



FI\$Cal

Financial Information System for California

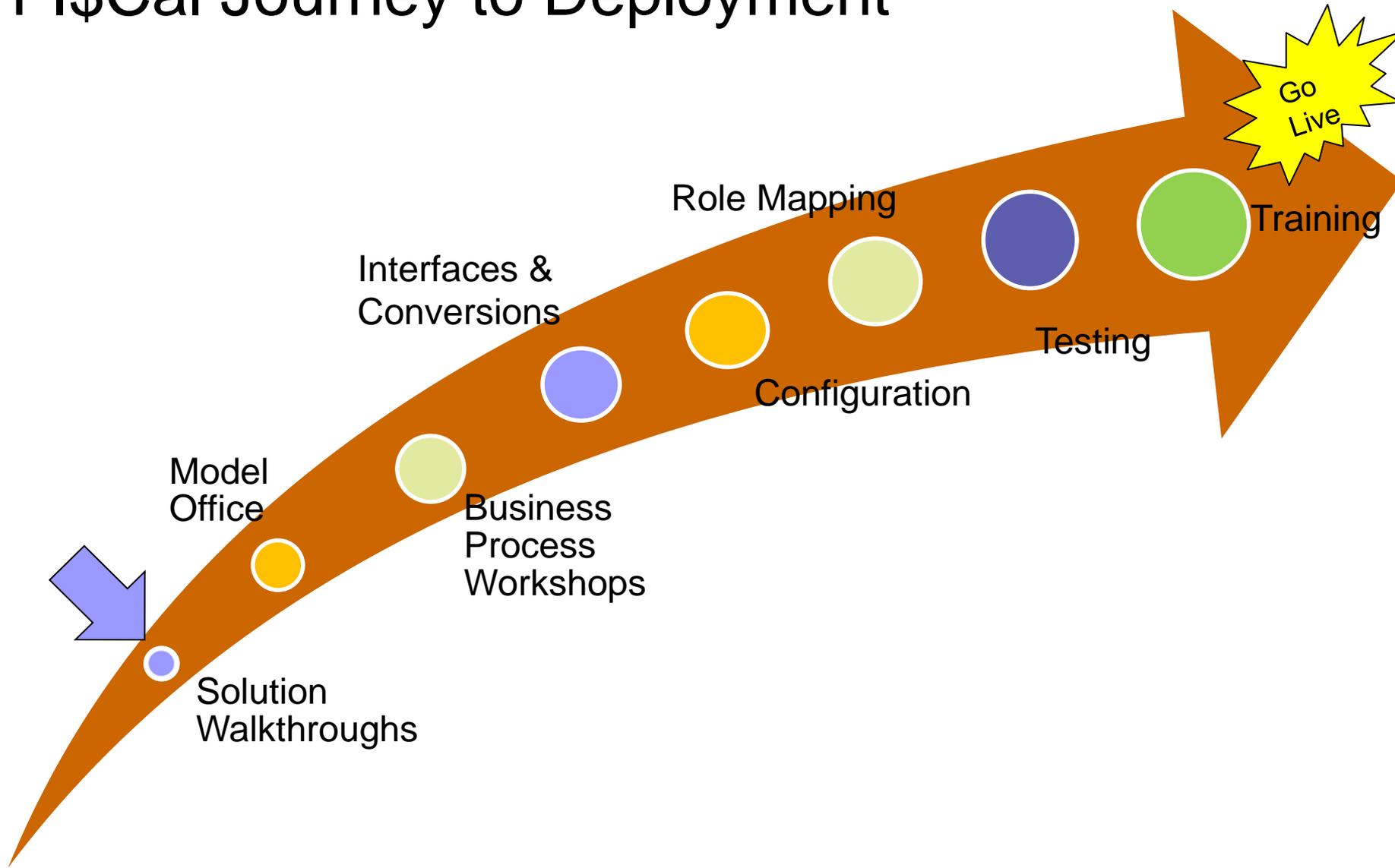
Walkthrough (SWT): Cash Management

2017 / 2018 Departmental Release

Agenda

- FI\$Cal Project Overview
- SWT Objectives
- Ground Rules and Guiding Principles
- Cash Management Overview
- Key Terms and Business Processes:
 - Create Bank Account
 - Bank Account Transfer
 - Bank Account Reconciliation
 - Manage Cash Position
- Technology Considerations – Interfaces
- Upcoming Functionalities - 2017 Release
- Session Recap
- Feedback: www.surveymonkey.com/r/SWTFeedback

FI\$Cal Journey to Deployment



FI\$Cal Project Overview

- The Financial Information System for California (FI\$Cal) is a business transformation project for the State in the areas of budgeting, accounting, procurement, and cash management. The Project prepares the State to work in an integrated financial management system.



