PROJECT NUMBER: 01459

PROJECT TITLE: GASB Statement 34 Compliance: Development of a Fixed Asset (Infrastructure) Management Information System – Phase 1

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PROJECT OBJECTIVE:
The purpose of this project is to evaluate the current situation at the Alabama Department of Transportation (ALDOT) regarding Governmental Accounting Standards Board (GASB) Statement No. 34, evaluate ALDOT’s future needs, and devise an asset management system that will bring ALDOT into compliance with the requirements of GASB 34. This project will be conducted by the Center for Economic & Business Research (CBER) at the University of Alabama, in conjunction with UTCA.

PROJECT ABSTRACT:
GASB 34 is the most significant pronouncement in the history of government financial reporting, affecting more than 84,000 state and local governments. GASB 34’s infrastructure reporting requirements are intended to improve fiscal accountability for public investments by enabling users to understand infrastructure asset investments, financing and maintenance costs. Governments must determine the costs associated with general infrastructure assets, including initial construction costs, the cost of subsequent capital improvements, and the expenses associated with using the assets.

GASB 34 provides a tool for management of assets, but the final effectiveness of the tool is dependent upon implementing a responsive MIS system, converting existing records to useable data, adoption of depreciation methods, development of strategies for maintenance and upgrade of assets, and other steps in the system analysis/design process. In ALDOT’s case, the sheer size of the database (over 13,000 projects) to be analyzed and the number of projects open at one time make this a big project. This is complicated by federal deadlines for system initiation, inclusion of new and on-going projects, and conversion of historical data.

PROJECT TASK DESCRIPTIONS:
1) Organize a project steering team.
2) Identify key information needs.
3) Assess the impact of financial information needs on ALDOT’s current asset management systems (AMS).
4) Compile an inventory of current and past infrastructure investments.
5) Assess the impact of engineering’s information needs on ALDOT’s current asset management information systems.
6) Identify and analyze gaps between ALDOT’s current financial and asset management systems – and its GASB 34 architectural requirements.
7) Design the system specifications for an information resource information system (IRIS) that meets all “modified approach” requirements under GASB 34.
8) Operationalize a new IRIS.
9) Test and implement a new IRIS.

MILESTONES AND DATES:
Work tasks 1-6 constitute Phase 1, and tasks 7-9 constitute Phase 2.
Phase 1 Start Date: June 2001
Phase 2 Completion: December 31, 2001

FUNDING AGENCY:
STUDENT INVOLVEMENT:
This project will engage multiple graduate students during both Phase 1 and Phase 2, but especially during the conversion of existing data to the IRIS system.

RELATIONSHIP TO OTHER RESEARCH PROJECTS:
This project can be viewed as a stand-alone project as it does not tie into any other UTCA projects. Since all government agencies must convert to GASB 34, it is likely that this project will spin off many similar projects for county governments and other agencies.

TECHNOLOGY TRANSFER ACTIVITIES:
Phase 2 of this project will involve extensive training of ALDOT employees in use of the IRIS system. During Phase 1 of the project, the investigators envision developing a training course for local governments, to share the information gained in conducting the ALDOT project. Furthermore, the investigators envision developing articles for professional journals from the findings of this project.

POTENTIAL BENEFITS OF THE PROJECT:
The direct benefit of this project will be that ALDOT gains compliance with a mandated federal reporting requirement. But more importantly, ALDOT will gain a tool to enhance its asset management program.

TRB KEYWORDS:
GASB 34, asset management, management information system, information resource information system, depreciation