



One state. One system.

Bank Statement Processing

Business Process Workshop (BPW)

2017 STO/SCO Release



Agenda

- BPW Objectives
- What You Should Take Away
- Cash Management Overview
- User Roles Summary
- Key Terms
- Business Processes
- Role Mapping Activity
- Identifying Change Impacts
- Next Steps
- Appendix

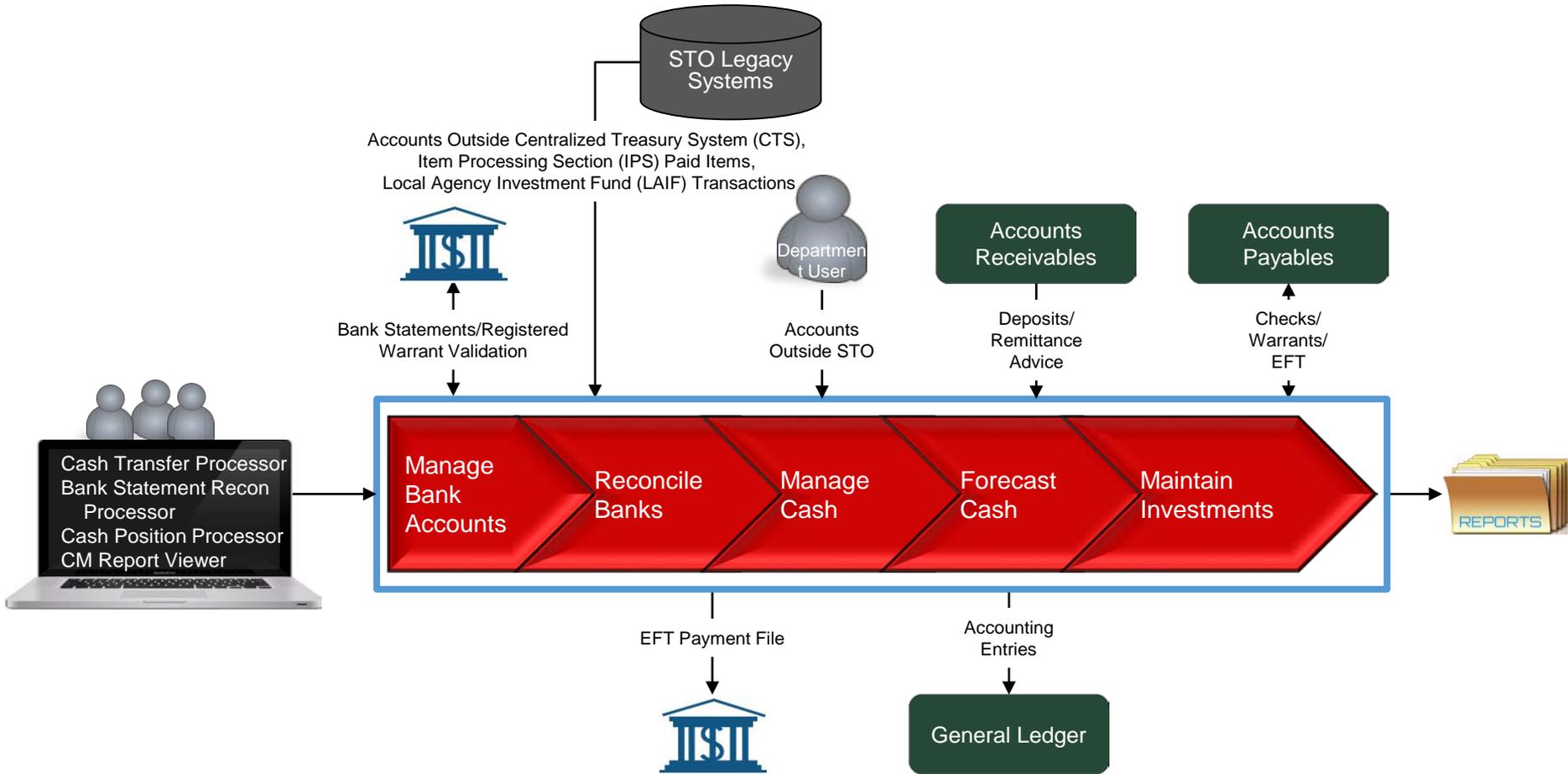
BPW Objectives

- The Business Process Workshops allow participants to:
 - Learn about new end-user roles and what functions they perform
 - Gain an understanding of the new FI\$Cal business processes
 - See a demonstration of how the new FI\$Cal business processes work in the System
 - Understand the next steps in the implementation phase
 - Know how to get assistance from FI\$Cal

What You Should Take Away

- Materials from today's session:
 - Business Process Workshop Presentation
 - Role Mapping Tools
 - SCO Change Management Activities
 - STO Change Impact Tool
- Understanding of the new FI\$Cal processes, the next steps, and the support available from FI\$Cal

Cash Management Overview



Key Terms

Term	Definition
STATE Bank	Includes Department CTS Accounts, the SCO Warrant Account
Netting Bank	Netting Bank is required to setup Netting Accounts which will be used for netting of delinquent receivables against only certain types of payments, including income tax refunds, lottery winnings and unclaimed property payments or if there is requirement of Netting within BU
Demand Accounts	The eight accounts at the depository banks that contain all the banking activity for State of California Centralized Treasury System deposits and disbursements.
Bank Reconciliation	The process used to reconcile FI\$Cal transactions to imported bank statement transactions.