SWT Objectives

- The Solution Walkthroughs will provide:
 - An overview of the business process, including key terms and functionalities
 - A demonstration of FI\$Cal solution
 - “To-Be” business process

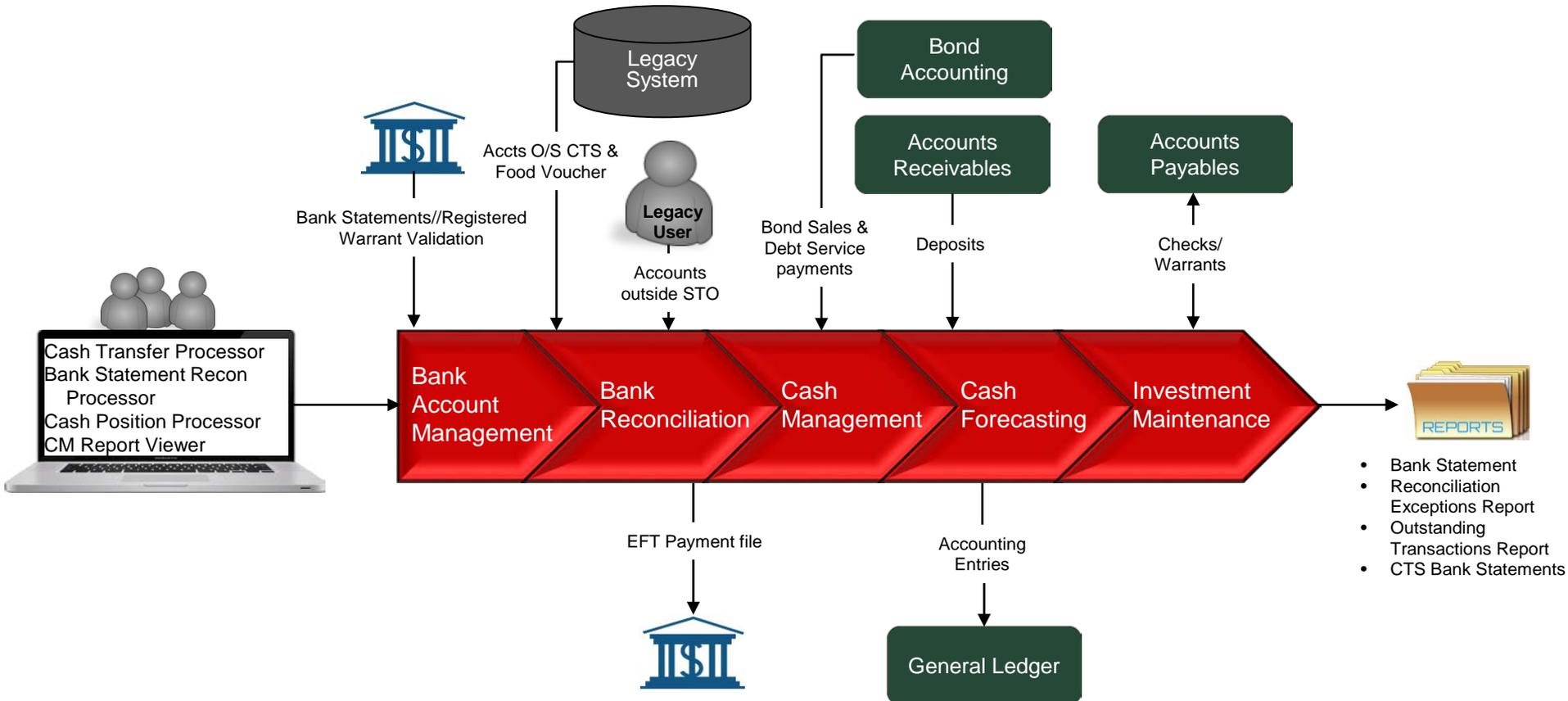
Ground Rules & Guiding Principles

- **Challenge** how the State does things today
- **Perspective** – Adopt a “Statewide” perspective
- **Silence is Consent** – Speak and share your thoughts
- **There are no Bad Questions** – Better to question, then assume
- **Consider Best Practices** and business process changes
- **Think of the data** and information you require

