



One state. One system.

Statewide Impacts for Current FI\$Cal Departments

Business Process Workshop (BPW)

2017 STO/SCO Release



Agenda

- BPW Objectives
- What You Should Take Away
- STO/SCO Release Solution Overview
- User Roles Summary
- Key Terms
- Business Processes
- Next Steps
- Appendix

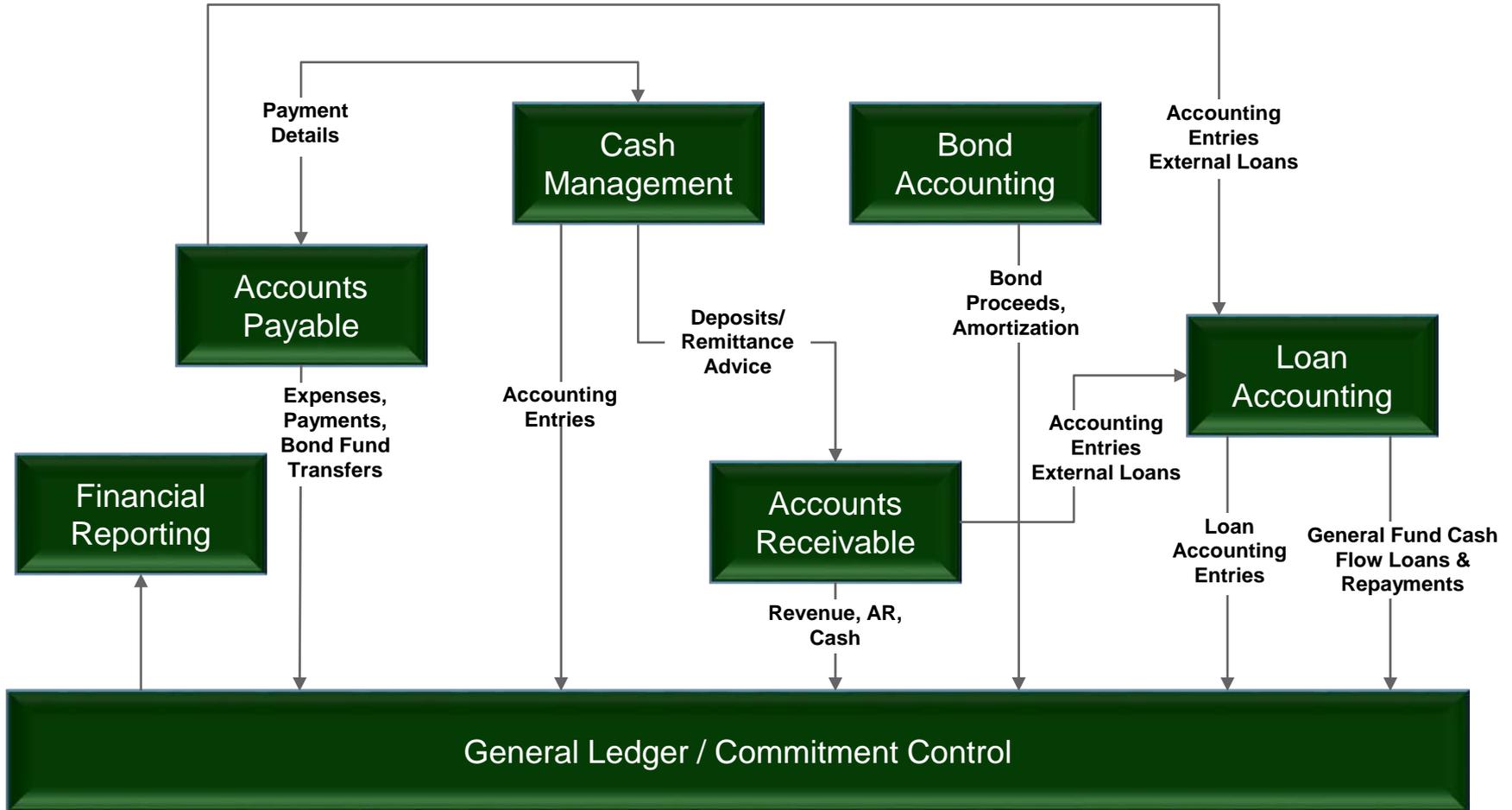
BPW Objectives

- 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
 - Understanding of the new FI\$Cal processes, the next steps, and the support available from FI\$Cal

SCO/STO Solution Overview



Key Terms

Term	Definition
Automated Cash Validation	The Cash Validation process that prevents payments and other types of transactions from creation if their posting activity would result in a negative cash balance for any of the selected control funds
AR Payments	Remittances are now known as AR Payments in FI\$Cal.
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.

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

Accounts Payable Module Impacts

- The STO/SCO Release has the following impacts for FI\$Cal Departments:
 - Warrant Processing
 - Electronic Claims Import
 - Expedite and Special Handling Processing
 - Cash Validation will occur during pay cycle
 - There is no change to the Warrant Post Issuance process for departments
 - Electronic claims interfaces (INFAP005 & 008) will be retired
 - RPTAP030 (TC38) and RPTAP028 (TC48) interfaces will be retired

