slower?

- Need to discuss financial implications with OSRAP re ‘go-forward’
  - Consider ‘retirement w/o revenue’ for all capital assets sent to Surplus – will generate ‘loss’ postings
  - Is there a sale $ that would require a manual adjustment to the loss posting?
  - Surplus $ would be considered ‘misc type’ revenue (how is current revenue posted)
  - Handling of transfer fees and reimbursement processes need to be reviewed with OSRAP and LPAA
    - Internal sales will likely not be ‘invoiced’ rather done via ITA.

- Results of LPAA and OSRAP meeting may result in significant processing, financial posting and training impacts!
Other fields (Protégé related)

- Agency:
  - Protégé agency numbers are not an exact match for government entities
  - Cross walk exists
  - Confirm if existing Protégé agency fields need to continue in SAP?
    - Conversion issue: Agency mapping

- Conversion reconciliation – capital asset acquisition and depreciation values may not map to g/l values
  - Depreciation ‘bump’ in initial year due to above
Asset: Retirement

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

  - *Meeting scheduled with LPAA and OSRAP – to be rescheduled*
Are there any assets that can be retired (e.g. sold, dismantled, donated, destroyed, etc.) without ‘approval’?

- Livestock….
- Other:
  - Moveable Asset – Capital
  - Moveable Asset – LVA
  - Real Property
  - Infrastructure

Are there any assets that can be sold without being declared surplus?

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

- For reporting: use in combination with Responsible Cost Center & Approval, for example:
  - Agency request transfer to surplus
    - RCC: Surplus
    - Status: Retire to Surplus
    - Approval: Initial
    - Pickup Status: Choose p/u status
  - LPAA approves:
    - RCC: Surplus
    - Status: Retire to Surplus
    - Approval: Approved
    - Pickup Status: no edit

Agency:
  - Requests Transfer via field update.
    » If need documentation with signatures, then will need to create a disposition form (e.g. similar to BF-11) to forward to LPAA.
    » Can record Transfer document number in ‘Inventory Notes’ field.
  - Capital Asset: Creates Retirement w/o Revenue
  - Capital & LVA: Updates AMR (e.g. location fields set to initial)

LPAA:
  » If need documentation with signatures, then will need to update disposition form (e.g. similar to BF-11).
  - Updates AMR tag#, original AMR#, location detail
  - When item received at LPAA: Update P/U status to complete.
  - At time of disposal (sale, destroy, etc.): updates Disposition Method; if sale-updates salvage $ DA0, inactive date (i.e. new field).
  - Is Invoice # req’d on AMR?
  - If item is ‘as-is, where-is’, at time of sale update P/U status to complete.

- OSRAP to provide guidance:
  - Can Retirement w/o Revenue be posted for all Surplus items? If NBV <> $0, this will create a loss entry.
  - Is there a ‘material’ sale $ amount that would require a journal adjustment for Gain/Loss amount?
TO BE: Value & Depreciation Calculation: Asset Retirement

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

1. Asset – No Revenue: Declared Lost
2. Asset – No Revenue: Stolen
3. Asset – No Revenue: Destroyed
4. Asset – No Revenue: Impaired
5. Asset – No Revenue: Dismantled, etc.
6. Asset – Revenue: Sold to Non-State
7. Asset – No Revenue: Transfer to LAGov Project entity
8. Asset – No Revenue: Transfer to Non-LAGov Project entity (treat as retirement)
9. Asset – No Revenue (generally): Buy Back or Trade-In
10. Asset – Surplus: Sold to State
11. Asset – Surplus: Sold to Non-LAGov Project entity
12. Asset – Surplus: Sold to Non-State
13. Asset – Surplus: Destroyed
14. Asset – Surplus: Declared Lost
TO-BE HIGH LEVEL PROCESS: Retirement by Agency

[Diagram showing the process flow with decision points and actions such as "Retire w/ Revenue (Capital Asset)", "Change AMR fields (Capital & LVA)", "Retire w/o Revenue (Capital Asset)", "Agency Reviews & Resubmit", "End", "OSM & OTM approval req'd & received (hard copy, verbal, electronic copy?)", "LPAA Approval", "Change AMR fields", "Retirement Approval?", "Transfer", "Sale", "Destroy - Decimate Last", "Impaired", "Dismantle", "Surplus", "Buy-Back - Trade-In", "A", "B", "C"]
Assets that are ‘lost’ can only be retired after a certain timeframe and with approval:

- Moveable Assets (Capital and LVA):
  - 3 years after identified as ‘unlocated’:
    - Unlocated:
      » Use Disposition Method to identify year unlocated (i.e. value = Unlocated 20XX)
      » Run report, as required, for unlocated – research, if 3 yr mark and if not found – send request to LPAA to ‘deactivate’ <Disposition Method = ???>
      » Update AMR fields
      » Under what conditions can it be declared lost prior to 3 year period?
    - Relocated:
      » Use Disposition Method (i.e. Investment Reason field) to identify year ‘relocated’ (i.e. value = Relocated 20XX)
      » This provides ability to report on time Unlocated & Relocated (Field Audit reporting)