FI\$Cal Benefits

- Easily tracks movement of funds in Bank accounts and ensures adequate accounting of cash
- Involves the configuration setup of the FI\$Cal Bank (State Bank), the CTS Accounts, the Warrant Account and the Internal Transaction Account
- Process that reconciles system transactions to bank statements and gives control agencies and departments the ability to manage reconciliation
- Enables control agencies and departments to view the position of cash in the appropriate bank account
- Benefits of web based payment and reporting solutions between Department and banks or external systems
- Departments can download CTS bank statements by using secure communication capabilities

Cash Management Overview



Cash Management Key Terms

Term	Definition
Warrant Account	SCO Account from which warrants are drawn
Bank Statement Reconciliation	The process used to reconcile FI\$Cal transactions to imported bank statement transactions
Item Processing Section (IPS)	The STO section whose system generates the Paid Items file
Centralized Treasury Trust System (CTTS)	SCO's system that records department bank statement transactions and provides monthly department bank statements
Centralized Treasury System (CTS) Account	Department Checking, ORF, and/or Agency Trust Accounts

What ***IS NOT*** Changing for FI\$Cal

- The following bank types will continue to be captured outside FI\$Cal:
 - Presenting banks
 - SCO bank contracts
 - STO bank agreements

- The following process will continue as they are today:
 - Requests for new CTS bank accounts
 - Requests for new bank accounts outside CTS