Key Terms

Term	Definition
CTS Bank Account Transfer	The transfer of money between CTS accounts and between departments and SCO (not including interagency billing)
STO Bank Account Transfer	Transfer of money between STO demand accounts to meet daily disbursement activity in a bank or to transfer excess deposits to maintain compensating bank balances and invest idle money

User Role Summary

FI\$Cal End-User Role	Description
STO Bank Statement Reconciliation Processor	The STO end user who reconciles the Bank Statements for each Demand Bank Account under the Depository Banks by reconciling transactions via Automatic, Semi-Manual, or Manual Reconciliation and analyzes exceptions to the reconciliation process.
Central Bank Statement Processor	The central end user who maintains bank integration configuration and performs modifications to Bank Statements created by the Bank Statement Import process.
Bank Statement Reconciliation Processor	The central and department end user who reconciles the Bank Statements for each Departmental Bank Account under the State Bank by reconciling transactions via Automatic, Semi-Manual, or Manual Reconciliation and analyzes exceptions to the reconciliation process.

User Role Summary

FI\$Cal End-User Role	Description
STO Cash Transfer Processor	The STO end user who creates and submits requests for Bank Account Transfers between demand accounts.
STO Bank Account Maintainer	The STO end user who creates and maintains Banks, Bank Branches, and all Bank Accounts that the State configured.
STO CM Report Viewer	The STO end user who can run delivered Cash Management reports and any other custom STO report.

User Role Summary

FI\$Cal End-User Role	Description
SCO Cash Transfer Processor	The SCO end user who creates and submits requests for Bank Account Transfers between Centralized Treasury System (CTS) Bank accounts.
SCO Cash Transfer Approver	The SCO end user who will review and approve all department requests for transfers between CTS Bank Accounts.

Bank Account Reconciliation

- STO demand account reconciliation involves matching transactions on the BAI2 files (bank side) with transactions on the system (book side) that are generated in CM, AR and AP modules
- Warrant account reconciliation matches the STO paid warrants (bank side) with the outstanding warrants in AP (book side)
- This process covers:
 - STO
 - Bank BAI2 Files
 - ZBA Deposit Entries
 - Demand Account Reconciliation
 - SCO
 - Warrant Bank Reconciliation

Bank BAI2 Files

The bank file transactions will be split according to the actual account they are grouped under. Each STO analyst will have at least 2 accounts (DDA, LAIF ZBA) for each bank instead of only the one demand account to reconcile.

If the bank also has a Pre-Sort ZBA or Misc-Sort ZBA, there will also be a separate account for those ZBAs that would need to be reconciled.

Each Bank file will also include the 5 RIA ZBAs for the Big 5 (BOE, DCSS-SDU, DMV, EDD, FTB). FI\$Cal is leveraging the detail in the ZBAs to get an item count of the number of returned checks (i.e. NSF, Acct closed, etc.) for the NSF report.

Reports currently generated from the STO Bank Conversion Excel program will be generated via FI\$Cal batch process and will be ready to print for STO Bank Rec shortly after the bank file is processed.

These reports can also be run ad hoc.

ZBA Deposit Entries

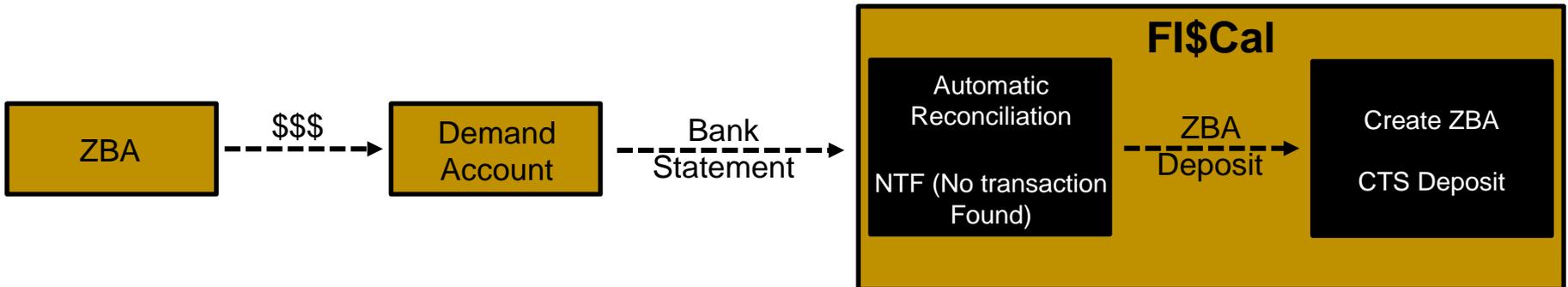
After the bank files are loaded, there will also be a process to create the deposit entries associated with the ZBA sweeps.

These entries will post to the appropriate department's CTS account so they can view it.

