40.4 Asset Management Pre-Period Close

Department of Financial Services

Florida **PALM**
Planning, Accounting, and Ledger Management

Date:	01/24/2022
Revision:	1.1

Revision History

Version	Date	Revision Notes
1.0	10/01/2021	Accepted Version
1.1	01/24/2022	Updates per Financials Wave Module Workgroup Sessions

Table of Contents

General Information

This document describes and depicts the process steps and supporting information for the identified State of Florida financial management business process. This information should be read in conjunction with the Business Process Flow Diagrams.

The Dependencies and Constraints section describes any conditions or criteria that impact how or when the business process should be executed. These could be set within Florida PALM or from external sources (i.e., Law or Rule).

The Business Process Overview section summarizes the business process and provides context for understanding the objectives and desired outcomes of the described business process.

Within the Business Process Flow Details section, included for each process step are:

- **Process Step ID** – A unique number assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Process Step Title** – A short description assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Description of Process** – A detailed narrative description of the process step, which provides additional information and context for understanding the process step

Florida PALM screenshots are included within the sections following the Business Process Flow Diagrams to allow connections to be made from specific business subprocess steps to screens within Florida PALM.

Also described below are the Ledger Impacts, Interfaces and Key Reports, which are displayed as icons on the Business Process Flow Diagrams. Ledger Impacts explain an update to one of the ledgers used to track activity for accounting, budget management, or financial reporting purposes. Key Reports describe where a report is identified to be produced at a particular process step or is used to support completing a process step. Interface IDs are provided for each interface identified on the Business Process Flow Diagrams.

Tables are included to identify the Conversions, Forms, Workflows, and Stakeholder Configurations related to this Business Process. These items may not be included within the Business Flow Diagrams; however, these items are essential elements of each Business Process as a whole.

Finally, included in the Terminology section are definitions of terms to help the reader to better understand the document. These are terms used within this document that may be new or require a description for common understanding.

Dependencies and Constraints

- Any asset transactions not completed before period close are completed in the subsequent period
- The Asset Management Pre-Period Close Business Process is dependent on transaction processing in the ordinary course of business and resolution of failed transactions in the appropriate period.
- Journal entries are accounted for as part of the normal business processes.

- An Agency Asset Processor is responsible for completing pending transactions that will be reported in the current period.

Business Process Overview

The Asset Management Pre-Period Close business process is within the Asset Accounting and Management (AAM) business process grouping. AAM includes a collection of business processes that:

- Manage the records of agency property that supports State operations, including financial and custodial information;
- Establish the controls that ensure the integrity of stateside financial reporting; and
- Perform preparation for month-end and year-end closing activities.

This business process highlights the activities to be completed to close the Asset Management Module in General Ledger (GL). The Asset Management Pre-Period Close business process applies to both the month-end and year-end close. The completion of these tasks every month facilitates a timely year-end close of the Asset Management (AM) Module. The Agency Asset Processor monitors and executes pre-closing asset tasks such as: identification of assets to be recorded; clearing the pending items populated from the Accounts Payable (AP) Module; completing pending transfers or dispositions; running scheduled depreciation; and system closing jobs.

The period pre-close activities are intended to monitor and manage agency business operations and facilitate statewide reporting purposes. Authorized agency users perform a monthly review and close-out of pending transactions in preparation for GL period close. In addition, system jobs are run to update pertinent tables, and the Asset Management Subledger is updated to General Ledger.

Business Process Flow Details

The table below describes steps in the business process as reflected on the Business Process Flow Diagrams. The table also reflects information associated with each step describing the intent of the specific process.

The Business Process Flow Diagrams use horizontal swim lanes to depict where different parties or systems perform activities. Each swim lane is titled with a role, either agency-based or within the Department of Financial Services (DFS), and in some cases, are representative of an external entity or system. The swim lanes may change from page to page within a single business subprocess as more or fewer roles are required to execute sections of the business subprocess. Optionally, the process flow diagram may reflect vertical swim lanes further to designate information such as systems or time intervals.