- LPAA must approve ‘deactivation’
TO BE: Value & Depreciation Calculation:
1 & 14. Asset – No Revenue: Declared Lost

- **Moveable Property: Capital Assets**
  - Declared unfound after 3 years
  - Agency property manager initiates
  - LPAA ‘approver’ must provide approval
    - Update LPAA approval / denied status
    - If denied, reason in Description Line 2 (or Notes, however, *this is not standard for reporting*)
  - **Note: Depreciation continues when ‘unlocated’** <confirm with OSRAP question>
  - Process retirement transaction (i.e. retirement w/o revenue)
    - Property manager or designate
  - Update AMR
    - Property manager or designate
  - **Asset Valuation:**
    - Asset end date: date of retirement
    - Asset value: adjusted to NBV of $0. **NOTE: Loss on disposal will be recorded.**
    - Asset depreciation: may have adjustment for month of retirement – depn run

- No transfer fee assessed.
- **Process will change** (e.g. transactions, reports, and AMR updates)
- **Financial update integrated with GL and financial posting will change** (i.e. loss on retirement)
TO BE: Value & Depreciation Calculation:
1 & 14. Asset – No Revenue: Declared Lost

- **Moveable Property: LVA or Surplus**
  - Declared unfound after 3 years
  - Agency property manager initiates
  - LPAA ‘approver’ must provide approval
    - Update LPAA approval / denied status
    - If denied, reason in Description Line 2 *(or Notes, however, this is not standard for reporting)*
  - Agency - update AMR
    - Property manager or designate
  - Asset Valuation:
    - Asset end date: date of retirement
    - Asset value: not applicable
    - Asset depreciation: not applicable

- No transfer fee assessed.
- Process will change (e.g. transactions, reports, and AMR updates)
TO BE: Value & Depreciation Calculation:
2. Asset – No Revenue: Stolen

- **Moveable Property: Capital Assets**
- **Does this need to go thru the ‘Lost’ process?**
  - Agency property manager initiates
  - LPAA ‘approver’ must provide approval
    - Update LPAA approval / denied status
    - If denied, reason in Description Line 2 *(or Notes, however, this is not standard for reporting)*
  - Process retirement transaction (i.e. retirement w/o revenue)
    - Property manager or designate
  - Update AMR
    - Property manager or designate
  - Asset Valuation:
    - Asset end date: date of retirement
    - Asset value: adjusted to NBV of $0. **NOTE: Loss on disposal will be recorded.**
    - Asset depreciation: may have adjustment for month of retirement – depn run

- **No transfer fee assessed.**
- **Process will change (e.g. transactions, reports, and AMR updates)**
- **Financial update integrated with GL and financial posting will change (i.e. loss on retirement)**
TO BE: Value & Depreciation Calculation:
2. Asset – No Revenue: Stolen

- **Moveable Property: LVA**
- **Does this need to go thru the ‘Lost’ process?**
- **Does this also apply to Surplus?**
  - Agency property manager initiates
  - LPAA ‘approver’ must provide approval
    - Update LPAA approval / denied status
    - If denied, reason in Description Line 2 (or Notes, however, this is not standard for reporting)
  - Agency - update AMR
    - Property manager or designate
  - Asset Valuation:
    - Asset end date: date of retirement
    - Asset value: not applicable
    - Asset depreciation: not applicable

- No transfer fee assessed.
- **Process will change (e.g. transactions, reports, and AMR updates)**
TO BE: Value & Depreciation Calculation:
3 & 13. Asset – No Revenue: Destroyed

- **Moveable Property: Capital Assets**
  - Agency property manager initiates
  - LPAA ‘approver’ must provide approval
    - Update LPAA approval / denied status
    - If denied, reason in Description Line 2 (or Notes, however, this is not standard for reporting)
  - Process retirement transaction (i.e. retirement w/o revenue)
    - Property manager or designate
  - Update AMR
    - Property manager or designate
  - Asset Valuation:
    - Asset end date: date of retirement
    - Asset value: adjusted to NBV of $0. **NOTE: Loss on disposal will be recorded.**
    - Asset depreciation: may have adjustment for month of retirement – depn run

- No transfer fee assessed.
- **Process will change (e.g. transactions, reports, and AMR updates)**
- **Financial update integrated with GL and financial posting will change (i.e. loss on retirement)**
Moveable Property: LVA & Surplus