Eventually, STO business process may change and it may not be necessary to send the Bank ZBA report out to the departments to let them know what STO processed for their ZBA.

AR Bank Statement Load

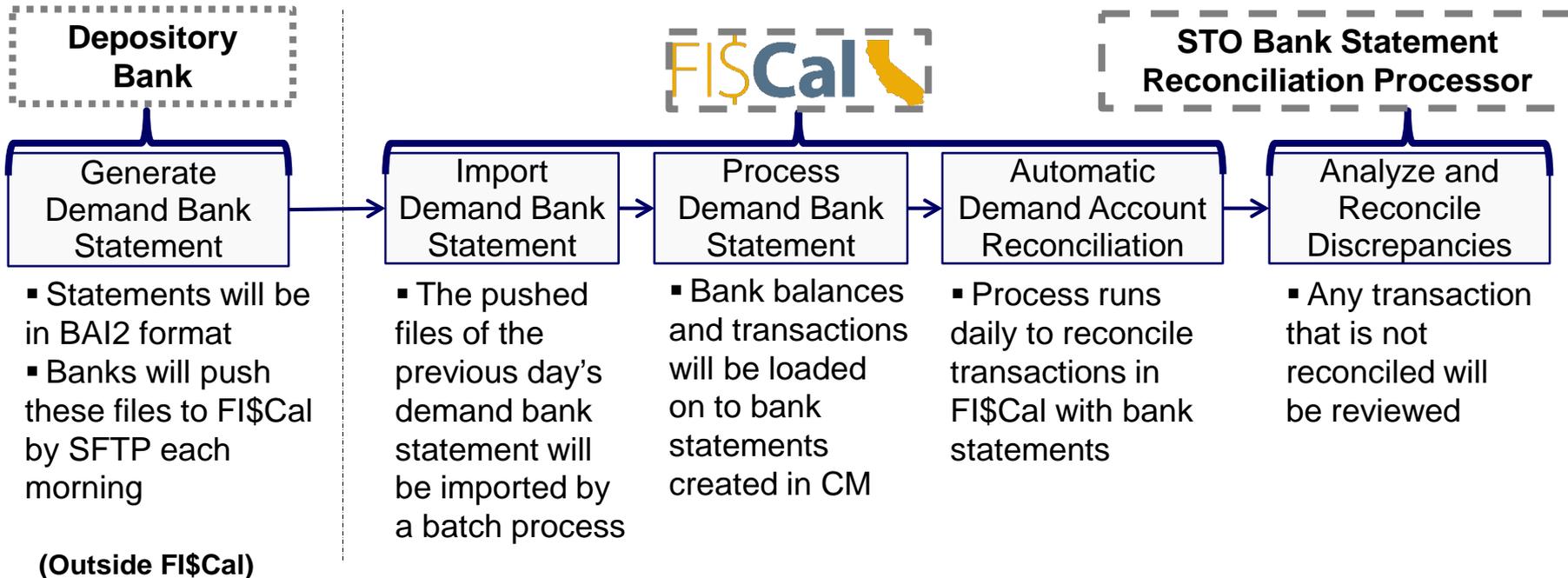
- (creates deposit entries for ZBA sweeps in the AR Module)



Other System/Book Side Transactions

- Some examples of Book Side transactions:
 - Deposits created on the EDF will be interfaced into FI\$Cal
 - LAIF deposits will be interfaced into FI\$Cal
 - Checks will be keyed into AP
 - STO Special Deposits will be keyed into CM as Bank Account Transfers
 - STO Outgoing Wires will be keyed into CM

Demand Account Reconciliation



Key Impacts

- Daily automated integration with all eight Depository Banks to receive previous day BAI2 files
- Exceptions may be reviewed daily and must be resolved monthly

Automatic Reconciliation Overview

An Automatic Reconciliation program will run via batch process after the bank files have been pushed and imported.

Although the reconciliation rules are not as sophisticated or complex as the ones in Frontier (STO), it should be able to easily reconcile on a one-to-one basis based on the transaction type (i.e. incoming/outgoing wires, checks, deposit slips, etc.) and a few other criteria.



Statement of Cash Accountability

Reconciliation of bank balances will be between the bank statement in the CM module and the Statement of Cash Accountability (Statement) bank balance in the STO GL accounts.

The Statement will be produced daily from the transactions entered by departments (such as for deposit slips), FSS (such as other JE's or bank transfers), interfaces (such as LAIF deposits) in various modules.

If there are errors on the Statement it needs to be corrected at all levels (FSS, Bank Rec, Accounting) so a JE will need to be done. There should not be any more Bank Rec Only JE's to correct errors.

STO and SCO have agreed that the top half (Assets) of the Statement is STO's and the bottom half (Accountability/Liability) is SCO's.

The Statement of cash accountability will be covered further in an additional BPW.