40.4 – Asset Management Pre-Period Close

Table 1: Asset Management Period Close

40.4 – Asset Management Pre-Period Close	
Module	**Asset Management**
Related Module(s)	**N/A**

Swim Lanes – Definition	**Agency AM Asset Processor:** agency role responsible for creating and maintaining asset records in Florida PALM
	DFS AM Processor: role responsible for period-end close processing activities

Process Step ID	Process Step Title	Description of Process
1	Identify Asset Records to be Created	The Agency AM Asset Custodian identifies priority assets, such as high-dollar acquisitions, to be recorded in the current period. The Agency Asset Processor also identifies asset records to be created based on new acquisitions.
2	Create/Update Asset Records	The Agency AM Asset Processor enters data in Florida PALM to record acquisitions found in the Identified Asset Records to be Created process (Step 1) such as: • Work in Progress (WIP) Initial Capitalization • Donation • Seizure • Physical Inventory Variance (In ABS but not in Florida PALM) • AP Integrated Purchases Not Automatically Recorded in AM The Agency AM Asset Processor updates existing Florida PALM asset records based on: • Results of Physical Inventory (Physical Information Discrepancy between ABS and Florida PALM • WIP (Update Resulting from Incomplete Projects Not Yet Capitalized) • Physical Maintenance Condition Report (Change of Asset Status)
3	Review Pending AP Interface Transaction	Data in the Transaction Loader Tables should be reviewed to determine corrective actions before processing of new asset data integrated from AP. For example, the Agency AM Asset Processor may delete a transaction or update the asset physical and cost information, such as category, custodian, location, and acquisition date. The Asset Staging Report and the Asset Pending Report are used to identify corrections needed.
4	Complete Pending Transfer/Disposal	Pending transactions and incomplete processes must be finalized, before monthly closing, for proper recording and reporting. The Agency AM Asset Processor evaluates pending authorized inter-agency asset transfers and uses the AM InterUnit Transfer function or submits the Inbound Asset Transfer & Disposal Interface to initiate the inter-agency transfer approval workflow. The Agency AM Asset Processor evaluates pending authorized intra-agency asset transfers and uses the AM IntraUnit Transfer function or submits the Inbound Asset

Process Step ID	Process Step Title	Description of Process
		Transfer & Disposal Interface to initiate the intra-agency transfer approval workflow. The Agency AM Asset Processor evaluates pending authorized asset disposals and uses the AM Asset Disposal Worksheet or transmits a completed Inbound Asset Transfer & Disposal Interface to Florida PALM.
5	Run Transaction Loader	Florida PALM or the Agency Asset Processor executes the Transaction Loader Process, which selects assets approved for transfer or disposal, to start the process of updating various core Asset Management tables.
6	Calculate Depreciation	Florida PALM executes the Calculate Depreciation process based on an established schedule or demand by the Agency AM Asset Processor. This process calculates the depreciation for an asset for its entire Useful Life based on the depreciation attributes selected for the Asset – cost, salvage value, and Useful Life. This process must be run to account for every transaction that is performed on an asset.
7	Complete Asset Transactions	After Depreciation Calculation is successfully executed against each Asset, Florida PALM (per enterprise schedule) or the Agency AM Asset Processor runs the following core processes to acquire updated Asset information and create accounting transactions. **Depreciation by Period** - This process loads the Depreciation Reporting table (DEPR_RPT) with information created from the Depreciation Calculation process. Content of DEPR_RPT table provides the basis for most depreciation reports. **Load Asset Net Book Value Process** - This process loads the Asset Net Book Value table (ASSET_NBV_TBL) with data used for Asset Net Book Value reports. **Depreciation Close** - This process generates period depreciation accounting entries for all depreciable assets in a particular accounting period. The process should be run for an accounting period that has not yet been closed. **Create Accounting Entries** - This process generates accounting entries for all financial transactions unrelated to depreciation. Examples for accounting entries are Asset cost, increate of Asset cost, and transfer of Assets.
8	Outbound Asset Extract	Florida PALM provides an outbound file with data of asset additions, updates, transfers, and disposals.
9	Run Generate Journal	Florida PALM integrates the AM and GL subledgers to facilitate the recording and reporting of asset transactions. The accounting entries, resulting from individual asset transactions, are posted to General Ledger as journals (all

Process Step ID	Process Step Title	Description of Process
		journals post to the Financial Reporting Ledger). The monthly and annual AM closes are scheduled and performed in GL. The DFS AM Processor executes the period-end closing process to close the current period and open subsequent period for recording and reporting AM transactions.