- Agency property manager initiates
- LPAA 'approver' must provide approval
  - Update LPAA approval / denied status
  - If denied, reason in Description Line 2 (or Notes, however, this is not standard for reporting)
- Agency - update AMR
  - Property manager or designate
- Asset Valuation:
  - Asset end date: date of retirement
  - Asset value: not applicable
  - Asset depreciation: not applicable

- No transfer fee assessed.
- Process will change (e.g. transactions, reports, and AMR updates)
TO BE: Value & Depreciation Calculation: 
4. Asset – No Revenue: Impaired

- **Moveable Property: Capital Assets**
  - 100% Impaired (if less, than would be ‘Unplanned Depreciation’ to reduce asset value.
    - Agency property manager initiates
    - LPAA ‘approver’ must provide approval
      - Update LPAA approval / denied status
      - If denied, reason in Description Line 2 (or Notes, however, this is not standard for reporting)
    - Process retirement transaction (i.e. retirement w/o revenue)
      - Property manager or designate
    - Update AMR
      - Property manager or designate
    - Asset Valuation:
      - Asset end date: date of retirement
      - Asset value: adjusted to NBV of $0. **NOTE: Loss on disposal will be recorded.**
      - Asset depreciation: may have adjustment for month of retirement – depn run

- No transfer fee assessed.
- **Process will change (e.g. transactions, reports, and AMR updates)**
- **Financial update integrated with GL and financial posting will change (i.e. loss on retirement)**
Moveable Property: LVA

Is this applicable to LVA?
– If not 100% impaired??

Is this also applicable to Surplus?
– Agency property manager initiates
– LPAA ‘approver’ must provide approval
  • Update LPAA approval / denied status
  • If denied, reason in Description Line 2 (or Notes, however, this is not standard for reporting)
– Agency - update AMR
  • Property manager or designate
– Asset Valuation:
  • Asset end date: date of retirement
  • Asset value: not applicable
  • Asset depreciation: not applicable

No transfer fee assessed.

Process will change (e.g. transactions, reports, and AMR updates)
Moveable Property: Capital Assets

Assume Dismantled and not moved to another asset:
– Could be full or partial retirement (i.e. if less than would 100% dismantled and asset still usable)
– Could be transfer if moved to another asset

– Agency property manager initiates
– LPAA 'approver' must provide approval
  • Update LPAA approval / denied status
  • If denied, reason in Description Line 2 (or Notes, however, this is not standard for reporting)
– Process retirement transaction (i.e. retirement w/o revenue for complete or partial dismantle)
  • Property manager or designate
– Update AMR
  • Property manager or designate
– Asset Valuation:
  • Asset end date: date of retirement
  • Asset value: adjusted to NBV of $0. **NOTE: Loss on disposal will be recorded.**
  • Asset depreciation: may have adjustment for month of retirement – depn run

No transfer fee assessed.

Process will change (e.g. transactions, reports, and AMR updates)

Financial update integrated with GL and financial posting will change (i.e. loss on retirement)
TO BE: Value & Depreciation Calculation:
5. Asset – No Revenue: Dismantled

- **Moveable Property: LVA**
- **Is this also applicable to Surplus?**
- **Assume Dismantled and not moved to another asset:**
  - Could be full or partial retirement (i.e. if less than would 100% dismantled and asset still usable)
  - Could be transfer if moved to another asset
  - Agency property manager initiates
  - LPAA ‘approver’ must provide approval
    - Update LPAA approval / denied status
    - If denied, reason in Description Line 2 (or Notes, however, this is not standard for reporting)
  - Agency - update AMR
    - Property manager or designate
  - Asset Valuation:
    - Asset end date: date of retirement
    - Asset value: not applicable
    - Asset depreciation: not applicable

- No transfer fee assessed.
- **Process will change (e.g. transactions, reports, and AMR updates)**
TO BE: Value & Depreciation Calculation:
6. Asset – Revenue: Agency Sold to Non-State

- Moveable Property: Capital Assets
  - Agency property manager initiates
  - LPAA ‘approver’ must provide approval
    - Update LPAA approval / denied status
    - If denied, reason in Description Line 2 (or Notes, however, this is not standard for reporting)
  - Process retirement transaction (i.e. retirement w revenue)
    - Property manager or designate
  - Update AMR
    - Property manager or designate
  - Asset Valuation:
    - Asset end date: date of retirement
    - Asset value: adjusted to NBV of $0. **NOTE: Loss, or gain, on disposal will be recorded.**
    - Asset depreciation: may have adjustment for month of retirement – depn run

- How is revenue handled?
- Is there a reimbursement?
- Is there an LPAA fee?
- Process will change (e.g. transactions, reports, and AMR updates)
- Financial update integrated with GL and financial posting will change (i.e. loss, or gain, on retirement)
TO BE: Value & Depreciation Calculation:

