



One state. One system.

IIC Offset Processing

Business Process Workshop (BPW)

2017 STO/SCO Release



Agenda

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

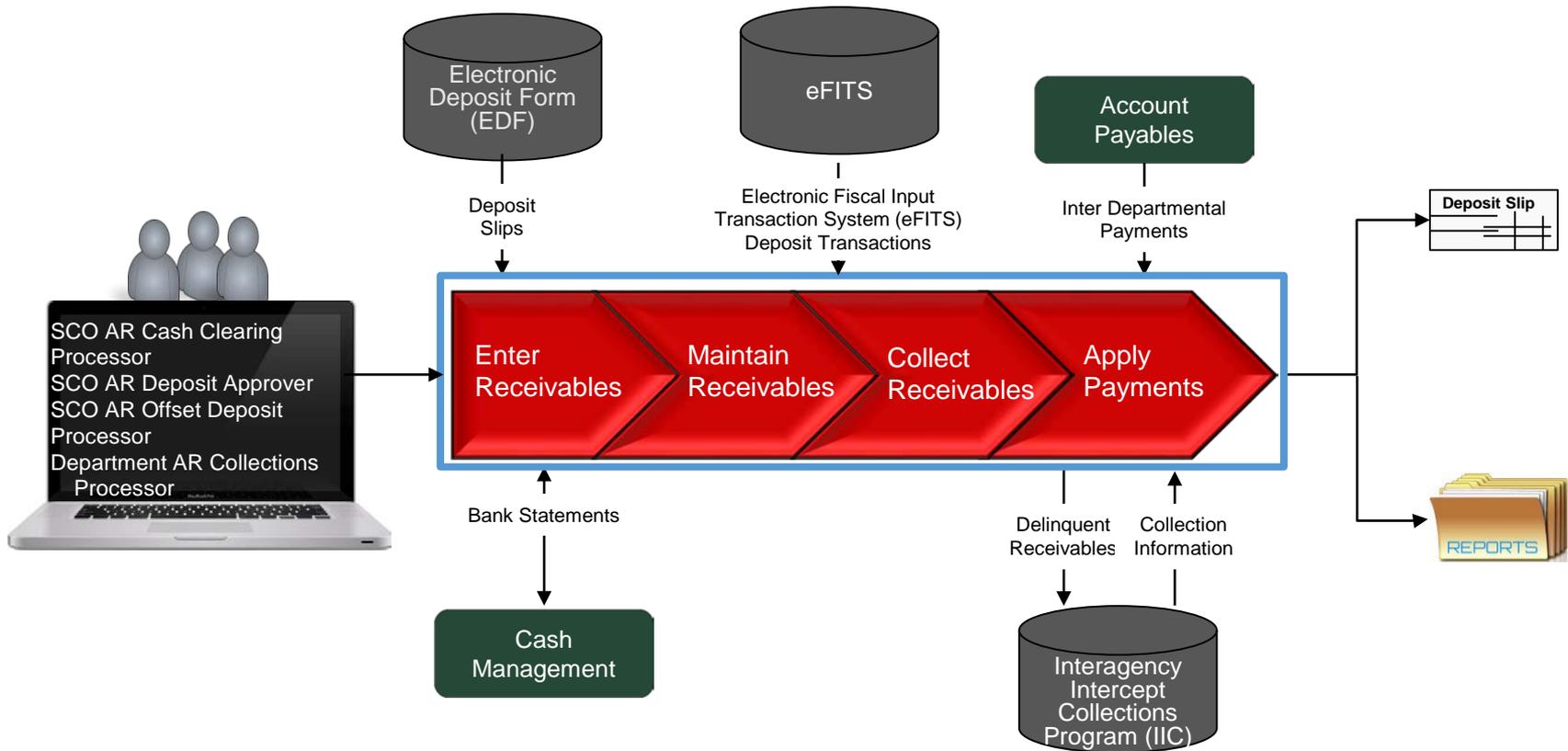
BPW Objectives

- 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

Accounts Receivable Overview



User Roles Summary

FI\$Cal End-User Role	Responsibilities
SCO Warrant Processor	The SCO Disbursements end user with access to warrant inquiry, warrant post issuance actions, CD 173 generation, and payment posting.
AR Collections Processor	The department end user who generates customer interactions including dunning letters, notice of intercept, and customer conversations, updates the status of posted receivables, applies adjustments to receivables, reclassifies receivables, processes offsets, processes refunds, and writes off receivable balances. This end user will not be able to set worksheets to post.

