

40.1 Acquire and Set Up Assets

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Acquire and Set Up Assets

General Information

This document describes and depicts the process steps and supporting information for the identified State business process. Within the *Subprocess Flow Details* section, included for each process step are:

- **Process Step ID** – A unique number assigned to each process step
- **Process Step Title** – A short description assigned to each process step
- **Description of Process** – A detailed narrative description of the process step
- **Ledger Impacts ID** – The number assigned to the documented accounting entry associated with the step

Also described below are the *Ledger Impacts* and *Reports*, which are displayed as icons on the *Business Process Flow Diagrams*. Finally, included in the *Terminology* section are definitions of terms which will help the reader to better understand the document.

Dependencies and Constraints

- Florida PALM will use the established capitalization threshold limits to identify purchases qualifying for capitalization.
- An Excel mass-upload template (used to generate large volume of records) must be configured.
- Interface data requires specific accounting information, in a standardized format, to create assets in Florida PALM.

Business Process Overview

In accordance with Section 273.03, Florida Statute (F.S.), the Agency Custodian is primarily responsible for the supervision, control, and disposition of State-owned property within his or her custody. The terms 'property' and 'fixed asset' are used interchangeably in this document. Fixed Assets are defined as any 'permanent' object that a business uses internally including but not limited to computers, tools, software, or office equipment. Florida PALM Asset Management (AM) is the module used to manage and produce financial data for State-owned Fixed Assets.

Asset set up activity consists of adding new asset records in Florida PALM. These new assets can be created with manual (online entry), mass upload, or through integration with the Account Payable module.

Subprocess Flow Details

The table below describes steps in the business subprocess as reflected on the 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 activities are performed by different parties or systems. Each swim lane is titled with either an agency or an enterprise role. 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 to further designate information such as systems or time intervals.

40.1.1 – Basic Asset Add	
Swim Lanes – Definition	<p>Agency Asset Processor: agency role responsible for controlling and managing Asset records in Florida PALM</p> <p>Agency F&A Processor: agency role responsible for controlling and managing Asset records (cost information) in Florida PALM</p>

Process Step ID	Process Step Title	Description of Process
1	Identify Assets to be Created	The Agency Asset Processor identifies information on newly acquired assets that requires entry in Florida PALM. Acquisitions include assets purchased, created (constructed), or received. Assets that meet the thresholds outlined in the Statewide Asset Capitalization Policy are capitalized in Florida PALM for inventory and reporting purposes. Assets that do not meet the capitalization threshold outlined in the Statewide Asset Capitalization Policy are recorded in Florida PALM for tracking purposes, as non-capitalized assets.
2	Create/Update Asset	To create a new asset, the Agency Asset Processor enters physical and cost information into Florida PALM. A new record is created with a system-generated numeric Asset ID. Various processes enter through this step: 40.2.1-2 Update Asset Status, 40.2.1-3 Determine/Update Asset Parent/Child Relationship, 40.2.1-4 Update Physical Information, 40.2.1-7 Capitalize Asset/Update Useful Life.
3	Obtain/Update Tag#	An agency is responsible for generating a tag number for each asset. The Agency Asset Processor obtains and updates the asset record in Florida PALM with the assigned tag number. Florida PALM supports either numeric or alpha-numeric tag numbers. The tag number can be added at any point in the creation of the asset record.
4	Create Asset with Physical Information	The Agency Asset Processor enters physical information to create an asset record in Florida PALM when the cost of the asset is not yet determined, or the invoice is not received. Physical information consists of non-accounting information, such as Asset Acquisition Date, Asset Class, Asset Description, Asset Type and Category. Florida PALM creates a unique Asset ID for each record.
5	Send Notification	When an asset is created with only physical information, the Agency Asset Processor notifies the Agency F&A Processor that an asset has been created and requires financial information updates.

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Process Step ID	Process Step Title	Description of Process
6	Review Physical Information/ Update Cost Information	The Agency F&A Processor reviews the physical information to identify the applicable cost information. The Agency F&A Processor completes the asset record by updating the cost information (cost of the asset and useful life). Various processes enter through this step: 40.2.1-2 Update Asset Service Status, 40.2.1-3 Determine/Update Asset Parent/Child Relationship, 40.2.1-4 Update Physical Information, 40.2.1-7 Capitalize Asset/Update Useful Life.
7	Asset Established	Florida PALM creates an asset record, at historical cost, for each Asset ID. Capitalized cost includes purchase price, certain type of interest and ancillary charges necessary to place the asset into the intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition, such as freight and transportation charges, site preparation costs, and professional fees. Donated or seized capital assets should be reported at estimated fair value at the time of acquisition, plus ancillary charges, if any.
8	Create Accounting Entries	Florida PALM generates balanced accounting entries for financial transactions such as, asset additions, adjustment, allocations and retirements which are posted to the general ledger as journals.