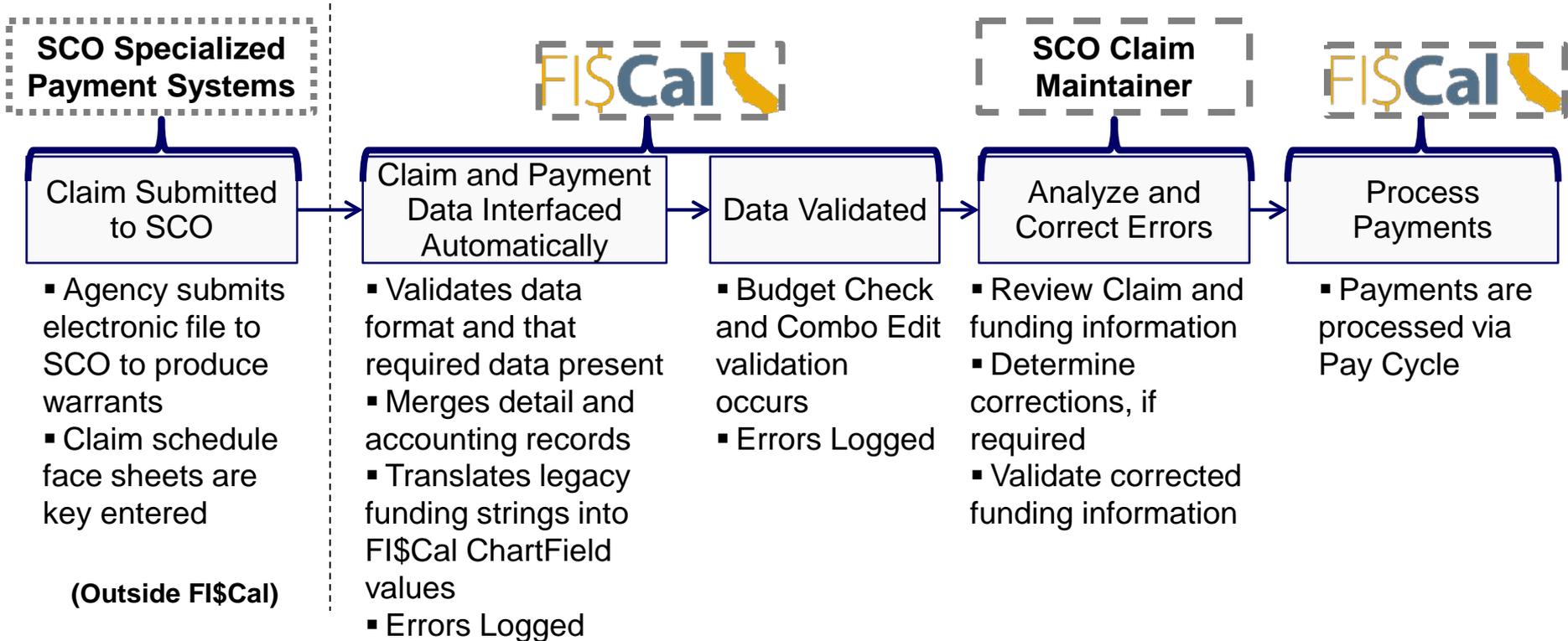
Warrant Processing

- FI\$Cal must maintain records of all warrants, regardless of whether the department is in FI\$Cal or out of FI\$Cal (i.e. Release 2018 and deferred and exempt departments). The warrant information will come from three sources:
 - Entered directly by departments in FI\$Cal as vouchers or
 - Originate from paper claims from departments not in FI\$Cal and interfaced into FI\$Cal
 - Or can originate from an external system (specialized payment system and payroll) and be interfaced into FI\$Cal

Warrant Processing

- Accounts Payable payments and Accounts Receivable deposits/payments are integrated with the Cash Management module for Bank Reconciliation purposes, as appropriate.
- FI\$Cal will provide files to the SCO to facilitate the printing and mailing of warrants.
- FI\$Cal will be able to support electronic payments to vendors (however, this functionality will not be available at go-live)
 - Examples: ACH, EFT and Direct Deposit

Electronic Claims Interface



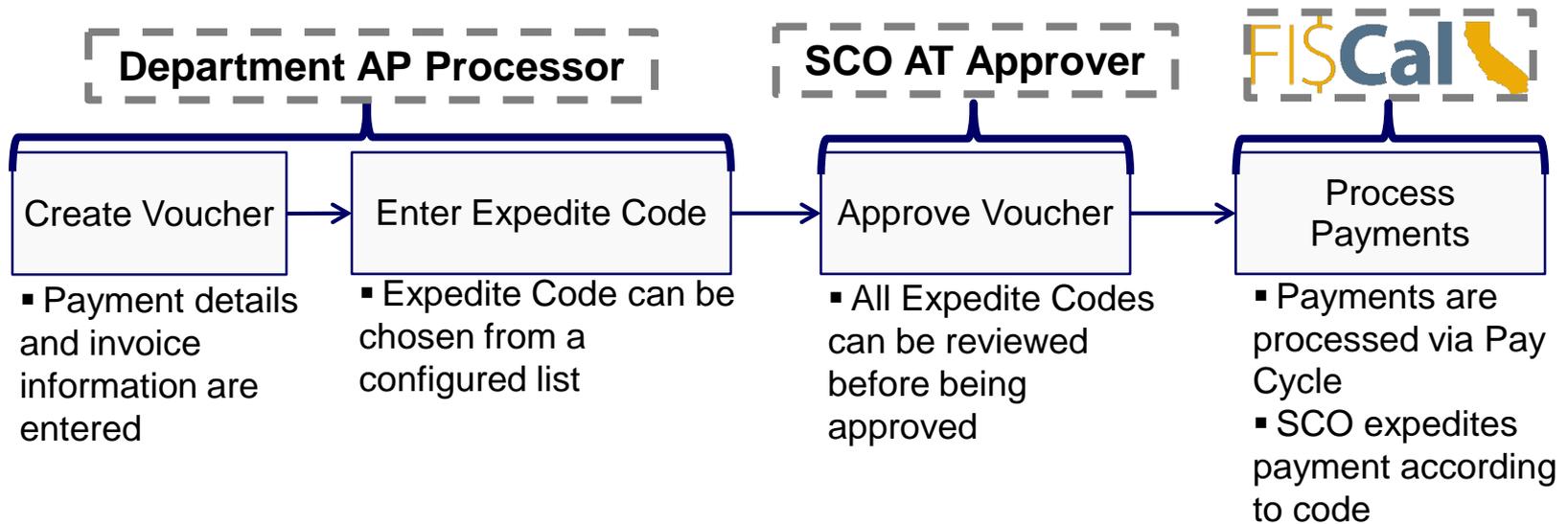
Key Impacts

- Merges detail and accounting records – automatic import claim & warrant data

Expedite and Special Handling Overview

- In the current system, Special Handling and Expedite are accommodated using the legacy paper claim process
- Beginning July 2017, FI\$Cal departments will be able to create vouchers and request Expedite and Special Handling processing through FI\$Cal
- FI\$Cal Departments will no longer need to submit paper claims to the SCO for these services
 - Expedited services have an additional cost

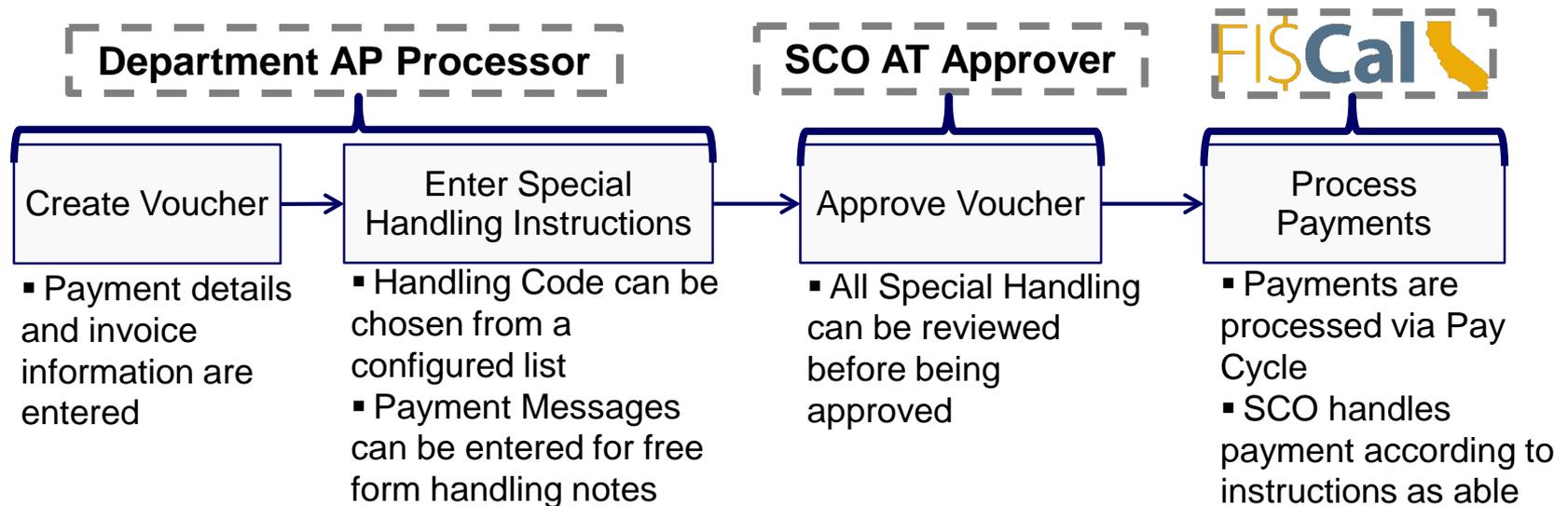
Expedite Processing



Key Impacts

- Users now have the ability to expedite payments in FI\$Cal
- Example Expedite Codes include but are not limited to “One Day”, “Two Day,” and “Specific Date”
- Depending on the cutoff times payments are processed accordingly