Key Terms

Term	Definition
Interagency Intercept Collection (IIC)	Under state law, the State Controller is authorized to collect money that is due to one state agency by an individual by deducting the amount owed from credits due to such individual by another state agency. This procedure is called an interagency intercept. The FTB operates the Interagency Intercept Collection (IIC) program on behalf of the State Controller.
Receivable	A claim against a debtor, such as a person, business, or governmental entity for money owed to the State
Receivable Payment	A receipt that is meant to be applied to a customer's open receivable balance
Customer	An entity which receives goods or services from a department and/or owes money to the State

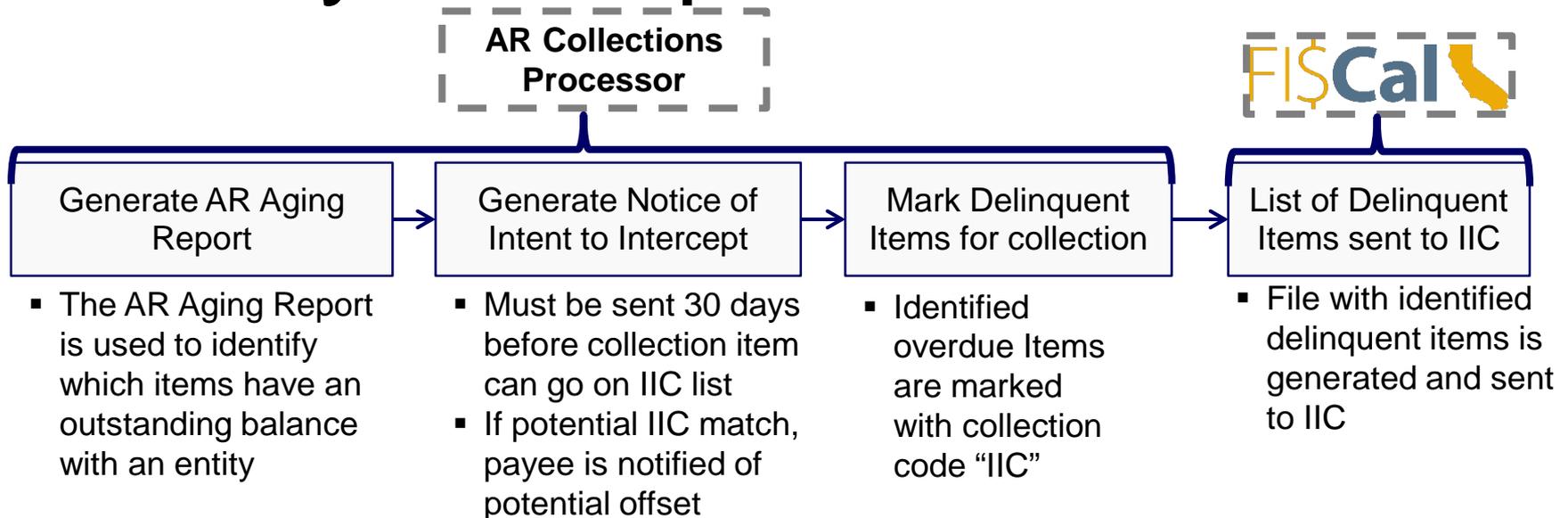
Key Terms

Term	Definition
Invoice	A record of goods sold or services provided to a customer
Payment Predictor	System process that applies payments against receivables based on configured rules and reference information associated with the payment (for example, Invoice ID)
Payment Worksheet	Method for applying a customer payment to a customer's open receivable balance
Miscellaneous Receipt	A customer payment that is not related to an open receivable. Referred to as a Direct Journal Payment in FI\$Cal.