Statement of Cash Accountability

STATEMENT OF CASH ACCOUNTABILITY
 AS OF
 January 31, 2003

COPY

ASSETS

DEMAND DEPOSITS		(242,200,426.92)
BANK OF AMERICA-REGULAR ACCOUNT	(144,330,861.36)	
BANK OF AMERICA-U.I. INS. ACCT.	110,626.33	
BANK OF CALIFORNIA, N.A.	3,343,406.31	
BANK OF THE WEST	5,195,012.32	
UNION BANK	(89,934,189.02)	
WELLS FARGO BANK	(28,575,539.59)	
WESTAMERICA BANK	6,318,814.75	
U S BANK	5,672,302.74	
FISCAL AGENT DEPOSITS		478,890,937.27
CITIBANK, NEW YORK, CUSTODIAL	36,000,000.00	
J P MORGAN TRUST COMPANY	0.00	
U S Bank TRUST-FISCAL AGENT	0.00	
BANK OF NEW YORK	442,890,937.27	
POOLED MONEY INVEST-TIME DEPOSITS		5,429,095,000.00
POOLED MONEY INVEST-SECURITIES		44,689,631,439.27
POOLED MONEY INVEST-LOANS		5,502,862,626.64
ACCOUNTS RECEIVABLE:		
CENTRALIZED BANKING		127,804,191.65
CASH MANAGEMENT		13,390.87
TOTAL ASSETS		55,986,097,158.78

ACCOUNTABILITY ACCOUNTS

FUND CASH		(52,001,986,845.80)
AGENCY BANK ACCOUNTS		(1,218,679,551.00)
UNCLEARED COLLECTIONS		(5,842,541.26)
OUTSTANDING WARRANTS		(2,311,085,990.48)
STATE BONDS & COUPONS PAYABLE		(448,502,230.24)
ACCOUNTS PAYABLE		
REG WARRANT INTEREST		0.00
TRUST DIVISION		0.00
TOTAL ACCOUNTABILITY ACCOUNTS		(55,986,097,158.78)

Bank-to-Book Reconciliation

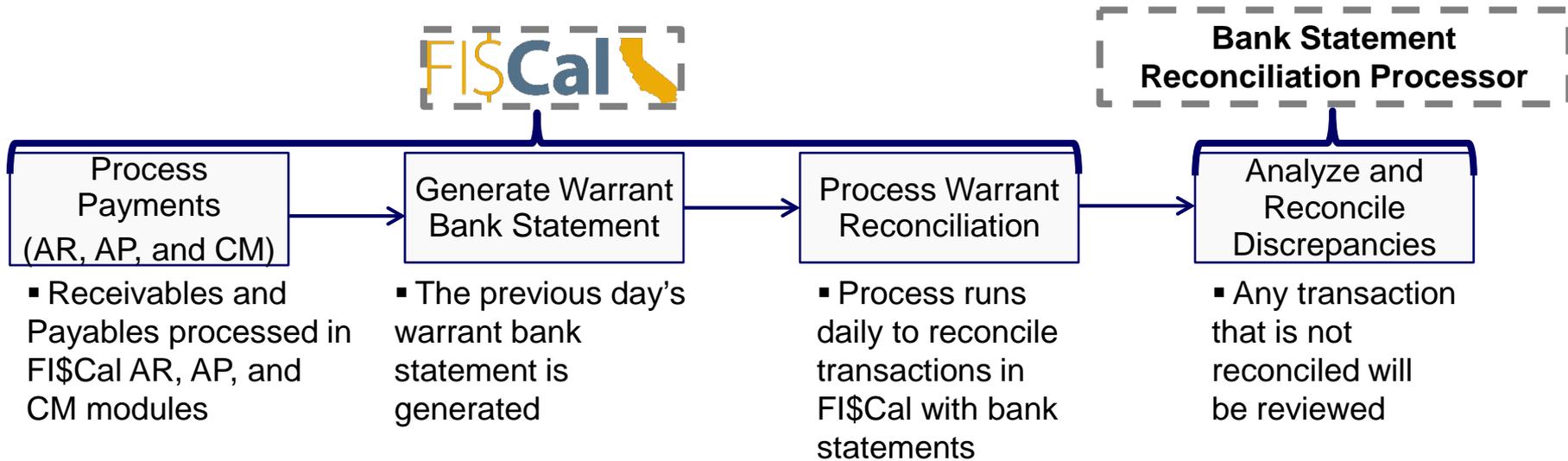


Automatic Reconciliation

- Reference
- Amount
- Date

Semi-Manual Reconciliation

Warrant Bank Reconciliation



Key Impacts

- SCO analyzes exceptions for Warrant Account
- Exceptions may be reviewed daily and must be resolved monthly
- Any update of a transaction for reconciliation is made in the originating module

Semi-Manual Reconciliation (Unreconciled)

Semi Manual Reconciliation *Search By

Search Criteria

Bank ID Account # Statement ID

From Date Thru Date *Reconciliation Status

From Amount To Amount Currency Code USD

[Advanced Search](#)

Bank Transactions						System Transactions					
Select	Reference	Bank Date	Tran Amt	Type		Select	Reference	Tran Date	Tran Amt	Type	Source
<input type="checkbox"/>	8016000002	08/05/2016	1,391.00	D		<input type="checkbox"/>	6088000087	08/01/2016	-5,000.00		Deposit Slip
<input type="checkbox"/>	8022000154	08/05/2016	2,394.00	D		<input type="checkbox"/>	1175000034	08/04/2016	-100.00		Deposit Slip
<input type="checkbox"/>	5175000031	08/04/2016	800.00	D		<input type="checkbox"/>	1088000003	07/20/2016	1.00		Deposit Slip
<input type="checkbox"/>	0000142149	08/04/2016	-50.00	CHK							