Figure 1: Close Depreciation Page

Ledger Impacts

Table 2: Ledger Impacts Included on Business Process Flow Diagrams

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Financial Reporting Ledger – Close Depreciation Process	Increases Expense (Depreciation Expense) Increases Asset Contra (Accumulated Depreciation)

Key Reports

Table 3: Repots Included on Business Process Flow Diagrams

Report Number	Report Description	Report Frequency	Audience
R1	**AMR068 - Summary of Assets** – a report of total assets and changes made to asset records for a given period. The report includes changes in asset status, Useful Life, or re-categorization.	Periodic, Monthly, Annually	DFS, Agency
R2	**AMR045 - Asset Approval/Denial Report** – a report of asset transactions that were approved or denied	Periodic, Monthly	Agency
R3	**AMR046 - Pending Transfers** – a report of Inter-Unit Transfers with issues pending resolution	Periodic, Monthly	Agency
R4	**AMR003 – Asset Remaining Useful Life Report** – a report of assets due for disposition, based on the remaining estimated Useful Life, disposal date and asset type	Periodic, Monthly	Agency
R5	**AMR014 - Asset Disposition Report** – a report of asset dispositions by type. The report provides totals for the asset dispositions and details regarding the asset descriptions, custodians, and dates of acquisition and disposition. This report is used to monitor asset dispositions for compliance with applicable statutory and other requirements and supports details required for financial reporting	Periodic, Monthly, Annually	DFS, Agency
R7	**AMR020 - Asset Physical Inventory Report** – asset records in Florida PALM. The	Periodic, Monthly, Annually	Agency

Report Number	Report Description	Report Frequency	Audience
	report can be used to identify assets not accounted for and asset records that require updates to locations, custodians, or conditions		

Note: A complete list of reports may be found in the Reports Catalog[1].

Conversions

Table 4: Data Converted from External System to Florida PALM

Conversion Number	Conversion Description	Conversion Frequency	Source
N/A			

Note: A complete list of conversions may be found in the Catalog of Conversion Offerings[2]. This is a protected publication that requires login. If your business or technical teams do not currently have access to the Smartsheet Florida PALM Dashboard, contact your Readiness Coordinator to request their access.

Interfaces

Table 5: Interfaces Included on Business Process Flow Diagrams

Interface Number	Interface Description	Interface Frequency	Source	Target
AMI003	Outbound Asset Extract	On Demand	Florida PALM	Agency Business System

Note: A complete list of interfaces may be found in the Catalog of Interface Offerings[3]. This is a protected publication that requires login. If your business or technical teams do not currently have access to the Smartsheet Florida PALM Dashboard, contact your Readiness Coordinator to request their access.

Forms

Table 6: Forms Included on Business Process Flow Diagrams

Form Number	Form Description	End User Role
N/A		

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[1] https://app.smartsheet.com/b/publish?EQBCT=a8d51896f0144ef6a87314b3c7824ba5
[2] https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQGjh4wvP676gf2h4mf57hP1
[3] https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQGjh4wvP676gf2h4mf57hP1

This document is a draft and subject to change

Workflows

Table 7: Workflows Included on Business Process Flow Diagrams

Workflow Number	Workflow Description	End User Role
AMW001	**Asset Request Workflow** - This electronic Workflow establishes an approval path for asset dispositions including assets that require additional approvals outside of owning agency. This Workflow also establishes an approval path for asset transfers, alert the receiving organization of the item(s) being transferred, and sends assets received by the property custodian to the property fiscal agent for approval and completion of the asset record.	TBD

Agency Configurations

Table 8: Configurations Defined and/or Maintained by Agencies

Configuration Number	Configuration Description	Frequency
N/A		

Terminology

Asset Management Pre-Period Close – the process of monitoring and completing asset transactions for a specific accounting period in preparation of GL adjusting the transaction dates for the next accounting period.

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