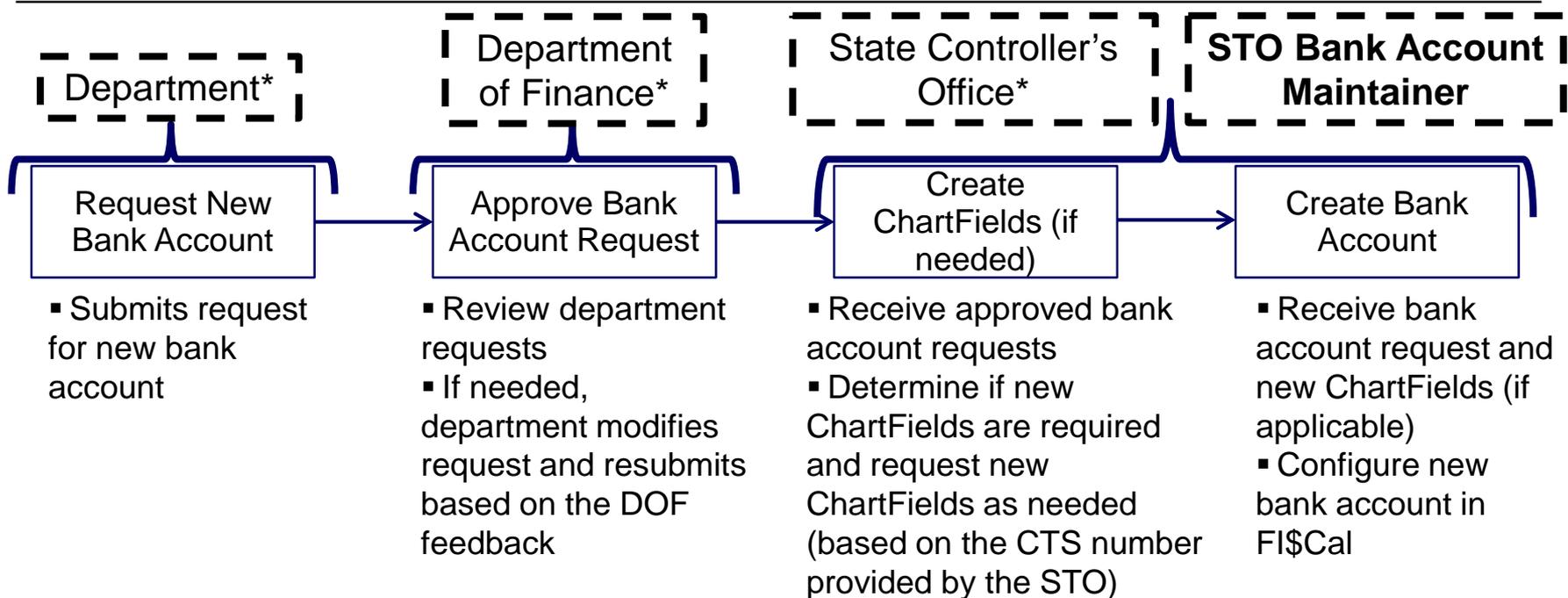
What is Included in FI\$Cal

- Department-level cash data will be contained in the FI\$Cal General Ledger (GL) and transaction-level modules (for example, Accounts Receivable and Accounts Payable)
- FI\$Cal includes CTS Bank Account conversion and transaction reconciliation
- Banks and bank account configuration will be maintained by STO
- ChartFields associated with bank accounts will be determined by SCO
- Reconciliation will be performed by FI\$Cal overnight on a daily schedule
- Departments will analyze reconciliation exceptions within FI\$Cal
- Optional - Zero Balance Account (ZBA) management and reconciliation

Create Bank Account

- Before money can be moved in and out of FI\$Cal, Banks and Bank Accounts must be defined
- The State of California operates a two-tiered banking structure:
 - Tier 1: Demand Account (Physical Bank Accounts) – Cash is not accounted for by Fund
 - Demand Deposit Accounts at external financial institutions – Treasury BU ownership
 - Tier 2: CTS and Warrant Accounts (Virtual Bank Accounts) – Cash is accounted for by Fund
 - CTS Accounts – Departmental BU ownership
 - General Cash, ORF Cash, Agency Trust Cash
 - Warrant Account – Statewide BU ownership
 - Cash in State Treasury

Create Bank Account in FI\$Cal



*Not a FI\$Cal System role

Bank Information

- The Bank Information page will be used to configure Banks with which the State of California does business with
- The Address Information Page may be used to enter Bank contact information
- The Bank Contact Notes page may be used to enter general notes, but will only be viewable by the STO

Bank Branch Information

- For Centralized Treasury System (CTS) accounts (virtual bank accounts), each department will be configured as a bank branch so their remit to address can be printed on the invoices they send out.
 - Used to perform internal transfers of cash within FI\$Cal
 - Each department gets their own bank branch

External Bank Accounts

- External Bank Accounts in PeopleSoft normally represent accounts at physical ("brick and mortar") financial institutions
- The State will be using PeopleSoft External Bank Accounts to configure departmental CTS accounts which can be used across modules (AR, AP, etc.)

External Bank Accounts

Why are we using external bank accounts?

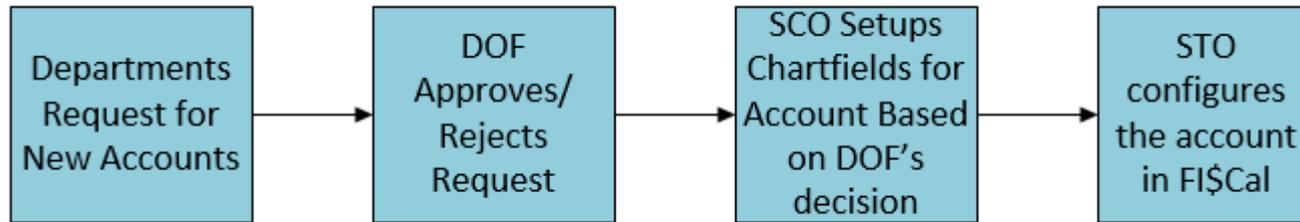
- Departments need to make system deposits into and issue department checks from their CTS account(s)
- SCO needs to make disbursements out of the State Treasury using warrants
- All of the account activity needs to be reconciled in the CM module
- Allows for internal transactions such as replenishing a department Office Revolving Fund (ORF), remitting cash to the appropriate Fund in Cash in State Treasury or transferring cash between CTS accounts

Types of External Bank Accounts

- Different types of External Bank Accounts:
 - Depository Bank
 - Demand Bank Accounts
 - Zero Balance Accounts (ZBA)