Offset Processing Overview

- Offset Processing utilizes the Interagency Intercept Collection Program (IIC) to automatically settle delinquent items in AR with payment to the supplier
 - If a customer has a receivable due to a state department and also has a payable from the State in form of tax returns, Lottery or Unclaimed Property, the program will offset the payable to settle the outstanding receivables
- Participating departments need to send their respective outstanding delinquent receivables to IIC to leverage this program
- When a new claim is issued (Tax return, Lottery or Unclaimed Property), the warrants are first matched to determine if there are any delinquent items that need to be settled - if not, the warrant is issued to the payee

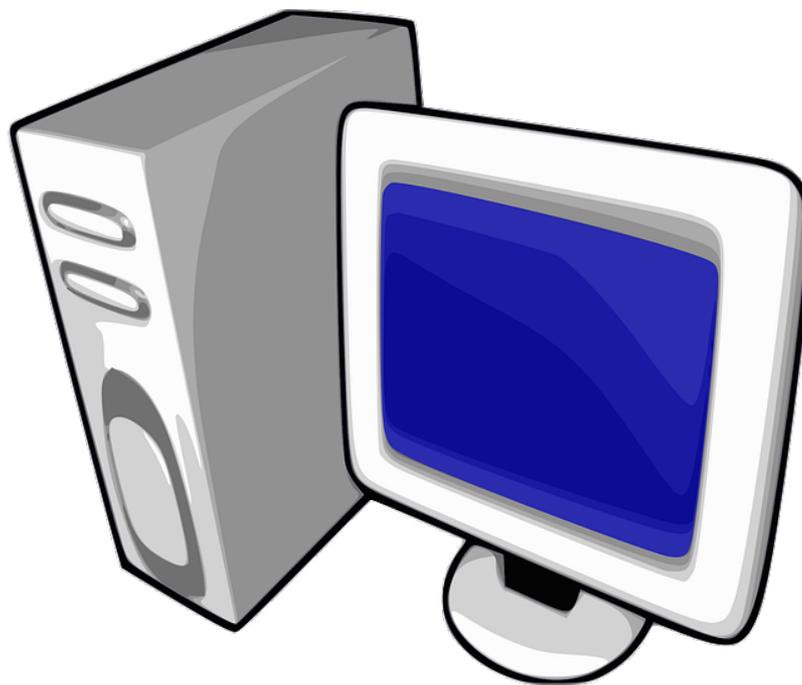
Identify Delinquent Items



Key Impacts

- If 30 days have passed after the Notice of Intent to Intercept without payment from payee, the new process in FI\$Cal will allow department user to mark items for collection that need to be sent to IIC.
- SCO and FTB utilizes the IIC (Interagency Intercept Collections Program) to identify delinquent items to deduct payment from individual's personal income tax refunds, unclaimed property, and lottery winnings
- Department is responsible for the IIC process as described in the IIC brochure and SAM manual
- Non-FI\$Cal Departments will continue with their current legacy process