Key Impacts

- Personal views of the information seen on the screen and the layout of the columns of information (e.g., BAI codes, deposit date, amount, deposit number, etc.) can be created
- Disbursement amounts are represented as negative amounts to show it reduces the balance in the account

Semi-Manual Reconciliation (Reconciled)

Search Criteria

Bank ID: Account #: Statement ID:

From Date: Thru Date: *Reconciliation Status:

From Amount: To Amount: Currency Code: USD

[Advanced Search](#)

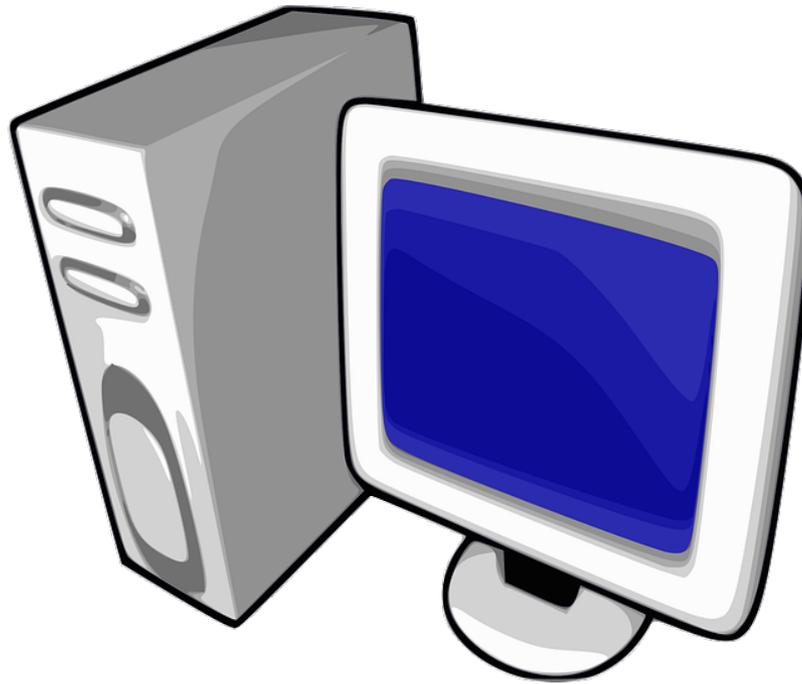
Bank Transactions Personalize | Find | View 50 | First 1-88 of 88 Last

Select	Reference	Bank Date	Tran Amt	Type
<input type="checkbox"/>	1088000100	08/05/2016	2,301.00	D
<input type="checkbox"/>	8022000002	08/05/2016	7,681.22	D
<input type="checkbox"/>	123456789	08/04/2016	1,000.00	D
<input type="checkbox"/>	1175000030	08/04/2016	500.00	D
<input type="checkbox"/>	1175000024	08/03/2016	8,796.00	D
<input type="checkbox"/>	2200000002	08/02/2016	50.00	
<input type="checkbox"/>	1175000021	08/01/2016	10,000.00	D
<input type="checkbox"/>	1175000020	07/28/2016	10,000.00	D
<input type="checkbox"/>	1175000018	07/27/2016	1,000.00	D
<input type="checkbox"/>	1175000014	07/26/2016	3,000.00	D
<input type="checkbox"/>	1088000049	07/21/2016	10,000,000.00	D
<input type="checkbox"/>	1175000010	07/20/2016	1,000.00	D

System Transactions Personalize | Find | View All | First 1-16 of 16 Last

Select	Reference	Tran Date	Tran Amt	Type	Source
	5175000031	08/04/2016	800.00		Deposit Slip
<input type="checkbox"/>	1175000010	07/20/2016	1,000.00		Deposit Slip
<input type="checkbox"/>	123456789	08/04/2016	1,000.00		Deposit Slip
<input type="checkbox"/>	1088000093	08/01/2016	1,000.00		Deposit Slip
<input type="checkbox"/>	1175000018	07/27/2016	1,000.00		Deposit Slip
<input type="checkbox"/>	1088000100	08/05/2016	2,301.00		Deposit Slip
<input type="checkbox"/>	1175000002	07/15/2016	2,800.00		Deposit Slip
<input type="checkbox"/>	1175000014	07/26/2016	3,000.00		Deposit Slip
<input type="checkbox"/>	1175000020	07/29/2016	10,000.00		Deposit Slip
<input type="checkbox"/>	1175000021	08/01/2016	10,000.00		Deposit Slip

Demonstration



Legacy STO (Conversion) Bank Excel Reports

- Selected FI\$Cal equivalents of the 'Reports' generated from the Excel Conversion File:

Report #	Reports	Description
RPTCM081	Daily Statement Summary Report	Daily Statement Summary Report (BAI conversion Summary Sheet)
RPTCM027	Daily Bank Statement Detail Report	Bank Statement Report (transaction details on BAI file)
RPTCM028	Daily BAI Code Statement Report	Daily BAI Code Statement Report (mostly BofA 175 deposits with BAI code 187 and 301)
RPTCM029	Daily STO ZBA Detail Report	Detail in STO ZBA accounts (LAIF, Pre-Sort, Misc-Sort)
RPTCM030	ZBAs ATAs and New Accounts Report	ZBAs ATAs and New Accounts Report (DR/CR Wash, ATAs, New Acct)
RPTCM031	Returned Item Adjustment Report	Returned Item Adjustment Report (RIA ZBAs)

Other reconciliation reports will be available but are not listed.

