

40.2 Deploy and Maintain Assets

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Table of Contents

Table of Contents.....	2
Deploy and Maintain Assets.....	3
General Information.....	3
Dependencies and Constraints.....	3
Business Process Overview	3
Subprocess Flow Details	3
Ledger Impacts.....	11
Reports.....	12
Terminology.....	13
Business Process Flow Diagrams	13

DRAFT

Deploy and Maintain 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 helps the reader to better understand the document.

Dependencies and Constraints

- Asset maintenance is applicable to asset records already established
- Role-Based Access Control is used to restrict system access to authorized users
- Policy determines user access that is administered at the State versus agency level

Business Process Overview

In accordance with Section 216.102(1), Florida Statutes (F.S), Agency Asset Custodians maintain financial and physical information of State-owned Assets. Maintenance of asset records in Florida PALM includes scheduling regular, periodic functions such as depreciation, inventory, transfers, disposals, and end of period closing activities. Maintenance also includes on-demand updates that reflect daily activities such as change in asset status. Effective record maintenance also supports compliance with requirements for the recording of assets outlined in Section 273.02, F.S., and related rules.

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.

40.2.1 – Deploy and Maintain Assets	
Swim Lane – Definition	Agency Asset Processor: agency role responsible for creating and maintaining asset records in Florida PALM

Process Step ID	Process Step Title	Description of Process
1	Identify Maintenance Required	Agency Asset Custodians are responsible for identifying and managing asset maintenance records to accurately track, record, and report on State-owned assets. Agency Asset Custodians coordinate with an Agency Asset Processor to make appropriate changes. An Agency Asset Processor executes maintenance required to reflect up-to-date activities on each related asset record. Various processes enter through this step: 40.1.1-3 Asset Established, 40.1.2-10 Asset Established, 40.2.2-11 Update Asset Information.
2	Update Asset Status	The Agency Asset Processor uses the asset status to manage and control asset records from acquisition through disposal, such as placing new assets in service, suspending usage, or retiring old assets. The in-service status triggers depreciation calculation if the asset is set to depreciate. The Agency Asset Processor updates the asset status from the Basic Add page.
3	Determine/ Update Asset Parent/Child Relationship	Some assets are recorded as stand-alone, while others are grouped together for ease of processing and reporting. The parent/child relationship is a feature in Florida PALM that allows related assets to be grouped together (e.g. CPU with printers/displays). The Agency Asset Processor identifies the parent asset and associates the parent to the child from the Basic Add page.
4	Update Physical Information	Physical information consists of non-accounting or non-financial information such as asset acquisition date, asset class, asset description, or asset type. The Agency Asset Processor updates required changes in the physical information from the Basic Add page.
5	Add/Update Cost	There are two types of cost updates: Additions and Adjustments. Cost updates create cost lines with a transaction type of ADD or ADJ. Examples include freight, installation, insurance or interest. The Agency Asset Processor updates cost from the Transfer page.
6	What If Depreciation Simulation	Florida PALM provides ability to perform “What If Depreciation” simulation modeling to see how changing various depreciation parameters affects asset depreciation without changing the actual depreciation parameters for an asset. Benefits of the “What If Depreciation” feature are to forecast the depreciation amount for assets added with different depreciation attributes. It enables the Agency Asset Processor to determine the depreciation forecasted amount, modify the depreciation parameters accordingly, and perform the actual depreciation modification.