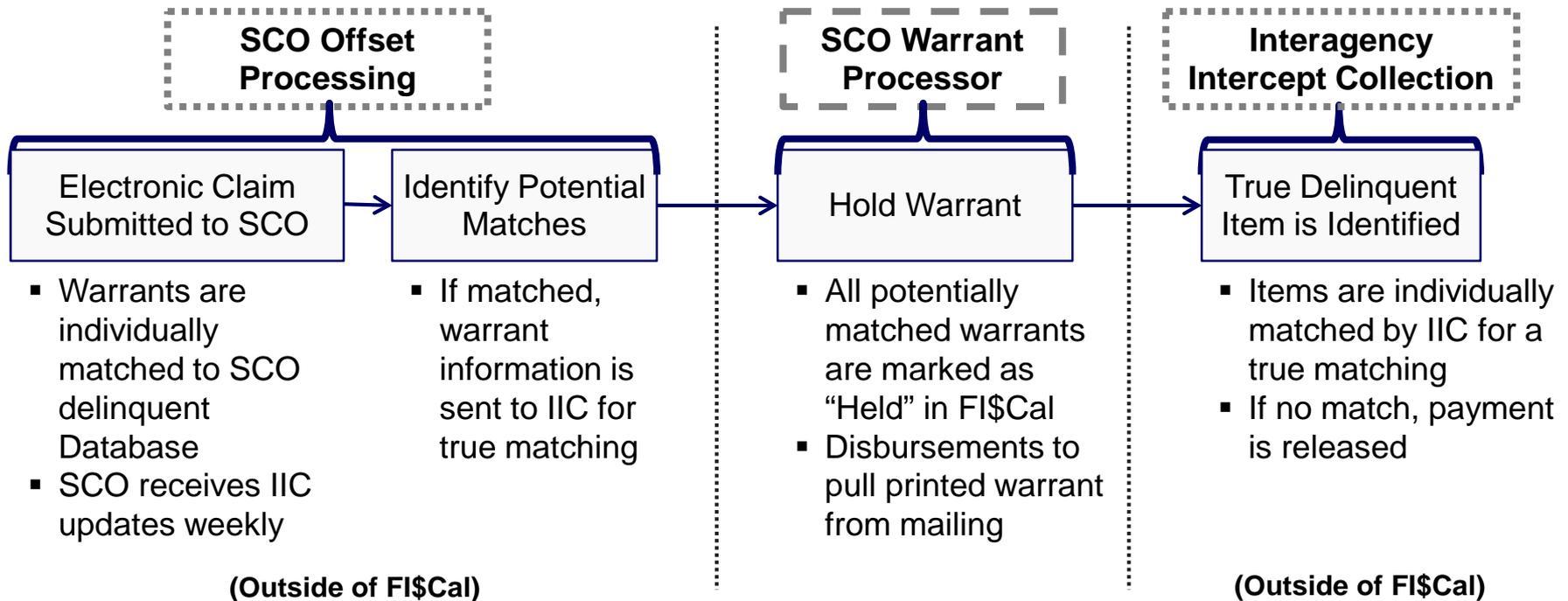
Demonstration



SCO Delinquent Matching

- If a delinquent receivable is matched by the SCO for the payee on the claim, the warrant is set to “held” and not immediately paid to the payee. This information is sent to IIC to verify the status of delinquent receivable. The SCO is updated weekly and requires a true matching from IIC before a payment is offset.
- If IIC confirms delinquent receivable, the amount to be offset is determined and sent to the SCO. Once confirmed, the SCO Redeposites the warrant in a Special Deposit Fund
- The Offset Process includes:
 - Identify Delinquent Items
 - Offset Processing
 - Offset Settlement