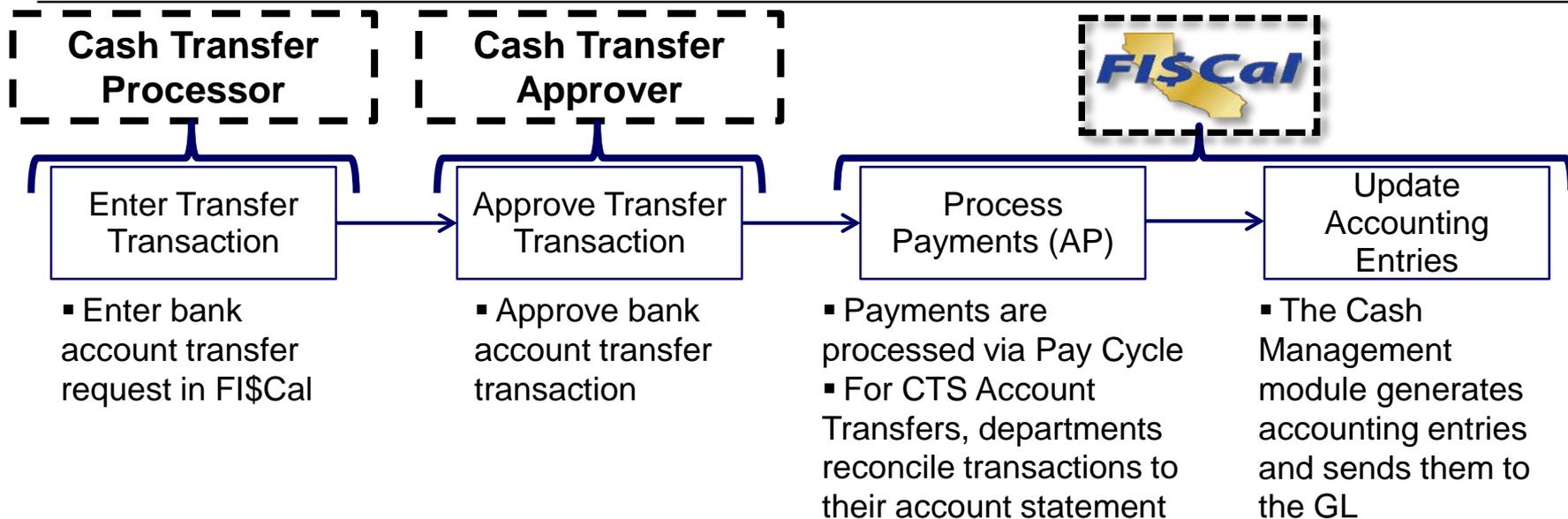
 - State Bank
 - Department CTS
 - SCO Warrant
 - SCO EFT Account

Create Bank Account - Work Flow



- CTS Accounts, Warrant Account, Demand Accounts, ZBA Accounts, EFT Account, etc. will be configured and maintained in the Cash Management Module by STO
- Users will be able to see only those accounts for which they have Business Unit (BU) security
- STO will have a BU associated specifically with their Demand Accounts