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7	Capitalize Asset/ Update Useful Life	The Agency Asset Processor capitalizes an asset in Florida PALM by updating the asset class and the capitalize status. The Agency Asset Processor updates the estimated useful life of an asset based on a revaluation of usefulness. The estimated life for each capital asset is based on the property class code assigned. The Agency Asset Processor updates the asset record from the Basic Add page.
8	Recategorize Asset	Asset category classifies assets by type for accounting and financial reporting purposes. Categories include balance sheet accounts such as furniture, fixtures, leaseholder improvements, machinery, equipment and office equipment. The Florida PALM "Recategorize" feature allows changes to an asset category. The Agency Asset Processor updates asset categories from the Cost Adjust/Transfer Asset page.
9	Reinstate Asset	The Agency Asset Processor updates the asset status to "Reinstate" to re-deploy an asset that was previously disposed. Florida PALM automatically reinstates and performs up-to-date calculations on the asset record when the asset status is updated to "Reinstate". The Agency Asset Processor manages this activity from the Retire/Reinstate Asset page.
10	Run Depreciation	The Agency Asset Processor may need to record up-to-date valuation of an asset. The Agency Asset Processor runs depreciation on-demand to update individual Asset records.
11	Calculate Period Depreciation	The Agency Asset Processor calculates depreciation for a single asset (e.g., prior to disposal or transfer of asset), or runs scheduled depreciation calculation for a group of assets.
12	Run Period Depreciation	Assets can be grouped and scheduled for depreciation. The Agency Asset Processor and DFS coordinates scheduling depreciation. The Agency Asset Processor runs scheduled depreciation to calculate depreciation expense and accumulated depreciation in compliance with reporting requirements.
13	Run Depreciation Close Process	This automated process generates period depreciation accounting entries for all depreciable assets in a given accounting period. Florida PALM calculates the depreciation expense and accumulated depreciation. Calculation of depreciation using the straight-line depreciation method begins in the first month after the asset is placed into service. Depreciation is calculated in full month increments, no matter what day of the month the depreciation is run. Property placed in service at any time during a month is treated as though it was placed in service on the first day of the month. The depreciation calculation should be through the time of disposal and include the month of disposal.
14	Create Accounting Entries	This process generates accounting entries for all financial transactions that are not related to depreciation.

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40.2.2 – Inter-Unit Asset Transfer	
Swim Lanes Definition	<p>Agency A - Approver: agency role responsible for approving asset transfers in Florida PALM</p> <p>Agency A - Asset Processor (Current Owner of Asset): agency role responsible for creating and maintaining asset records in Florida PALM</p> <p>Agency B – Approver: agency role responsible for approving asset transfers in Florida PALM</p> <p>Agency B - Asset Processor (New Owner of Asset): agency role responsible for creating and maintaining asset records in Florida PALM</p>

Process Step ID	Process Step Title	Description of Process
1	Transfer Agreement	Agency A and Agency B must agree to the transfer of an asset. The transfer agreement could be mandated by law or a handshake between two agencies. Agency Asset Processors will use workflow to track approval of the transfer.
2	Initiate Inter-Unit Transfer	Agency A Asset Processor uses the Employee Self Service - View Asset Transfer to initiate inter-unit transfer, and corresponding workflow approval process. Agency A Asset Processor must input the new Business Unit (Agency B) to execute an inter-unit transfer. Agency A Asset Processor may also update the Agency B Asset location and Custodian(if information is available).
3	Submit for Approval	Agency A Asset Processor submit the request for approval by a supervisor and or other authority within the agency. There may be multiple levels of approval within the agency.
4	Review Transfer	Agency A Approver reviews request and takes appropriate action.
5	Deny Transfer	Agency A Approver can deny approval of the transfer in Florida PALM. A denial will redirect the transfer request to the Agency Asset Processor for resolution.
6	Approve Transfer	If the transfer is approved by Agency A, Agency B is notified via workflow.
7	Review Transfer	Agency B Approver reviews request and takes appropriate action. Agency B may hold, deny, or approve the transfer request.
8	Deny Transfer	Agency B Approver can deny approval of the transfer in Florida PALM. A denial will send a notification to the Agency A Asset Processor.
9	Resolve Issues	Agency Asset Processor resolves transfer issues and resubmit transfer request if applicable.
10	Approve Transfer	Agency B Approver approves the asset transfer in Florida PALM. An approval updates the asset status to 'Transferred' in Agency A. An approval establishes an Asset record in Agency B, with a unique asset ID, and an asset status of "In Service".
11	Asset Established	Asset Processors can view transferred Asset in Florida PALM. The Agency Asset Processor A runs depreciation to calculate up-to-date balances prior to the transfer of an asset. Calculation of depreciation using the straight-line depreciation method begins in the first month

