



One state. One system.

# Statewide Impacts for Non-FI\$Cal Departments

Business Process Workshop (BPW)

2017 STO/SCO Release



# Agenda

- BPW Objectives
- What You Should Take Away
- STO/SCO Release Solution Overview
- Key Terms
- Business Process Impacts
- Department Activities for SCO/STO Release

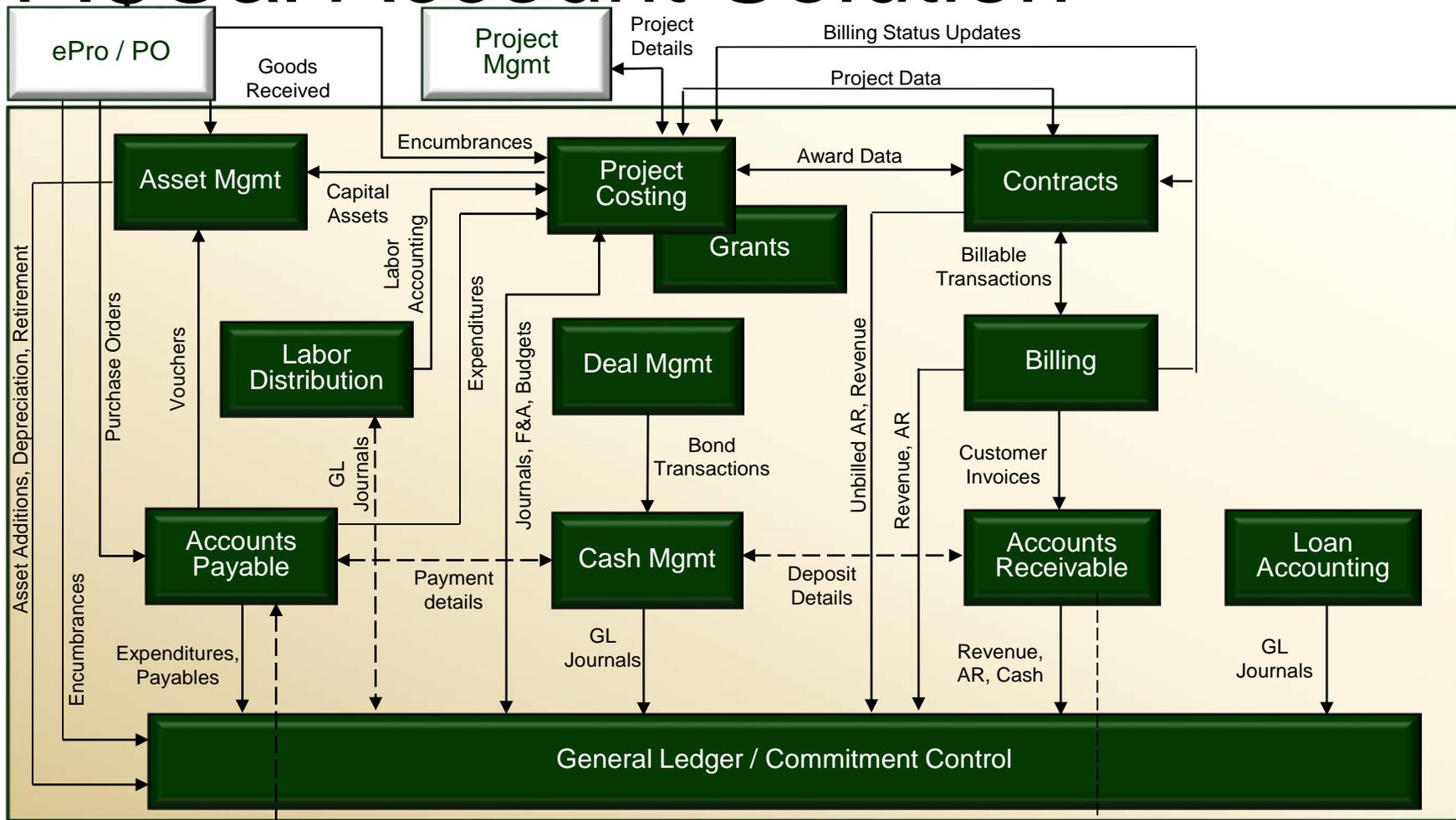
# BPW Objectives

- 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
  - Understand the next steps in the implementation phase
  - Know how to get assistance from FI\$Cal