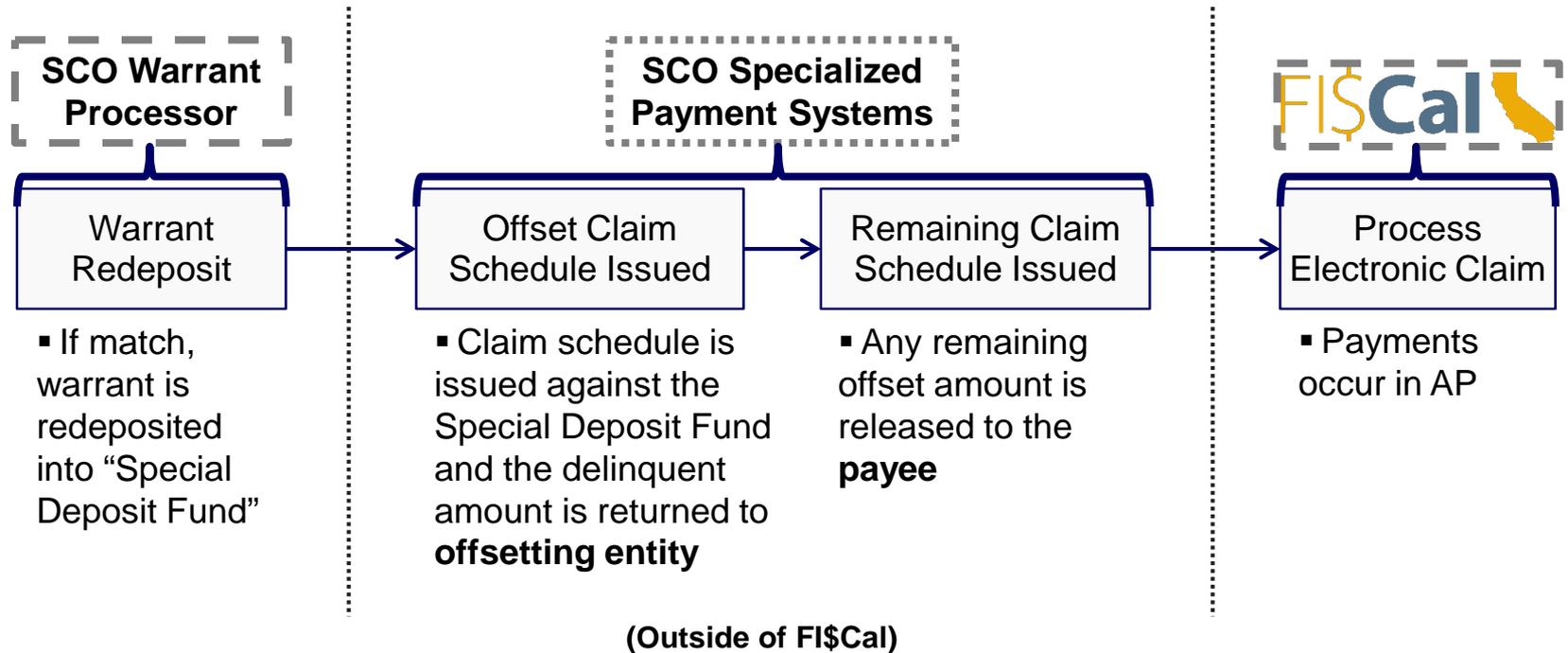
Offset Processing



Key Impacts

- No change to the current offset matching process

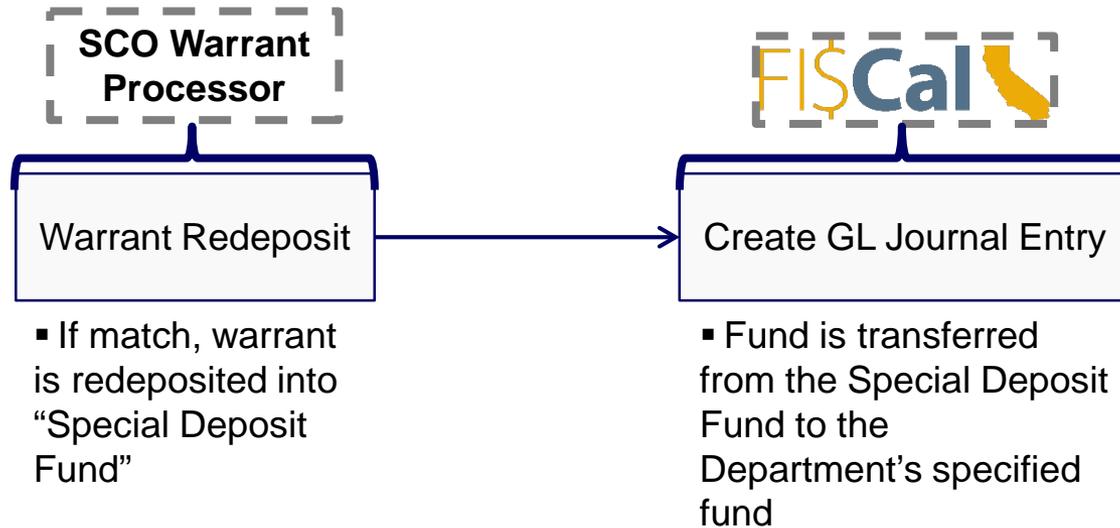
Offset Settlement by Electronic Claim



Key Impacts

- FI\$Cal Departments will receive a warrant and will need to create a manual deposit in FI\$Cal
- Non-FI\$Cal Department will use the EDF interface to deposit the funds in the State Treasury