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Process Step ID	Process Step Title	Description of Process
		after the asset is placed into service. The depreciation calculation should be through the time of disposal and include the month of disposal. The asset record in Agency B inherits the depreciation profile from Agency A. The net book value from Agency A establishes the asset cost for Agency B. Financial transactions occurring in the Asset Management module are automatically sent to the General Ledger to record financial activities for statewide reporting.
12	Update Asset Information	Agency B Asset Processor updates depreciation profile and other attributes if applicable.

40.2.3 – Intra-Unit Asset Transfer

Swim Lanes Definition	<p>Agency Asset Approver: agency role responsible for approving asset transfers in Florida PALM</p> <p>Agency Asset Processor: agency role responsible for creating and maintaining asset records in Florida PALM</p>
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Process Step ID	Process Step Title	Description of Process
1	Transfer Agreement	The Agency Asset Custodian must implement internal controls for managing and controlling asset, including written or oral agreements to transfer assets within the agency.
2	Initiate Workflow	If approval is required, the Agency Asset Processor uses the Cost/Adjust Transfer Asset feature in Florida PALM to initiate intra-unit transfer of an asset in Florida PALM.
3	Approve Transfer	If the transfer is approved, notification is sent to the Agency Asset Processor.
4	Deny Transfer	If the transfer is denied, notification is sent to the Agency Asset Processor.
5	Resolve Issue	Agency Asset Processor resolves transfer issues and resubmit transfer request if applicable.
6	Run Depreciation	The Agency Asset Processor runs depreciation to calculate up-to-date balances prior to the transfer of an asset. Property placed in service at any time during a month is treated as though it was placed in service on the first day of the month. Calculation of depreciation using the straight-line depreciation method begins in the first month after the asset is placed into service. Depreciation is calculated in full month increments, no matter what day of the month the depreciation is run. The depreciation calculation should be through the time of disposal and include the month of disposal.
7	Initiate Intra-Unit Transfer	If approval is not required, Agency Asset Processor initiates intra-unit transfer from the Cost Adjust/Transfer screen in Florida PALM.
8	Review/Update ChartField Information	The Agency Asset Processor reviews and updates the ChartField values for department, fund code, or organization code to complete intra-unit transfer of an asset in Florida PALM.

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Process Step ID	Process Step Title	Description of Process
9	Run Parent/Child Transfer Process	If an asset has a parent/child relationship, the Agency Asset Processor may run the Parent/Child Transfer Process.
10	Review/Update Asset	If applicable, The Agency Asset Processor reviews the parent/child relationship and update accordingly.
11	Transfer Complete	Florida PALM processes changes to the asset record to complete transfer of ownership. The asset record remains in the same BU, but in a different department, fund code or organization code. Financial transaction activity from Asset Management is sent to the General Ledger, to record depreciation, disposals, new assets, and other asset-related transactions. Accounting entries are created in the Florida PALM General Ledger through an automated process.

40.2.4 – Asset Disposal

Swim Lanes Definition	<p>Agency Asset Processor: agency role responsible for identifying and creating asset records in Florida PALM</p> <p>DFS Asset Processor: enterprise role responsible for identifying and approving asset records in Florida PALM</p>
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Process Step ID	Process Step Title	Description of Process
1	Identify/Review Assets for Disposal	An Agency Asset Processor or Custodian identifies assets for disposal based on approvals at different organizational levels. There are three types of dispositions: surplus, lost or stolen, and other. Prior to surplus disposal, the asset must be certified by a Surplus Review Board. Lost or stolen assets require DFS approval in Florida PALM to complete the write-off process. Other disposals may include assets that are traded-in, sold, or destroyed.
2	Attach Required Documents to Asset Record (as applicable)	The Custodian is responsible for providing the applicable documentation based on the type of asset disposition. An Agency Asset Processor attaches the documents to the asset record to support the reason for the disposal and support the required accounting transactions. Examples of applicable documents may include lease contracts, an internal incident report, or a police report.
3	Collect Asset Proceed Information	
4	Initiate Asset Disposal Process	The Agency Asset Processor initiates the Asset Disposal Process by updating the asset book status.
5	Initiate Approval Workflow	The Agency Asset Processor creates a transaction in Florida PALM to initiate a workflow if the disposal is for a lost or stolen asset. The workflow for the Asset Write-off Approval Process is automated in Florida PALM.