CTS Bank Transfers

Within Business Unit Transfers

Departments will initiate CTS transfers within their BU (e.g., general cash, ORF revolving fund, agency trust)

The SCO will then be required to approve the CTS Bank Transfer.

Cross Business Unit Transfers

When a department requires a bank transfer with another departments, the departments follow the established business process outside of FI\$Cal to initiate the transfer.

Reasons for requiring the transfer vary depending on business need. Upon notification of a transfer, the State Controller's Office is responsible for generating and approving the cross business unit transfer in FI\$Cal in order for the transfer to occur.

CTS Bank Account Transfers

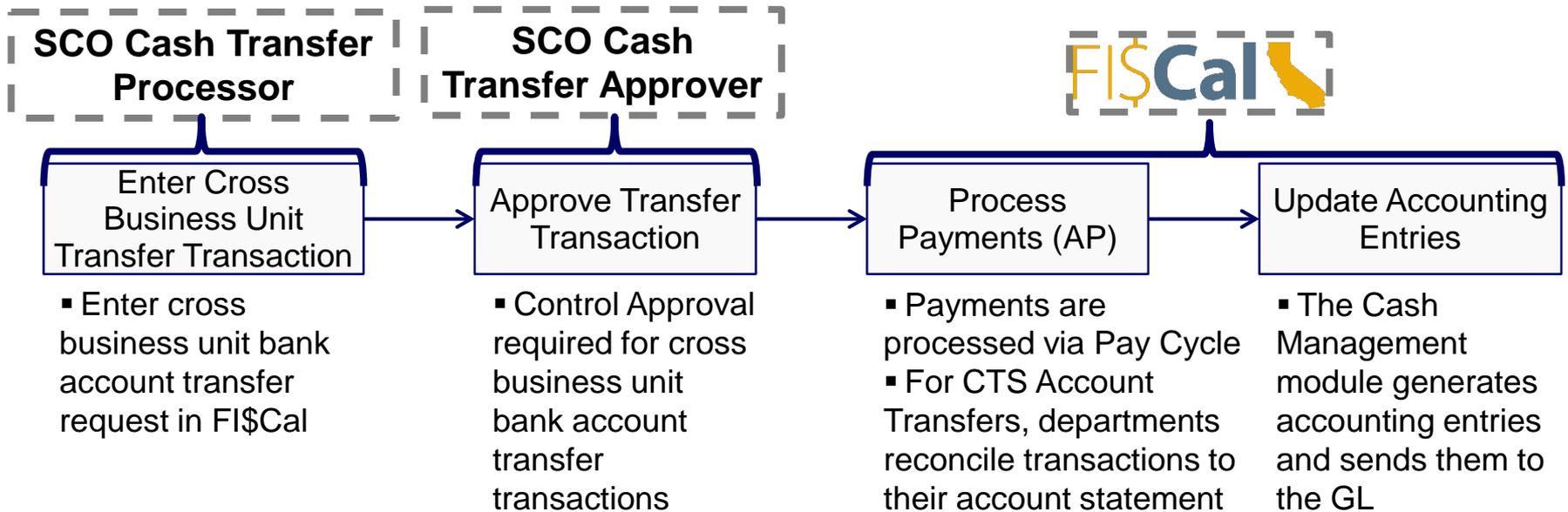
Within BU



Deferred/
Exempt,
Cross BU



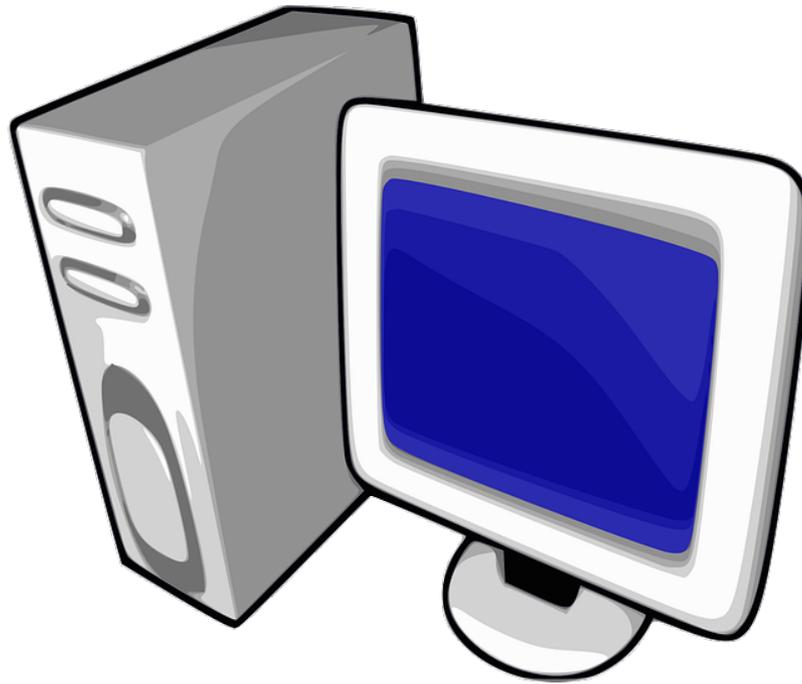
Cross Business Unit Transfers



Key Impacts

- Departments send cross Business Unit transfer requests to SCO
- Bank account transfers are used to correct mistakes made in the wrong bank account when recording bank deposits to move cash between CTS accounts

Demonstration



Overview of Role Mapping

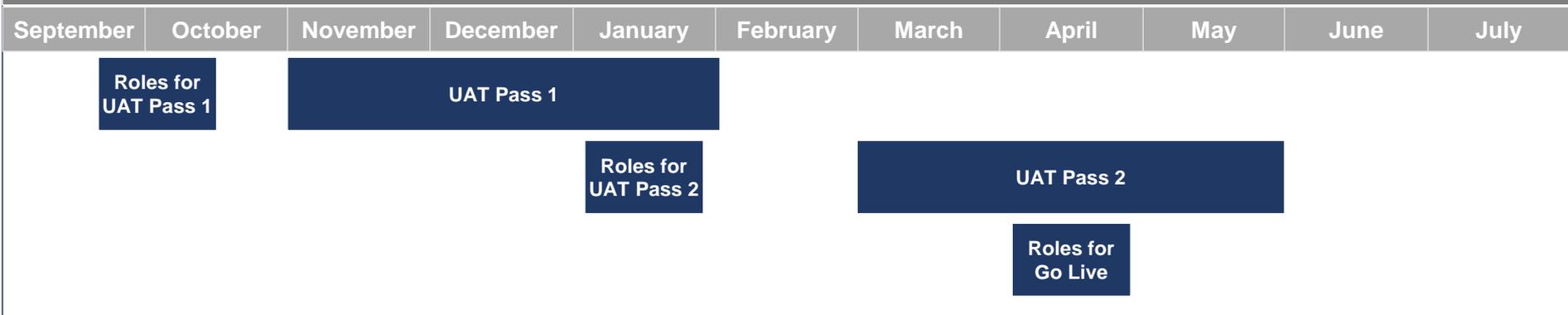
Description

Role Mapping activities allow SCO and STO to assign security roles to end users based on their job requirements and the type of work they will perform in FI\$Cal. Security roles define what users can see and do in FI\$Cal.

MDW Tasks

- TECH325a: Assign Roles for UAT Pass 1
- TECH330a: Assign Roles for UAT Pass 2
- TECH335a: Assign Roles for Go Live

Role Mapping Timeline



How Role Mapping is Used

- To define what end users see and do in FI\$Cal
- To identify department end users for FI\$Cal end-user training
- To map users to required FI\$Cal end-user training courses based on their role assignments
- To identify participants for department change discussions