Special Handling Processing



Key Impacts

- Users now have the ability to request special handling for payments in FI\$Cal
- Special Handling Codes are “Release to Agency”, “Release to Treasury,” and “Release to Bank”
- Depending on the payment message, payments are processed accordingly

Question and Answer



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Accounts Receivable Module Impacts

- The STO/SCO Release has the following impacts for FI\$Cal Departments:
 - Deposit Slips will be created and reported to STO in FI\$Cal
 - Departments should keep paper deposit forms as a backup
 - Cash Clearing
 - AR payment processing will include SCO approval
 - Cash Validation will occur during deposits
 - Offset processing
 - Departments will be using FI\$Cal for write offs (maintenance worksheets)
 - Departments will use the Billing (BI) module to provide supporting documentation for the write off process
 - SCO will review/approve department activity in the BI module as part of the write off approval process

Deposit Slips Overview

- Currently, departments send paper copies of deposit slips or use the Electronic Deposit Forms (EDF) to create and print their deposit slip forms to report their deposits to the STO.
- FI\$Cal Departments will now be able to record deposit slip information, generate the deposit slip number, and print the deposit slip in FI\$Cal.
- Each deposit slip has specific deposit and bank account information that is passed through the banking system so that the STO, the State Controller's Office (SCO), and the banks are able to easily associate deposits with the department that deposited them.

Deposit Slips Overview

- AR Deposit Slip Functionality
 - Departments will still have the ability to determine their location codes
 - Departments will still be able to enter 'Agency only' information on their deposit slips
 - Deposit Slips still contain the detail that the STO needs for statistics and to compute banking fees

The combination of deposit type, CTS account, location code, and bank account will be used to configure what the departments see on the deposit slip entry page.

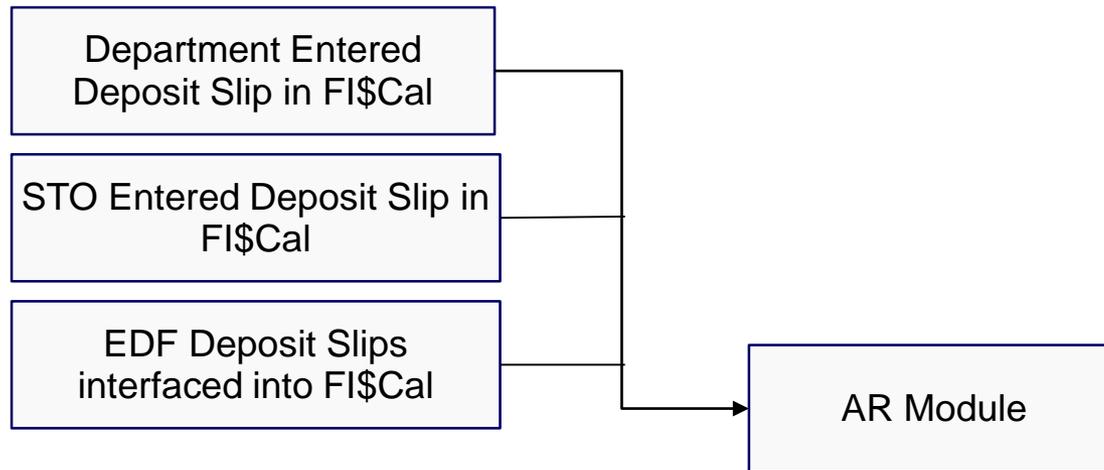
The STO will maintain any configuration related to deposit slips.

Deposits requiring approval from the STO such as Supplemental Deposits, will not be posted to the General Ledger until they are approved by the STO.

- These deposits will remain on hold until the STO takes action on them.

Deposit Slips into FI\$Cal

With the 2017 STO/SCO Release, FI\$Cal is now the Book of Record. All Deposit Slips will now be recorded or interfaced into FI\$Cal.



Key Impacts

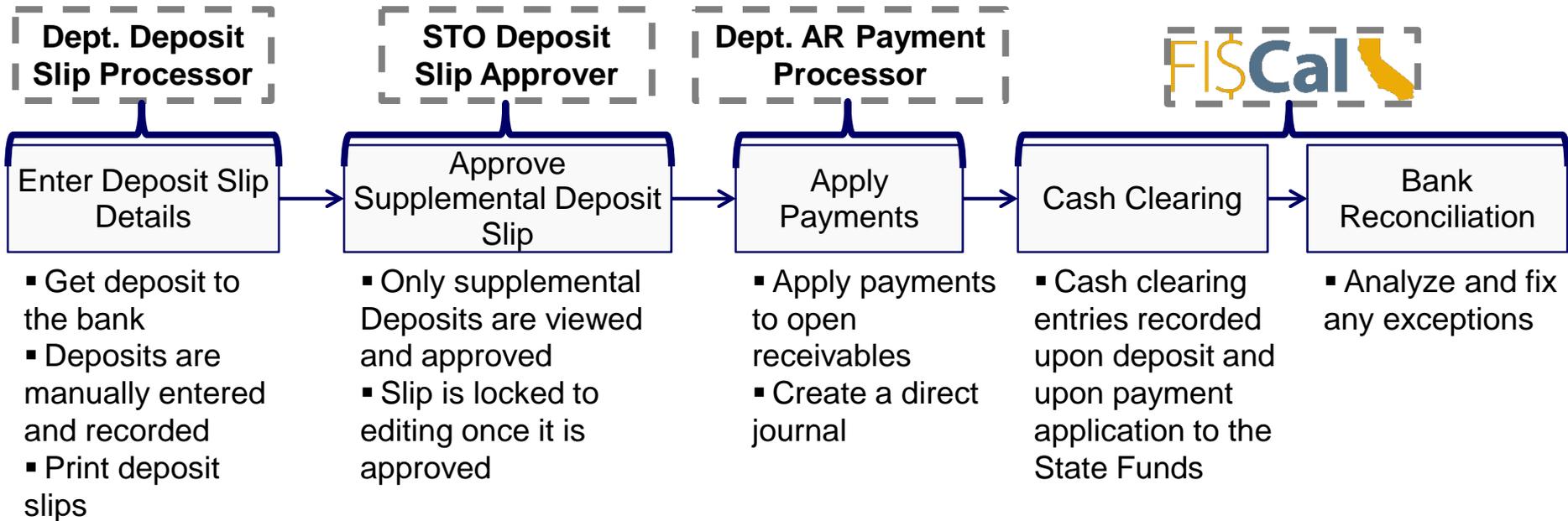
- For FI\$Cal Departments, Deposit slips no longer need to be entered into EDF