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Process Step ID	Process Step Title	Description of Process
6	Review/ Approve Disposition	The DFS Asset Processor reviews all the information and the attached documentation and provides a response to a request to write-off an asset.
7	Approve Disposition	The DFS Asset Processor approves the asset write-off request if the requirements are met. In accordance with policy, write-offs are approved when the asset has been missing for two annual inventory cycles and required documentation, such as a police report or an incident report, is provided. An approval notification is generated and sent to the requestor as part of the workflow process.
8	Update Asset Record (Asset Status: Disposed)	The Agency Asset Processor updates the status of the asset to indicate the disposition.
9	Run Depreciation	The Agency Asset Processor runs the depreciation expense and accumulated depreciation. Property placed in service at any time during a month is treated as though it was placed in service on the first day of the month. Calculation of depreciation using the straight-line depreciation method begins in the first month after the asset is placed into service. Depreciation is calculated in full month increments, no matter what day of the month the depreciation is run. The depreciation calculation should be through the time of disposal and include the month of disposal.
10	Calculate Gain/Loss	Florida PALM calculates any gain or loss on disposal of assets if applicable.
11	Run Depreciation Close	The Agency Asset Processor runs the depreciation close process and Florida PALM generates the period depreciation accounting entries for selected depreciable assets in a given accounting period.
12	Creating Accounting Entries	Financial transactions occurring in the Asset Management module are automatically sent to the General Ledger to record financial activities for statewide reporting.
13	Deny Request	The DFS Asset Processor may deny the asset write-off request if requirements are not met. This function is executed via workflow within Florida PALM. A denial notification is generated and sent to the requestor as part of the workflow process.

40.2.5 – Physical Inventory	
Swim Lane – Definition	Agency Asset Processor: agency role responsible for identifying and creating asset records in Florida PALM.

Process Step ID	Process Step Title	Description of Process
1	Set Up Physical Inventory	The Agency Asset Processor sets up the physical inventory by defining each physical inventory occurrence, selecting inventory parameters, and entering selection criteria. Florida PALM establishes a physical inventory ID, for each inventory cycle.
2	Review Asset Extract	After a physical inventory ID is established, the Agency Asset Processor reviews the physical inventory data, as defined by the selected inventory parameters, in Florida PALM before extracting the data.
3	Extract Asset Data	The Agency Asset Processor extracts the inventory data, for the physical inventory ID, to be used in subsequent steps of the physical inventory process.
4	Perform Physical Inventory	The Agency Asset Processor may choose to perform the physical inventory in Florida PALM, using configured handheld scanner devices. The Agency Asset Processor collects the physical count data of assets defined within the inventory ID.
5	Import Asset Extract	If the physical inventory is conducted outside Florida PALM, the Agency Asset Processor uses a file of the inventory data, formatted for acceptance by the agency inventory system/scanning device.
6	Perform Physical Inventory	If the physical inventory is conducted outside of Florida PALM, the Agency Asset Processor collects the physical counts and identifying features of verified assets via handheld scanner devices configured for an ABS.
7	Reconcile Physical Inventory Results	If the physical inventory is conducted outside of Florida PALM, the Agency Asset Processor reconciles the inventory data from the handheld scanners to the Florida PALM data to identify missing or unrecorded items.
8	Physical Inventory Scan Results	If the physical inventory is conducted outside of Florida PALM, the Agency Asset Processor creates a file for transmittal to Florida PALM.
9	Load Inventory File	The Agency Asset Processor uploads the reconciled inventory data.
10	Review Inventory Data	The Agency Asset Processor reviews reconciled inventory data uploaded to Florida PALM.
11	Verify Duplicate Tag/Serial #	Florida PALM uses a unique serial number or tag number to track assets and identify duplicate records. The Agency Asset Processor identifies any duplicate asset records and marks them as errors in the final inventory.