- To support enforcement of separation of duties
- To support enforcement of hard stops

Role Mapping Tools

- Role Mapping Task Instructions and Response Template (TECH325a, TECH330a, TECH335a)
- SCO/STO Release Role Description Handbook
- FI\$Cal Separation of Duties (SOD) Matrix
- FISCAL Hard Stops Matrix
- SCO/STO Release Business Process Workshop (BPW) presentations

Materials are available on the FI\$Cal website:

http://fiscal.ca.gov/wave_3_resources/index.html

Separation of Duty and Hard Stops

Separation of Duty (SOD): The FI\$Cal Separation of Duties Matrix defines roles that should not be assigned together

Examples:

If you are an employee of...	and you are assigned...	you should not also be assigned...
SCO or STO	SCO Warrant Status Configuration Maintainer	AP: SCO Warrant Processor
SCO or STO	AR Payment Processor	BI/AR: STO Deposit Slip Processor

Hard Stops: Hard stops are set in FI\$Cal to prevent a user from doing something that could be considered a SOD violation

Examples:

If you are assigned the role of...	and you also are assigned the role of...	the System will not allow you to...
SCO AP Processor	SCO AT Approver 1-4	Approve vouchers you have created
STO Cash Transfer Processor	STO Cash Transfer Approver	Approve cash transfers you have created

TECH325a: Assign FI\$Cal Roles for UAT Pass 1

- **Release Date:** Tuesday, September 20, 2016
- **Due Date:** Wednesday, October 5, 2016
- **Task Information:** Assign FI\$Cal roles to all SCO and STO end users in preparation for UAT Pass 1 starting in November and in support of future training assignments
- **Key Reminders:**
 - All submissions must be received by a Departmental Authority or Designee (DAD)
 - DADs cannot submit role assignments for themselves (i.e., another DAD must submit)
 - Do not make changes to the template format (e.g., add columns, remove columns, etc.)