Departmental Compliance

Compliant Departments take their deposits to the banks in a timely manner so they have the ability to record and remit that money in the GL the same day and record the deposit on the CTS bank statement table that same day

Non-Compliant Departments are those that create deposits and don't take it to the bank in a timely manner. These deposits will be subject to STO's bank reconciliation before it records in the GL and can be remitted or appear on the CTS bank statement table

Dept Deposit Slip Processing



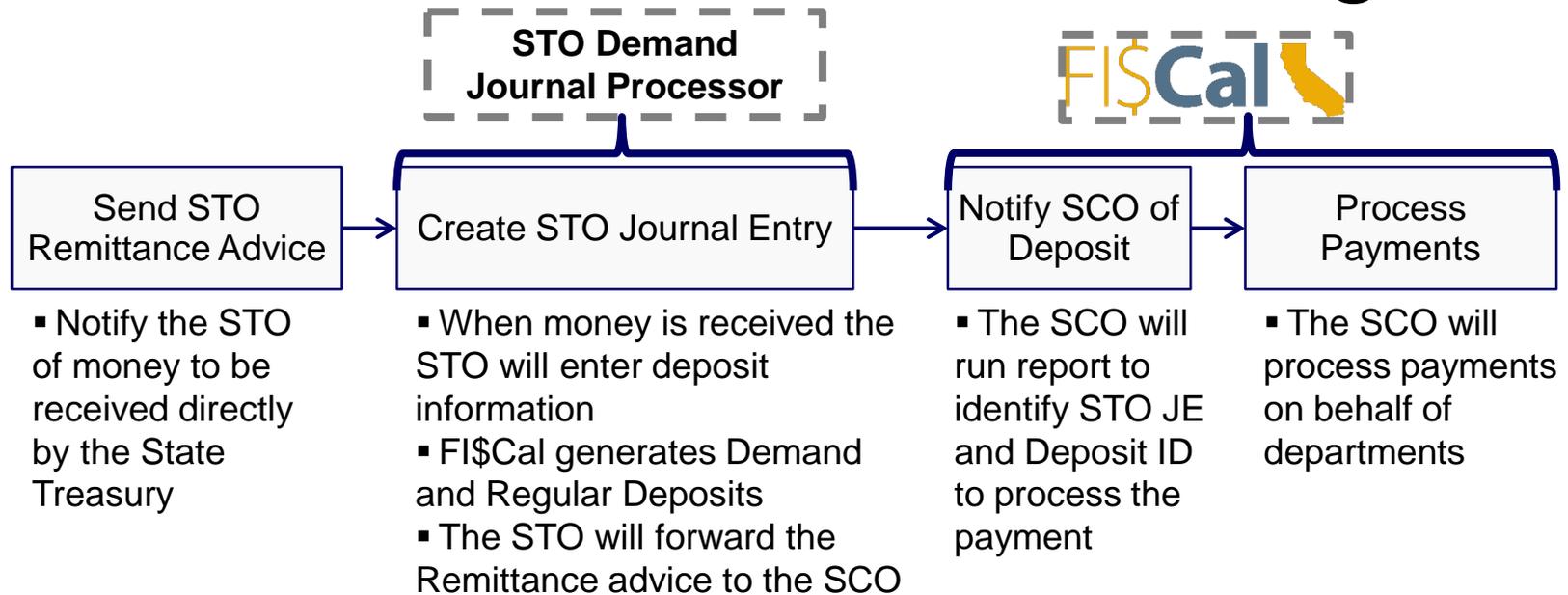
Key Impacts

- Departments will record Depository Bank Account details along with the Centralized Treasury System (CTS) Bank Account details while recording deposits in FI\$Cal.
- Location codes will allow departments to identify the money being deposited.
- STO reserves the right to delay cash clearing until reconciliation (Compliance)

Direct Remittance to State Treasury

- The Direct Remittance business process for Accounts Receivable supports the recording and application of monies received directly into the State Treasury in the FI\$Cal Accounts Receivable module.
- Departments will provide the STO with a Remittance Advice for money being received on their behalf.
 - Such as in the case of a federal drawdown
- The STO will record the deposits for the departments.
- The SCO will apply the payments against these deposits.

Remittance Advice Processing



Key Impacts

- STO will use the custom STO Journal Entry to key in the journals for any deposits.
- Direct Remittances are now entered as payments in FI\$Cal.
- SCO will notify Departments that their payment has been processed.

Process Payments (CTS)

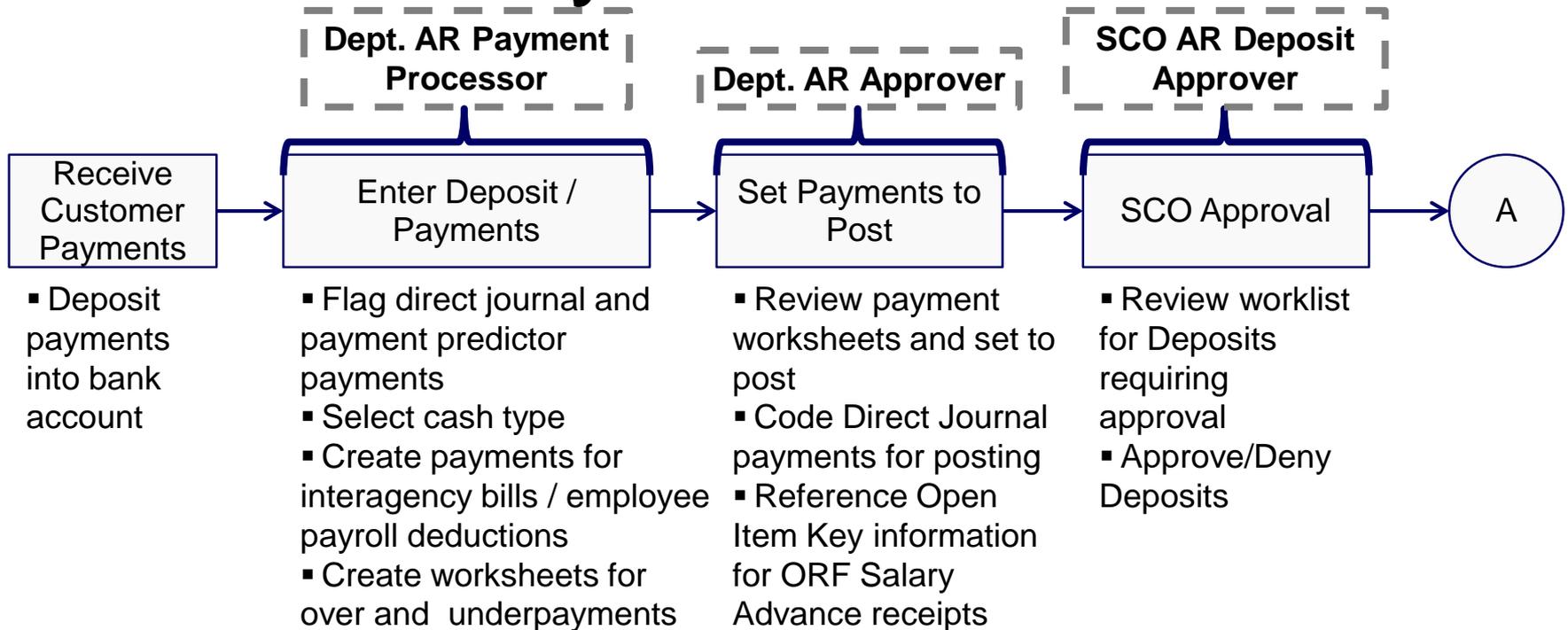
- The Process Payments business process for Accounts Receivable supports the recording and application of monies received directly into the CTS Accounts in the FI\$Cal Accounts Receivable module.
- Departments will apply customer payments against invoices or code payments to specific accounting classifications for non-receivable-related payments.
- Payments can be entered directly in FI\$Cal or they can originate from an external system and be interfaced into FI\$Cal.
- Deposit slips recorded in the Accounts Receivable module will be integrated with the Cash Management module for the Bank Reconciliation process.
- Some types of regular deposits will require approval from the SCO.