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Process Step ID	Process Step Title	Description of Process
12	Generate Results	The Agency Asset Processor performs matching between a physical inventory scan scope and scanned data and creates physical inventory results for review.
13	Generate Transactions (Optional)	After matching is performed, the Agency Asset Processor creates physical inventory transactions that reconcile the data with the results of the physical inventory.
14	Delete Data	The Agency Asset Processor deletes data generated for each inventory from Florida PALM. Delete features remove extract data, scan data, result data, and/or transaction data.

Ledger Impacts

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Update Asset Cost	<u>For Increased Asset Cost</u> Increases Assets Decreases Expense <u>For Decreased Asset Cost</u> Decrease Assets Increase Expense
LI2	Capitalize, Non-Capitalize Asset	<u>Capitalize Assets</u> Increases Assets Decreases Expense <u>Non-Capitalize Assets (record for tracking only)</u> No ledger impact to the general ledger
LI3	Reinstate Asset	Increases Assets Decreases Asset Gain/Loss (reversal of initial write-off) Increases Depreciation Increases Accumulated Depreciation
LI4	Run Depreciation	Increases Depreciation Expense Increases Accumulated Depreciation
LI5	Intra-Unit Transfer	<u>Entity Initiating the Transfer</u> Decreases Assets for a Fund/Department/Org. Code Increases Expense (Transfers Out) for Fund/Department/Org <u>Entity Receiving the Transfer</u> Increases Assets for a Fund/Department/Org. Code Increases Revenue (Transfers In) for a Fund/Department/Org.Code

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LI6	Inter-Unit Transfer	<u>Entity Initiating the Transfer (Agency A)</u> Decreases Assets Increases Expense (Transfers Out) <u>Entity Receiving the Transfer (Agency B)</u> Increases Assets Increases Revenues (Transfers In)
LI7	Disposal with Proceeds - Gain/Loss	Decreases Assets Decreases Accumulated Depreciation Increases Cash Increases Gain/Loss
LI8	Disposal without Proceeds (Write-off)	Decreases Assets Decreases Accumulated Depreciation
LI9	Physical Inventory – Additions	Increases Assets Decreases Expense
LI10	Physical Inventory – Deletions	Decreases Assets Decreases Accumulated Depreciation

Reports

Report Number	Report Description	Report Frequency	Audience
R1	Depreciation Report – a report of assets with monthly depreciation expense and accumulated depreciation	Periodic	Agency
R2	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. This report is used to monitor changes to the records and support the details required for financial reporting.	Periodic	DFS, Agency
R3	Asset Approval/Denial Report - a report of asset transactions that have been approved or denied.	Periodic	Agency
R4	Asset Dispositions – 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	Periodic	DFS, Agency

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Report Number	Report Description	Report Frequency	Audience
	applicable statutory and other requirements, and supports details required for financial reporting.		
R5	Extract Asset Data – a list of asset records in Florida PALM per BU for inventory.	Periodic	Agency
R6	Physical Inventory – Asset records in Florida PALM. The report also identifies the assets not accounted for and the asset records that required updates to locations, custodians, or conditions.	Periodic	Agency, DFS

Terminology

Business Unit (BU) – a unique identifier that represents an agency in PALM. The equivalent of OLO in FLAIR.

ChartField – each informational field of the PALM Chart of Accounts (COA), which provide the basic structure to segregate and categorize transactional and budget data.

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.

Surplus Review Board - a review board appointed by the Custodian to examine and make recommendations on approval or disapproval of classification of property as surplus.

Business Process Flow Diagrams

Please see 40.2 Deploy and Maintain Assets located in the [D54 Standardized Business Processes > Working > Workstream B folder](#).