40.1.2 – Import Asset Add

Swim Lanes – Definition	<p>Agency Asset Processor: agency role responsible for controlling and managing asset records in Florida PALM</p> <p>Agency F&A Processor: agency role responsible for controlling and managing asset records (cost information) in Florida PALM</p>
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Process Step ID	Process Step Title	Description of Process
1	Use Excel Upload	The Agency Asset Processor uses the predefined spreadsheet to organize and upload high volume asset records. This process uses the same data edits enforced when entering asset via online entry.
2	MFMP Receipt Data	MFMP receipt data is received through an interface. Data includes purchase order information and accounting information, including the accounting distribution/Chart Field data, the Item Description, Quantity Received, and Supplier Name.
3	Receipt Established	<p>Florida PALM processes receipt data received through interfaces. The receipt data includes receipts relevant for asset creation with all required information, receipts relevant for asset creation with limited information, and receipts not relevant to asset creation.</p> <p>Receipts relevant for asset creation, with all required information available, are staged for further processing by the asset creation processes. The remaining receipts are subject to further research.</p>

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Process Step ID	Process Step Title	Description of Process
4	Voucher Established	Vouchers with asset accounting attributes are routed to asset creation processes through an integration with the AP module. AP voucher data includes the following information: accounting distribution/ChartField data, Item Description, Cost, Quantity invoiced, and Supplier.
5	Query to Identify Asset to be Created	The Agency Asset Processor runs a query report to review vouchers (invoices) to identify any missing information and to determine if an asset record is required.
6	Run AM Receiver Interface Push Process	The Agency Asset Processor runs the AM Receiver Interface Push Process to stage new asset records into the pre-interface asset table with the purchase order receipts data. When ABS or MFMP purchase order and receipt data is interfaced into Florida PALM, the asset accounting details can be staged for asset creation.
7	Run AM Load Assets Process	The Agency Asset Processor runs the AM Load Assets Process to stage new asset records in to the interface table for applicable vouchers (invoices) from the AP module. Vouchers entered via online entry or interfaced from MFMP and other ABS containing asset accounting information are processed by the load asset process to create new assets automatically.
8	Run AM Pre-Interface Table	The Agency Asset Processor runs the AM Pre-Interface Table process, which determines the appropriate type of asset transactions to be loaded into the AM Loader Tables, based on the voucher information and by comparing it to the receiving information. Once all the data is loaded, the Agency Asset Processor can preview the data in the pre-interface table and make corrections as needed.
9	Run AM Payables/Purchasing Interface Process	The Agency Asset Processor runs the AM Payables/Purchasing Interface Process which creates interface IDs for the staged asset transaction. This process uses the Profile ID to generate the template for the asset along with the cost/quantity from the voucher information and physical information from purchase order receipt. Once all the data is loaded, the Agency Asset Processor can preview data in the interface table and make corrections as needed.
10	Transaction Loader/ Tables Populated	The most common way to create asset data in AM is to populate two interface load tables (Financial and Physical). Once data is established in these tables, they can be used to automate asset creation.
11	Review Load Data/Correct Information	Data available on the Transaction Loader Tables can be reviewed before a new asset is established. The Agency Asset Processor reviews and updates asset physical and cost information, such as acquired date, category, custodian, and location. The Agency Asset Processor coordinates with the Agency F&A Processor for assets that require additional review and cost updates.
12	Review/ Update Cost	The Agency F&A Processor may review the asset physical and cost information before the asset creation process. The review may

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Process Step ID	Process Step Title	Description of Process
		include completion of missing information like asset tag, profile ID, cost or incorrect useful life. Assets are recorded at historical cost. The cost of a capital asset includes capitalized interest and ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition, such as freight and transportation charges, site preparation costs, and professional fees. Donated or seized capital assets should be reported at their estimated fair value at the time of acquisition plus ancillary charges, if applicable.
13	Unitize Assets	Unitize activity must occur before the Transaction Loader Process is run. When the Transaction Loader is run, each pending load line (voucher line) generates a unique asset in Florida PALM. A voucher line may contain several different assets or a single asset. For example, a load line containing 10 computers in one voucher line is recognized as one asset. If needed, the Agency Asset Processor unitizes the single load line into 10 separate lines. The Transaction Loader Process runs each load line and generates an asset for each line (10 Assets created).
14	Run Transaction Loader Process	The Agency Asset Processor runs the Transaction Loader Process, which picks up data staged in the loader tables and populates the data in AM tables. Upon successful execution of the process, an asset with a unique Asset ID is generated.
15	Asset Established	New asset records are created at this point along with a system-generated numeric Asset ID.
16	Obtain/ Update Tag#	An agency is responsible for generating a tag number for each asset. The Agency F&A Processor obtains and updates the asset record in Florida PALM with the assigned tag number and updates the asset status to be in service. Florida PALM supports either numeric or alpha-numeric tag numbers.
17	Create Accounting Entries	Florida PALM generates balanced accounting entries for financial transactions such as asset additions, adjustments, allocations and retirements, which are posted to the General Ledger as journals.

Ledger Impacts

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Asset Add (Import and Online)	Increases Assets Decreases Expense

Reports

Report Number	Report Description	Report Frequency	Audience
R1	New Assets Report – a list of asset records created.	Periodic	Agency Asset Processor
R2	Asset Exception Report – identifies asset related vouchers with incomplete information.	Periodic	Agency Asset Processor
R3	Asset Staging Report – a list of asset records ready to be processed.	Periodic	Agency Asset Processor

Terminology

Asset ID – a system assigned unique identifier for each Asset record created in Florida PALM.

Business Unit (BU) – all legal entities have been defined with a 5-digit code called Business Unit in Florida PALM. This helps users to produce reports and visualize Agency specific data by choosing a specific BU.

Custodian – any elected or appointed State officer, board, commission, or authority, and any other person or agency entitled to lawful custody of property owned by the State, pursuant to Section 273.01, F.S.

Business Process Flow Diagrams

Please see A2D Business Process Flow 40.1 - Acquire and Set Up Assets located in the [D54 Standardized Business Processes > Working > Workstream B folder](#).