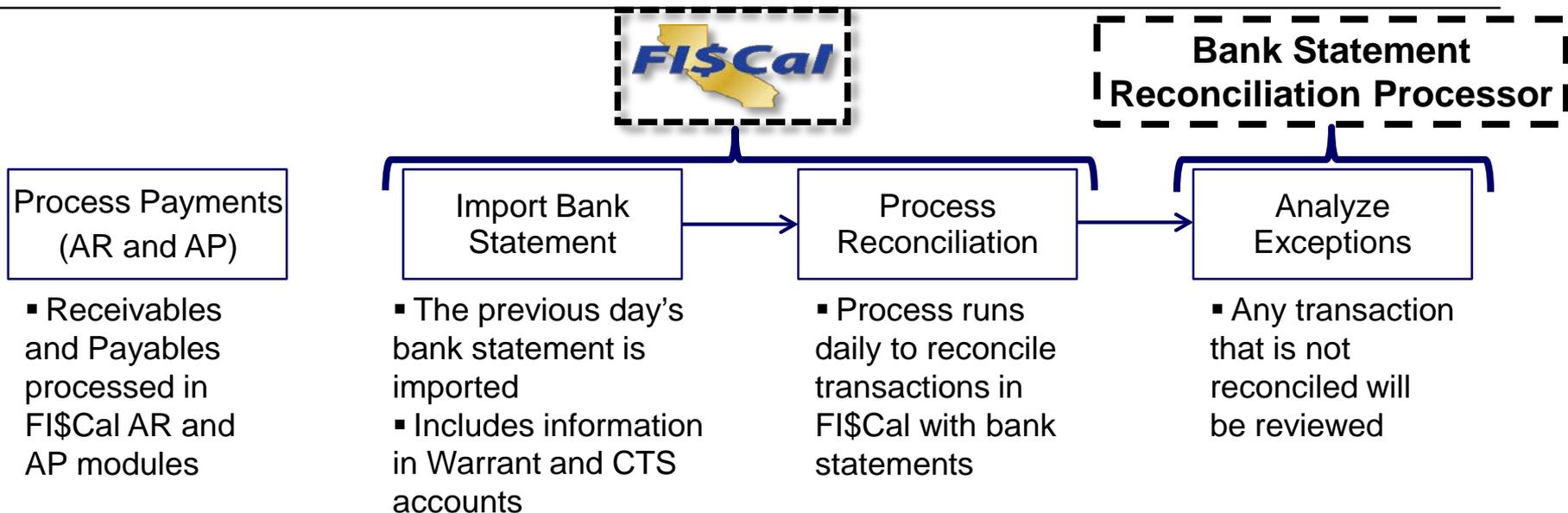
Bank Account Transfers



Key Impacts

- Bank account transfers are used to correct mistakes made in the wrong bank account when recording bank deposits or payments and will move cash between the accounts
- SCO Approved Cross Business Unit transactions will be keyed by SCO employees

Bank Reconciliation



Key Impacts

- SCO analyzes exceptions for Warrant Account
- Departments analyze exceptions for CTS Accounts
- Exceptions may be reviewed daily and must be resolved monthly

Bank Account Reconciliation

- CTS bank account reconciliation matches transactions on the CTS bank tables (bank side) with those on the system (book side) in CM, AR and AP
- Warrant account reconciliation matches the STO paid warrants (bank side) with the outstanding warrants in AP (book side)