6. Asset – Revenue: Agency Sold to Non-State

- **Moveable Property: LVA**
  - Agency property manager initiates
  - LPAA ‘approver’ must provide approval
    - Update LPAA approval / denied status
    - If denied, reason in Description Line 2 *(or Notes, however, this is not standard for reporting)*
  - Agency - update AMR
    - Property manager or designate
  - Asset Valuation:
    - Asset end date: date of retirement
    - Asset value: not applicable
    - Asset depreciation: not applicable

- **How is revenue handled?**
- **Is there a reimbursement?**
- **Is there an LPAA fee?**
- **Process will change (e.g. transactions, reports, and AMR updates)**
TO BE: Value & Depreciation Calculation:
7. Asset – Agency Transfer to State Agency

- This is a transfer if LAGov Project entity
Moveable Property: Capital Assets

Will treat as retirement...

- Agency property manager initiates
- LPAA ‘approver’ must provide approval
  - Update LPAA approval / denied status
  - If denied, reason in Description Line 2 (or Notes, however, this is not standard for reporting)
- Process retirement transaction (i.e. ?? Need OSRAP guidance on how to handle financial aspect of this)
  - Property manager or designate
- Update AMR
  - Property manager or designate
- Asset Valuation:
  - Asset end date: date of retirement
  - Asset value: adjusted to NBV of $0.
  - Asset depreciation: may have adjustment for month of retirement – depn run

Is there an LPAA fee? Handling of fee?

Process will change (e.g. transactions, reports, and AMR updates)
Financial update integrated with GL and financial posting will change (i.e. loss, or gain, on retirement)
Moveable Property: LVA

- Agency property manager initiates
- LPAA ‘approver’ must provide approval
  - Update LPAA approval / denied status
  - If denied, reason in Description Line 2 (or Notes, however, this is not standard for reporting)
- Agency - update AMR
  - Property manager or designate
- Asset Valuation:
  - Asset end date: date of retirement
  - Asset value: not applicable
  - Asset depreciation: not applicable

Is there an LPAA fee? Handling of fee?

Process will change (e.g. transactions, reports, and AMR updates)
TO BE: Value & Depreciation Calculation:
9. Asset – Buy Back or Trade-In

- Need to discuss financial requirements with OSRAP re ‘go forward’
TO BE: Value & Depreciation Calculation:
10. Asset – Surplus sale to LAGov Project entities

- **Moveable Property: LVA**
  - LPAA – creates and update AMR (generally as LVA)
    - LPAA position???
    - Original acquisition value must be retained (e.g. $7000)
    - ‘Transfer/Sale’ fee is value in Current acquisition value (e.g. $500)
    - What other field values must be maintained? Purpose of these fields?
  - If was:
    - Capital Asset will likely now be LVA
    - LVA – create new LVA?
  - Asset Valuation (sold):
    - Asset end date: date of retirement
    - Asset value: not applicable
    - Asset depreciation: not applicable
  - Asset Valuation (purchased):
    - Acquisition date: date of sale (retain ‘original acquisition date?)
    - Asset value
      - Original acquisition value must be retained (e.g. $7000)
      - ‘Transfer/Sale’ fee is value in Current acquisition value (e.g. $500)
    - Asset depreciation: not applicable

- **Is there an LPAA fee? Handling of fee?**
- **Capital Asset creation not applicable for surplus sale?**
- **Process will change (e.g. transactions, reports, and AMR updates)**
TO BE: Value & Depreciation Calculation:
11. Asset – Surplus sale to LAGov Project entities

- **Moveable Property: LVA**

- **Treat same as sale to Non-State**

- **Is there an LPAA fee? Handling of fee?**

- **Process will change (e.g. transactions, reports, and AMR updates)**
TO BE: Value & Depreciation Calculation:
12. Asset – Surplus sale to Non-State

- **Moveable Property: LVA**
  - LPAA – updates AMR
  - Asset Valuation (sold):
    - Asset end date: date of retirement
    - Asset value: not applicable
    - Asset depreciation: not applicable

- **To be discussed with LPAA and OSRAP:**
  - Reimbursement handling – Invoice and revenue handling
  - Capital Asset creation not applicable for surplus sale?

- **Process will change (e.g. transactions, reports, and AMR updates)**
Reporting Requirements:

- ?
…. SAP Security Considerations
SAP Security Considerations

- What considerations must be made for access restriction?
  - Transactions:
    - Retirement with Revenue without Customer (i.e. Cash)
    - Retirement with Revenue with Receivable Customer
    - Retirement by Scrapping (i.e. no revenue)
    - AMR Change:
      - Field for LPAA (and other) approval restricted
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)
- Financial postings follow accounting best practice (e.g. gain/loss on disposal, financial valuation/depreciation applicable to sending/receiving asset, etc.)
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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