SCO Approval

Regular Deposit Payments requiring SCO approval

- Zero Dollar Payments Deposits with CTS or State Funds
- Negative Regular Deposits
- Direct Journal Payments with GL Business Unit different from Deposit Unit
 - when departments record a remittance on behalf of another department
- Direct Journal Payments that credits Cash (Asset) account on User line
- Direct Journal Payments that debits Revenue account on User line
- Direct Journal Payments that credits Expense account on User line

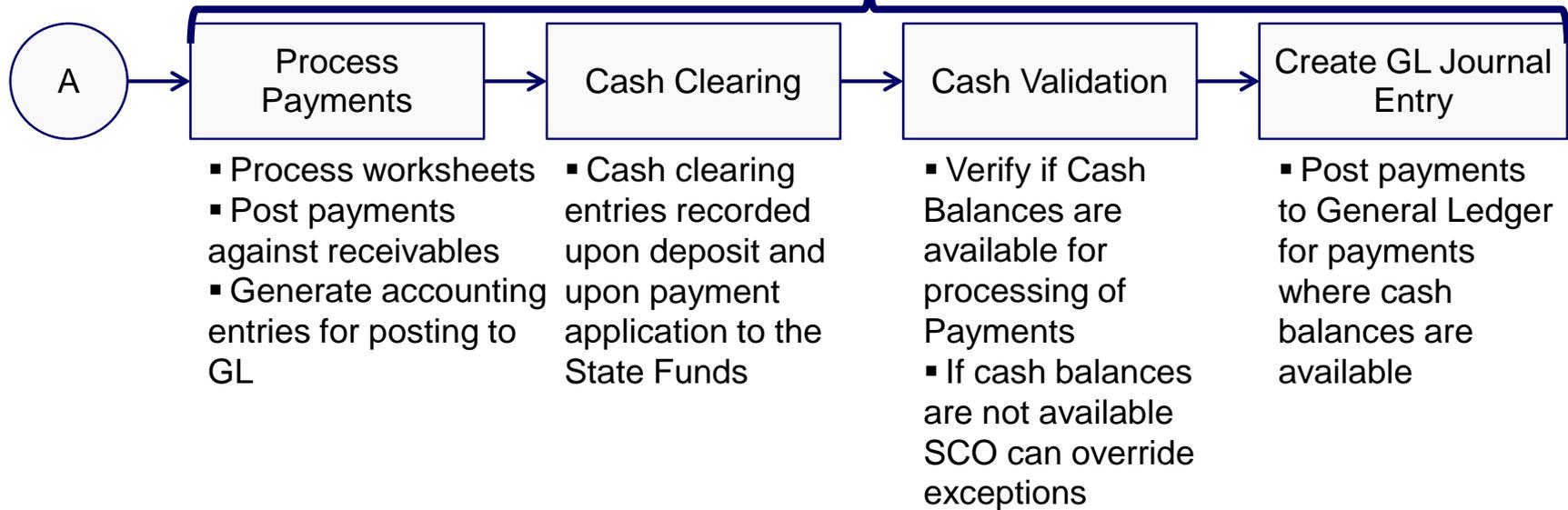
Process Payments



Key Impacts

- Dept. AR Payment Approver role is needed to post and code miscellaneous payments.
 - This includes referencing Open Item Keys for ORF Salary Advance Receipts.

Process Payments



Key Impacts

- No longer need to Notify GL Processor to generate GL Journal Entry, this process has been automated as part of Cash Clearing.
- Cash Validation will validate sufficient cash when trying to adjust payments between funds.