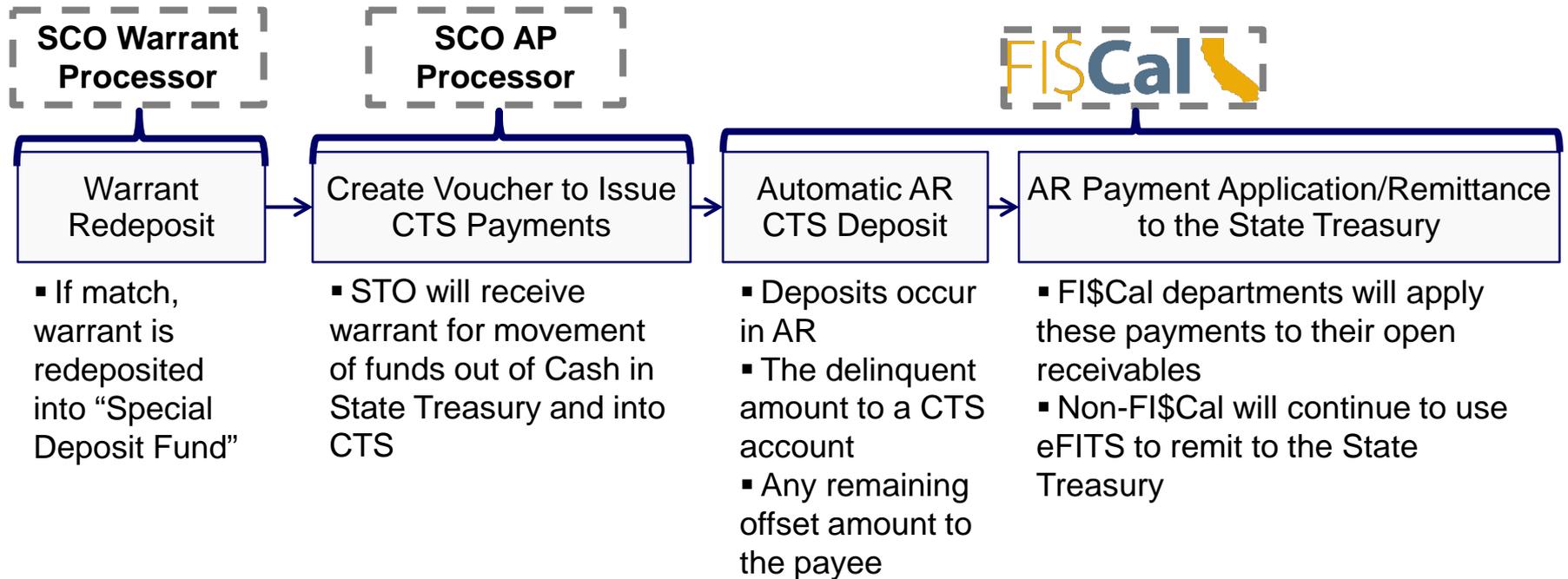
Offset Settlement by GL Journal Entry



Key Impacts

- FI\$Cal Departments will need to manually close their accounts receivables if using this option
- Inbound Transaction Code Interface will automatically create the GL Journal Entry
- Non-FI\$Cal Departments will continue with their current process