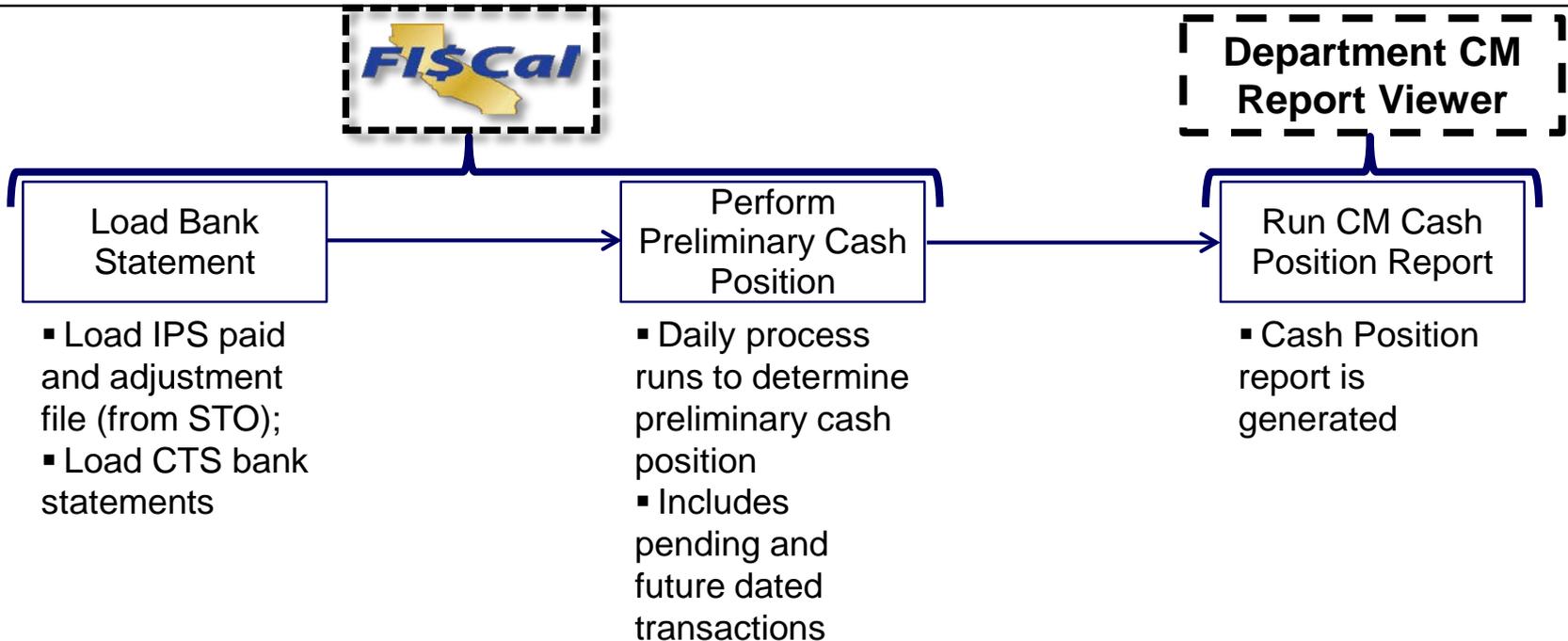
Automatic Reconciliation

- Automatic Reconciliation
 - System reconciles FI\$Cal transactions to imported bank statement transactions
 - Matching criteria consists of date, amount, and reference number.
 - Items can be matched across dates. Date has a tolerance of 30 days for deposits and 1 year for paid checks.
 - Reduces manual reconciliation through the use of an automated matching process and integrated data management
- Automatic Reconciliation Exceptions Page
 - Items that do not match according to the reconciliation rules appear on the Automatic Reconciliation Exceptions page
 - Exceptions should be researched in the module of origin (e.g. AP for checks)

Non-Automated Reconciliation

- **Semi Manual Reconciliation:** When items do not match 100% according to the automated reconciliation criteria, the Semi Manual Reconciliation page can be used to match items
 - Items can be matched manually
 - Total amount of bank transactions must equal to total amount of system transactions
- **Manual Reconciliation:** This is used to change the reconciliation status of system side transactions that can't be reconciled automatically or on the Semi Manual Reconciliation page

Manage Cash Position



Key Impacts

- State staff view, monitor, and forecast the balances in any bank account in FI\$Cal associated with their Business Unit
- FI\$Cal provides visibility into pending and future transactions to support Cash Positioning and Cash Balance Forecasting

Technology Considerations – Interfaces

Interface	Definition
1. Positive Pay Checks (Outstanding Checks/Stops)	Daily outbound outstanding items and stopped payments file from AP to IPS. STO references this file before honoring presented checks from presenting banks
2. Paid Items File (AIAA) from IPS	Daily inbound IPS interface to import Paid Items

Key Impacts

- To qualify for the positive pay checks interface a department needs to be current in their issued checks and check reconciliations

Technology Considerations - Interfaces



IPS Paid Item Interface

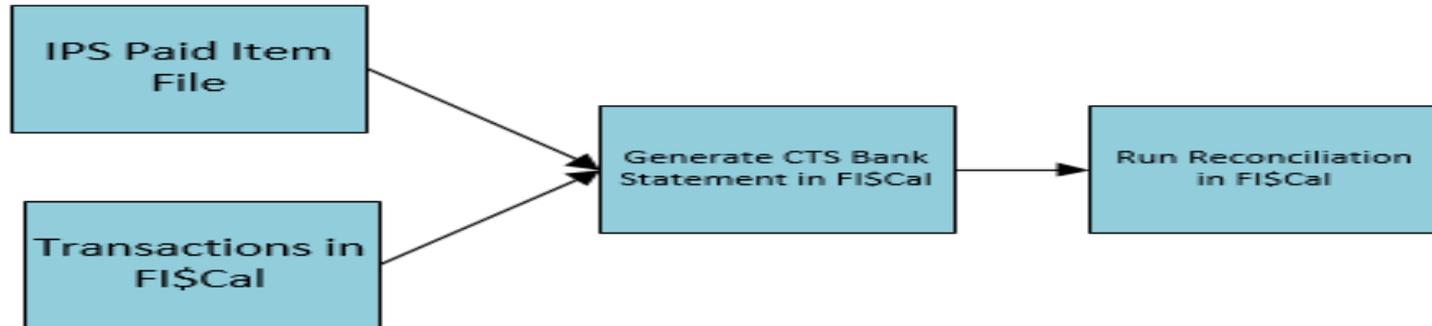
- FI\$Cal receives a daily inbound file from STO - IPS of the paid (honored) warrants, checks, and vouchers
- FI\$Cal automatically reconciles bank statement transactions to system side transactions after the file is loaded