Question and Answer



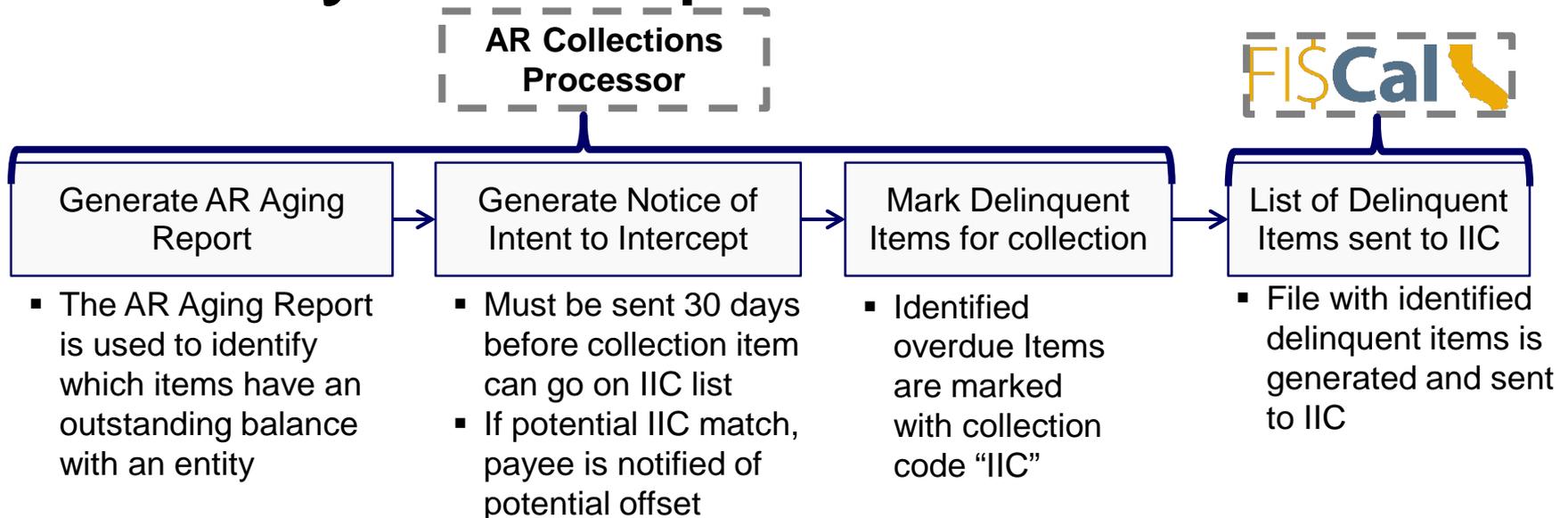
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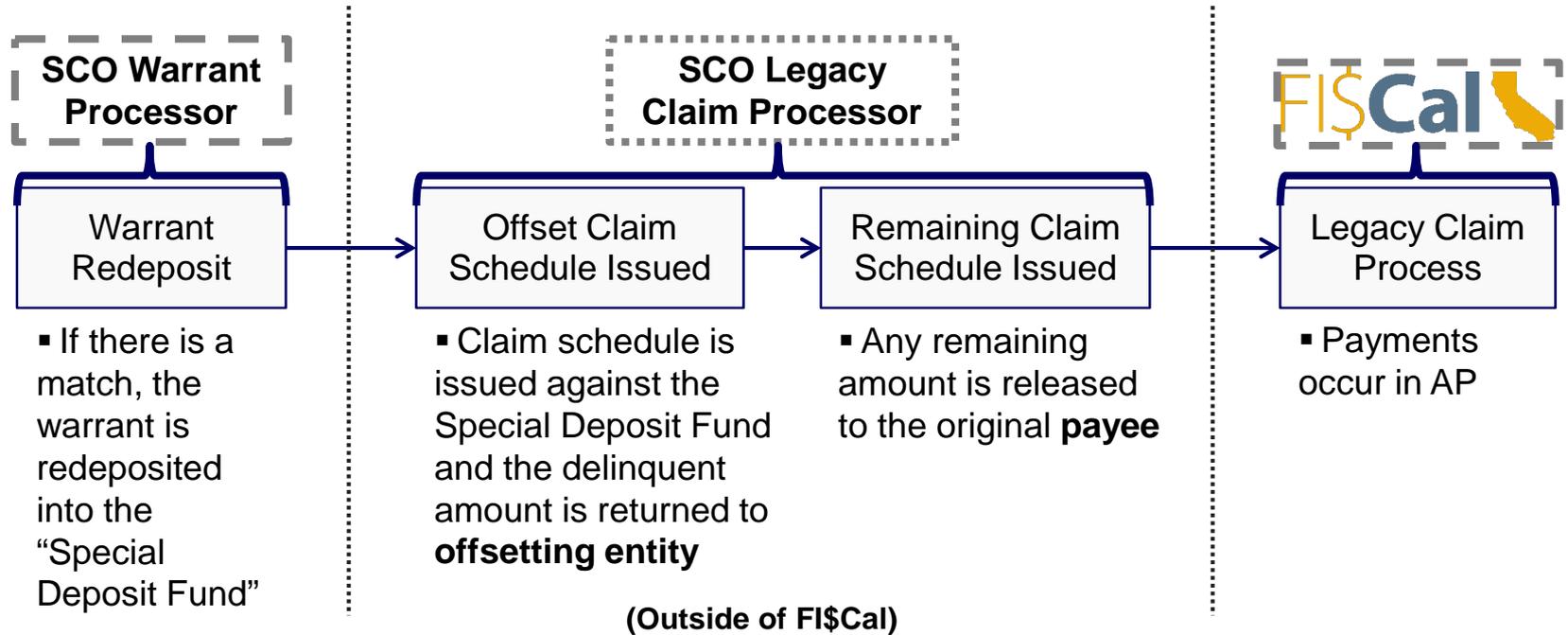
Identify Delinquent Items



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

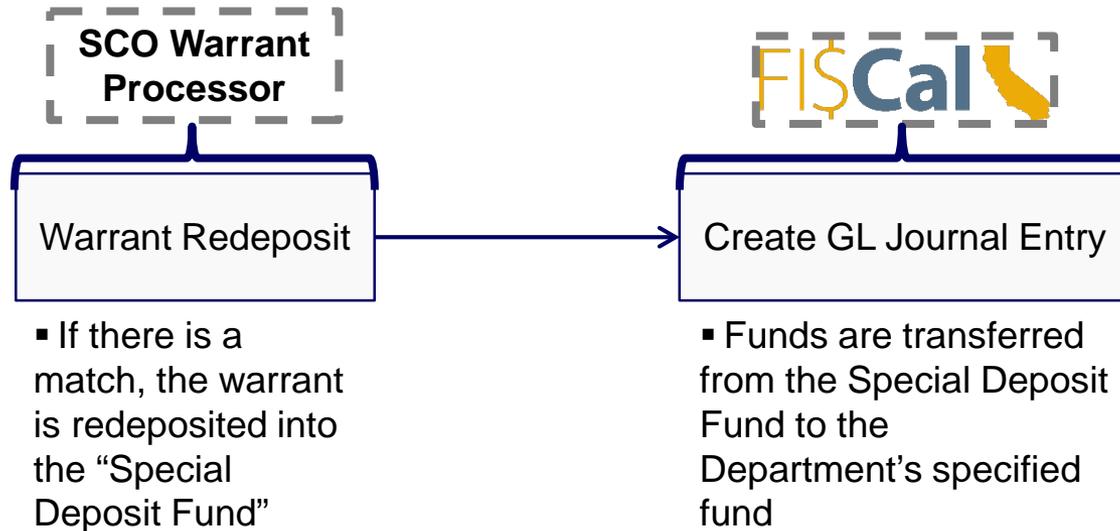
Offset Settlement by SCO Legacy Claim



Key Impacts

- FI\$Cal Departments will receive a warrant and will need to create a manual deposit in FI\$Cal

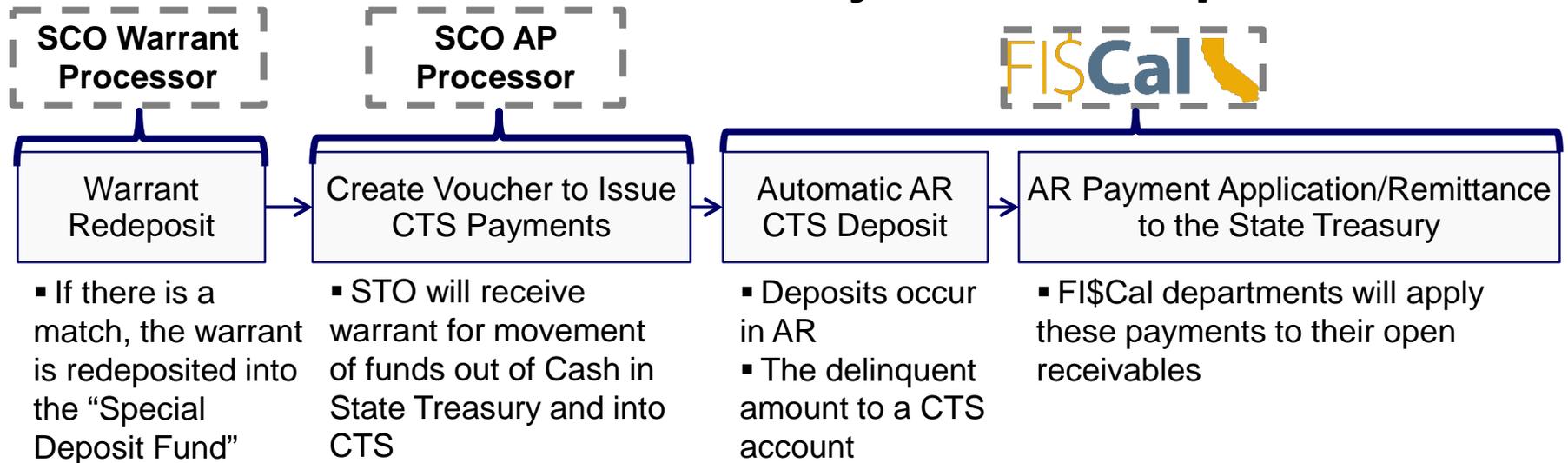
Offset Settlement by GL Journal Entry



Key Impacts

- FI\$Cal Departments will need to manually close their accounts receivables if using this option