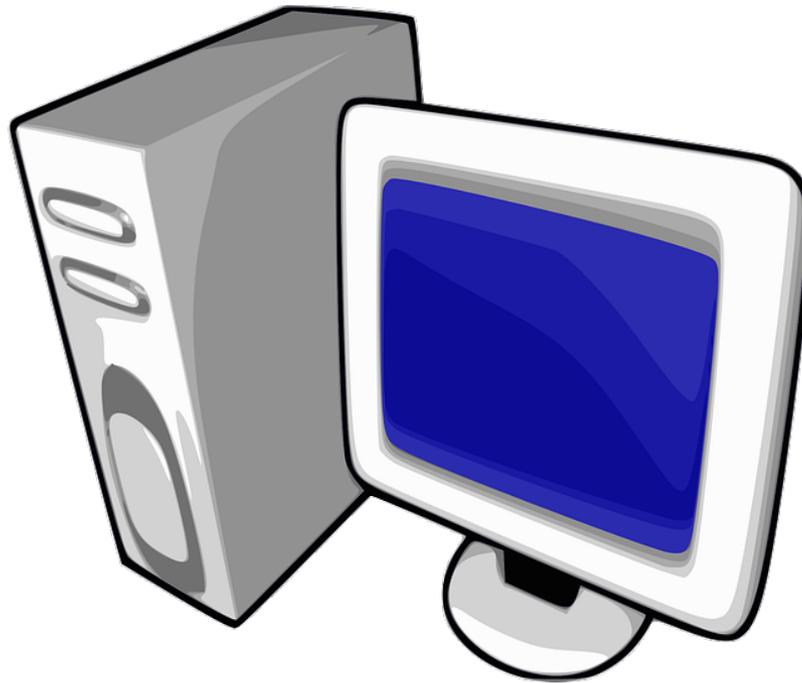
Offset Settlement by AR Deposit



Key Impacts

- On creation of an offset deposit, FI\$Cal Department users will have to apply appropriate amounts to delinquent receivables OR direct journal coding to account for the payment amount
- On creation of an offset deposit, Non-FI\$Cal Department will submit the accounting details using the eFITS interface

Demonstration



Overview of Role Mapping

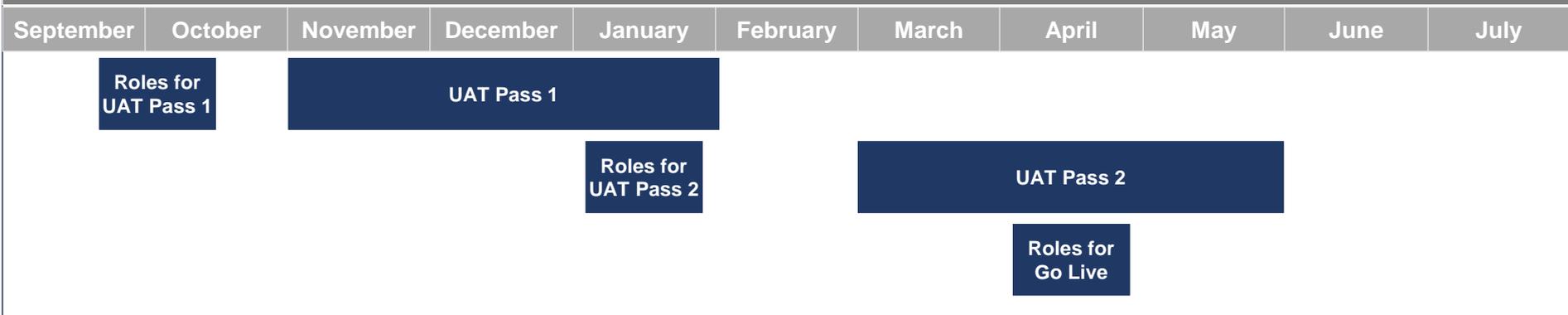
Description

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

Example Screenshot Illustration

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 [Banking](#) >
 [Banks and Branches](#) >
 [Bank Information](#)

[Home](#) |
 [Worklist](#) |
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Bank Information

SetID: STATE Bank: STATE

*Description: 

Short Desc:

Country: [Change Country](#)

Bank ID Qualifier:

Bank ID:

*Type:

*Status:

Agency Location Code: 

Immediate Origin:

Immediate Destination:

Bank Options

- Internal BU
- Treasury Counterparty
- Banking Counterparty

Credit Ratings [Personalize](#) | [Find](#) | [View All](#) |  |  First Last

Agency	Value	Rating	Description
<input type="text"/> 	<input type="text"/> 		

[+](#) [-](#)

[Address Information](#) [Notes](#) [VAT Defaults](#)

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Identify Delinquent Items

Generating Notice of Delinquency

Entering Collection Codes

Hold Warrant

Warrant Redeposit