Upcoming Functionalities - 2017 Release

- FI\$Cal will introduce additional control agency functionality including:
 - Creation of bank deposit slips (AR)
 - The EDF System will not be retired until all departments and any Deferred/Exempt department using it are creating their deposit slips in FI\$Cal
 - Reconciliation of STO's depository bank accounts
 - Creation of bank statements for all accounts associated with the State Bank

- Ability to automatically reconcile any bank account in FI\$Cal where bank statements that meet FI\$Cal standards are available

Upcoming Functionalities - 2017 release



CTS Bank Statement

- Replacement of SCO Centralized Treasury Trust System (CTTS)
- Will build on the bank statements already created by IPS to add:
 - eFITs remittances & ORF Replenishments, etc.
 - Adjustments or transfers between accounts from Bank Account Transfers
 - Deposit Slip processing

Upcoming Functionalities - 2017 release

IPS Paid Item Interface

- FI\$Cal receives a daily inbound file from STO - Checks (including UI/DI), and food vouchers paid
- For CTS accounts with food vouchers (Women, Infants & Children, and Senior Farmer's Food Market) and EDD's UI/DI accounts, FI\$Cal will generate accounting entries and bring the items in as reconciled

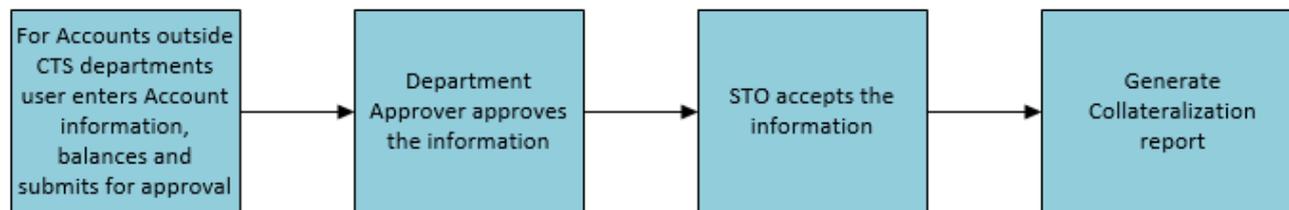
Upcoming Functionalities - 2017 release

Bank Statements and Reconciliation

- FI\$Cal will generate CTS Bank Statements
- Statements will be loaded into FI\$Cal's CM module
- Bank Statement transactions will be used to reconcile with the corresponding CTS account transactions in FI\$Cal
- Following methods of reconciliation will be used in FI\$Cal:
 - Automatic reconciliation
 - Semi Manual reconciliation
 - Manual reconciliation

Upcoming Functionalities - 2017 release

EXTCM015



Accounts outside CTS Collateralization

- Departments will submit/generate their Report 14 electronically in FI\$Cal
- All approvals/acceptance related to Report 14 can be tracked in FI\$Cal
- STO will enter/ load information for the departments not in FI\$Cal
- STO will be able to generate collateralization reports and reports to determine compliance on department reporting
- SCO will have the information for their Budgetary/Legal Basis Report

Upcoming Functionalities - 2017 release

CTS Bank Account Reconciliation Exception

- Food Voucher accounts and EDD's UI/DI accounts will have all paid instruments recorded as reconciled in the bank table since these items are issued outside of FI\$Cal

Functionality discontinued in 2017 Release

Bank Statement Files from SCO - Daily inbound Centralized Treasury Trust System (CTTS) interface to import CTS bank statements

Demonstration

Session Recap

- Key Considerations
- Action Items
- Concerns

Question and Answer



FI\$Cal Project Information:

<http://www.fiscal.ca.gov/>

For Questions, Comments or Feedback:

www.surveymonkey.com/r/SWTFeedback

or e-mail the FI\$Cal Project Team at:

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