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

Question and Answer



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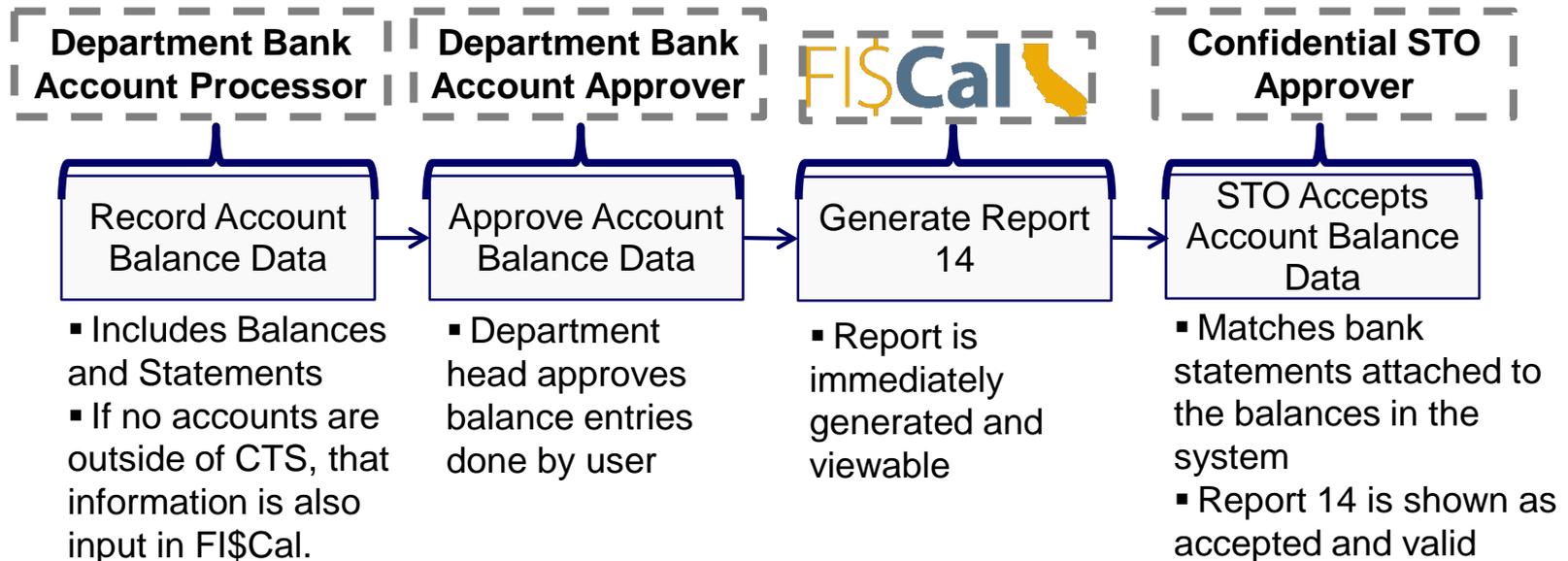
Cash Management Module Impacts

- The 2017 STO/SCO Release has FI\$Cal Departmental Impacts for the following processes:
 - Report 14 – Accounts Outside CTS
 - Bank Reconciliation
 - Cross Business Unit CTS Transfers
 - SCO will now approve all CTS Transfers
 - All CTS Bank Statements will be generated in FI\$Cal

Accounts Outside CTS - Form 445 (Report 14)

- Some departments have received either statutory authority or approval from DOF to open accounts outside of the CTS.
- Departments holding money in accounts outside the CTS are responsible for overseeing and safeguarding that money.
- Departments with accounts outside of the CTS are required to report the existence of the accounts, the associated balances in the accounts, and provide a bank statement, which supports the balance reported to STO annually (some departments must report semi-annually).
- A department still needs to report if they do not have an account outside of CTS.
- All data on Report 14 will now be recorded in FI\$Cal.

Department Report 14 Generation



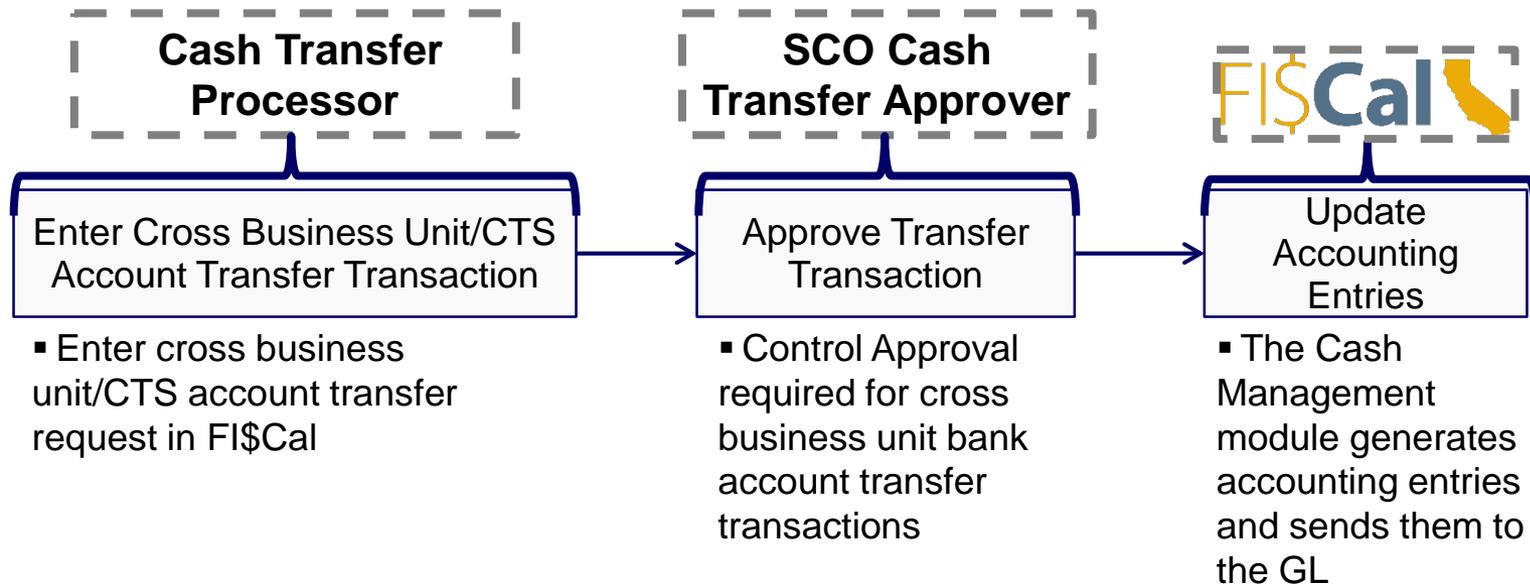
Key Impacts

- Departments are required to work with STO to report the existence, or non-existence, and balance of bank accounts outside of the CTS to help STO ensure the appropriate level of collateralization is reached.
- Report 14 can be generated at any point of time as long as the data is in the system but the report will remain unapproved in the system until STO accepts it.
- Departments must report balances “as of June 30” by August annually.