TECH325a Template Preview

The TECH325a Response Template consists of two main parts:

- **User Information:** Complete all information for each end user who will have access to FI\$Cal for the SCO/STO Release

User Information												
BU*	Last Name*	First Name*	Middle Name or Initial	Department Email*	Phone* #####	Job Classification*	City*	State*	Location* (Select the closest Training Hub)	Training Accommodation Requests or Assistive Learning Needs	State employee? (Yes or No)	Current or Previous end user of FI\$Cal? If yes, provide current/prior email address(es) used for FI\$Cal access.

- **FI\$Cal Roles** (listed by Module): Mark with an “X” any role that should be assigned to the user (a brief description is included)

		Bond Accounting (BA)					Central Bank Statement	
STO Deposit Slip Maintainer	STO Deposit Slip Processor	Bond Viewer	SCO Bond Maintainer	SCO Bond Processor	STO Bond Maintainer	STO Bond Processor	Import Processor	Processor
Mark with an "X" the STO end user who will configure any configuration relate to the deposit slip.	Mark with an "X" the STO end user who will enter and update deposit slip information for non-FI\$Cal departments.	Mark with an "X" the SCO, STO, or department end user who will run inquiries on bonds.	Mark with an "X" the SCO end user who will have responsibility for any interface processing related to bonds.	Mark with an "X" the SCO end user who will process bonds, including viewing bond details to validate, reversing bonds, and performing any necessary manual refunding or defeasances.	Mark with an "X" the STO end user who will have responsibility for any interface processing related to bonds.	Mark with an "X" the STO end user who will process bonds, including viewing bond details to validate, reversing bonds, and performing any necessary manual refunding or defeasances.	Mark with an "X" the central end user who will maintain bank integration configuration and import bank statements from the State Treasurer's Office (STO) and SCO into the system when the automated batch process has problems.	Mark with an "X" the central end user who will maintain bank integration configuration and perform modifications to Ba Statements created by the Statement Import process.

SCO Change Management Activities (Sept 2016-Feb 2017)



Activity:

- Workshop to review high level process flows of new functionality
- Provide short demonstration to some of functionality

BPW inputs:

- Functional Designs
- Parking Lot Items
- Test Scripts

BPW Outputs:

- Role Mapping guideline
- Significant process impacts
- Guide to Change discussions and Process Confirmation

Activity:

- Workshop to review the roles and the template to populate
- Pass #1 will be due COB October 5th

Role Mapping inputs:

- Functional Designs
- BPWs
- As-Is processes

Role Mapping Outputs:

- End User population for training & Surveys
- Populate UAT testing environment with actual roles

Activity:

- Facilitated Q&A meetings to walk through processes at a sub process level with demos where possible.
- Cross team/function oriented

Process Confirmation inputs:

- BPWs
- Parking Lot Items
- Business Process Plan

Process Confirmation Outputs:

- ID Functional Roles for transition training
- Identify organizational responsibility for functions with integrated system
- Change Impact Tool completion
- ID Role Mapping updates

Potential Output:

- Provide information for documenting To-Be business processes

Activity:

- The training team opportunity to deliver new ILT courses for system training delivery

Pilot inputs:

- Functional Test Scripts
- Business JAD sessions
- BPW discussions

Pilot Outputs:

- UAT Training
- Exposure to new materials for end users
- Feedback for training content and deliver

Activity:

- Testing system functionality in a testing environment

UAT inputs:

- FDs
- Role Mapping
- BPWs
- Configs
- Testing scenarios

UAT Outputs:

- Provide feedback to training team on pilot information

Activity:

- Consistent delivery of timely information for end users

Coms inputs:

- Role Mapping
- BPWs
- Process Confirmation Mtgs
- Pilots

UAT

- UAT
- Coalitions
- FDs
- Configs

Coms Outputs:

- An end user population excited and ready to bring on the change

Change Impact Activity

- Description:
 - A walkthrough with the FI\$Cal team to assist departments to complete example change impacts
 - Departments will have the understanding on how to complete the remainder of the tool on their own
 - At your table, discuss how the FI\$Cal business processes and related change impacts may affect your department
 - Document three impacts in your BPW Change Impact Tool
- Roles:
 - Facilitator – Helps lead the discussion with your department on the FI\$Cal business processes and change impacts
 - Recorder(s) – Captures the department-specific impacts from the activity in your BPW Change Impact Tool
- Tool:
 - Change Impact Tool – Task to document the changes in People, Process, Technology, and Communication that will arise from the implementation of FI\$Cal business processes

Next Steps

- Share BPW materials at your department
- Attend Process Confirmation Meetings
- Complete the BPW Change Impact Tool
- Identify and work on updating internal department policies, processes, and documentation
- Prepare for:
 - Submit Role Mapping Task – October 5, 2016
 - Participate in Pilot Training – October to November 2016
 - Participate in User Acceptance Testing Pass 1 – November 2016 to January 2017
 - Change Workshop – December 2016
 - End-User System Training – March 2017 to May 2017

Question and Answer



FI\$Cal Information:

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

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

fiscal.cmo@fiscal.ca.gov

Appendix