CTS Account 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 department, the department will 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.

Cross CTS Account Transfers



Key Impacts

- SCO will approve all CTS Account transfers
- Bank account transfers are used to correct mistakes made in the wrong bank account when recording bank deposits to move cash between CTS accounts

General Ledger Module Impacts

- The STO/SCO Release has the following impacts for FI\$Cal Departments:
 - FI\$Cal will become the state's Book of Record
 - GL Journal Approval Workflow
 - Cash Validation will occur during Journal Edit
 - Departments will continue to submit their Plan of Financial Adjustment (PFA) to the SCO for approval
 - FI\$Cal Departments will no longer have to submit paper PFA transaction requests to the SCO

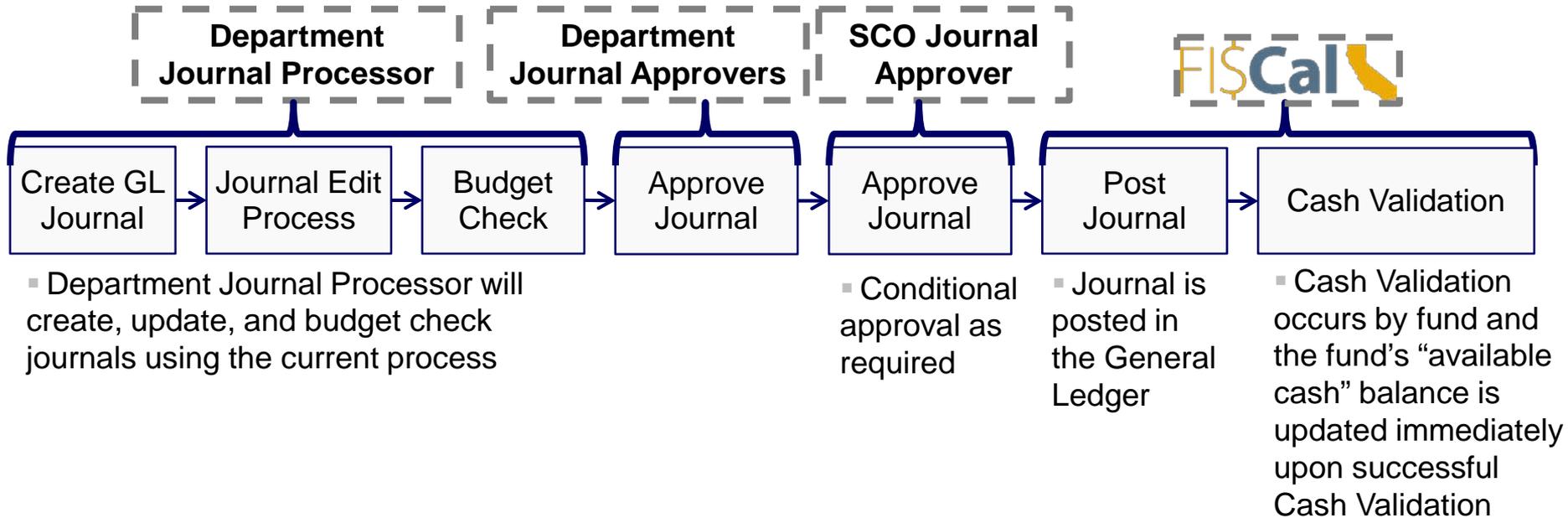
General Ledger Module Impacts

- The STO/SCO Release has the following impacts for FI\$Cal processes:
 - The reconciliation against SCO Legacy system will no longer be required (INFGLO51 – Agency Reconciliation)
 - Budget Act set up and Appropriation Adjustments (INFBU062 and 063) will be retired
 - Current COA issues will also be alleviated since both the SCO and Departments are transacting in the same system with the same chart of accounts.

GL Journal Approval Workflow

- Department journals are subject to departmental approval, unless the department chooses not to.
- Department journals are conditionally required for SCO approval based on:
 - Non-zero impact to an item of appropriation, OR
 - Impact to a state fund's cash
- SCO can also process and approve journals on behalf of departments

Departmental Journal Approval



Key Impacts

- The approver can choose to post upon approval or when the next FI\$Cal batch occurs.
- If journal has a non-zero impact to an item of appropriation or any state fund's cash it must be routed to the SCO for approval

Question and Answer



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Commitment Control Module Impacts

- The STO/SCO Release has the following impacts for FI\$Cal Departments:
 - Commitment Control will become the state's appropriation control ledger, control of appropriations will be strictly enforced by the SCO
 - Any remaining unencumbered spending authority will be “swept” based on the encumbrance date
 - Reappropriations for unencumbered balances will be able to be processed accurately
 - A new Federal Trust Fund (FTF) control budget will be created to track federal receipts and expenditures

Purchasing Module Impacts

- The STO/SCO Release has the following impacts for FI\$Cal Departments:
 - At year end, departments must create and process their purchase orders to encumber their spending authority. If not, any remaining unencumbered spending authority will be “swept” based on the encumbrance date.

Project Costing Module Impacts

- The STO/SCO Release has the following impacts for FI\$Cal Departments:
 - Establish Project Costing Project IDs for all Federal Trust Fund (FTF) receipts
 - All federal projects must be in the system
 - Departments must charge against the projects in FI\$Cal to match the FTF budget
 - A slightly modified AUD10a will still be required
 - Departments can use PC funds distribution to allocate costs amongst their funds, however, the funds distribution rules must be approved by the SCO before use

Asset Management Module Impacts

- The STO/SCO Release has the following impacts for FI\$Cal Departments:
 - Departments will depreciate and amortize assets in FI\$Cal
 - The SCO will now have the ability to see all asset transaction details for enhanced financial reporting

Labor Distribution Module Impacts

- The STO/SCO Release has the following impacts for FI\$Cal Departments:
 - Employee ARs identified in the current payroll file will create an AR in the Accounts Receivable module
 - A new interface file for the collection of the employee ARs will automatically settle the employee AR

Question and Answer



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Department Activities for SCO/STO Release

Activity	Start	End	Status
Departmental Interfaces Kickoff	02/03/16	02/03/16	Complete
Interface Build and Unit Test	02/03/16	06/30/16	Complete
Interfaces Workshops	02/23/16	02/25/16	Complete
Secure File Transfer Protocol (SFTP) User Access	02/29/16	07/15/16	Complete
Business Process Workshop (BPW) for Loan Accounting	10/03/16	10/03/16	Complete
Business Process Workshop (BPW) for Statewide Impacts	10/11/16	10/12/16	Not Started
Interface Testing Support Sessions	10/13/16	10/17/16	Not Started
Interface Testing	11/07/16	01/30/17	Not Started
Business Process Workshop (BPW) for Bond Accounting	TBD	TBD	Planning in Progress
FI\$Cal Role Mapping	Early 2017	Early 2017	Planning in Progress
Training and Communication	TBD	TBD	Planning in Progress

Question and Answer



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