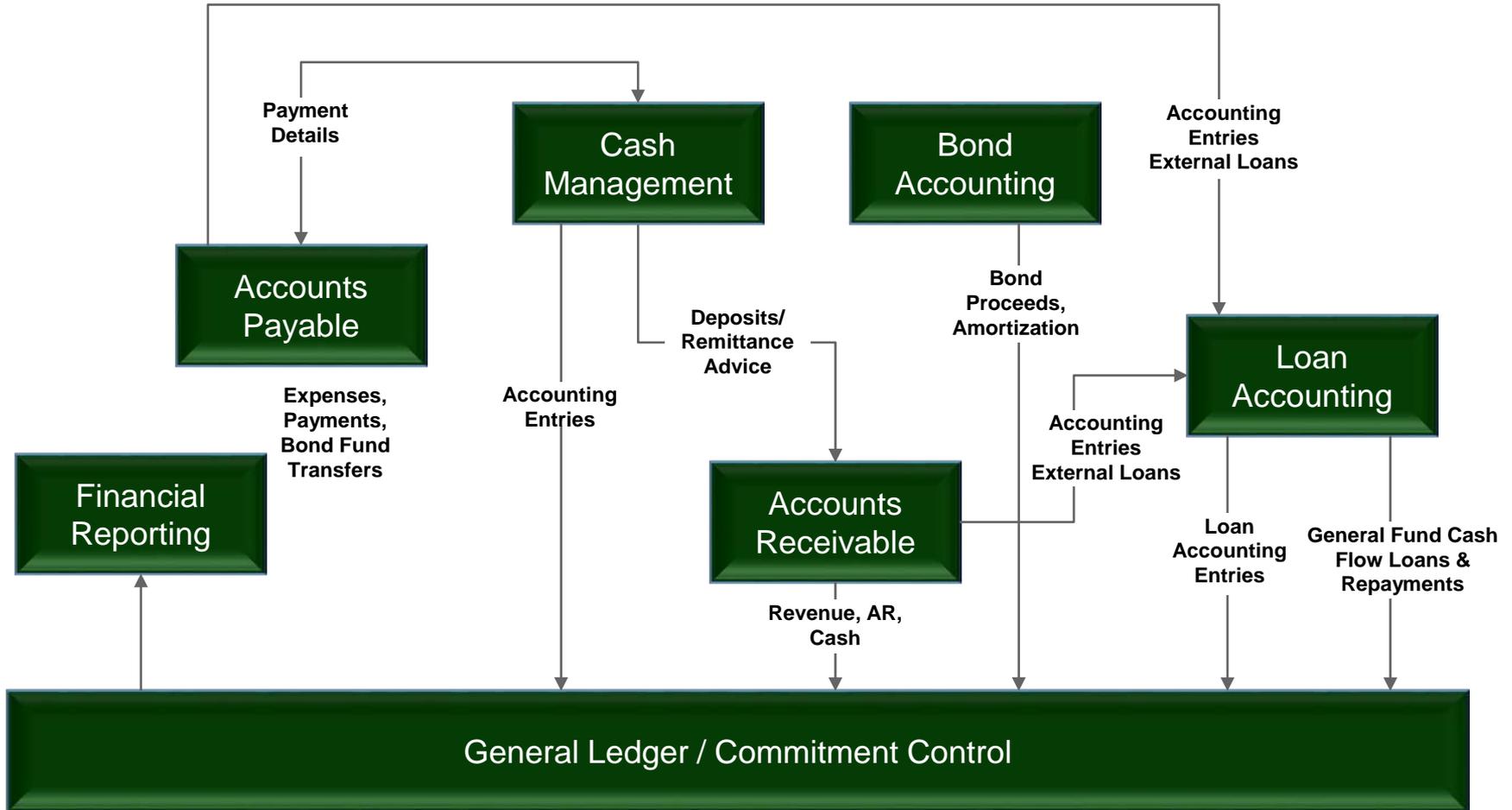
# What You Should Take Away

- 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

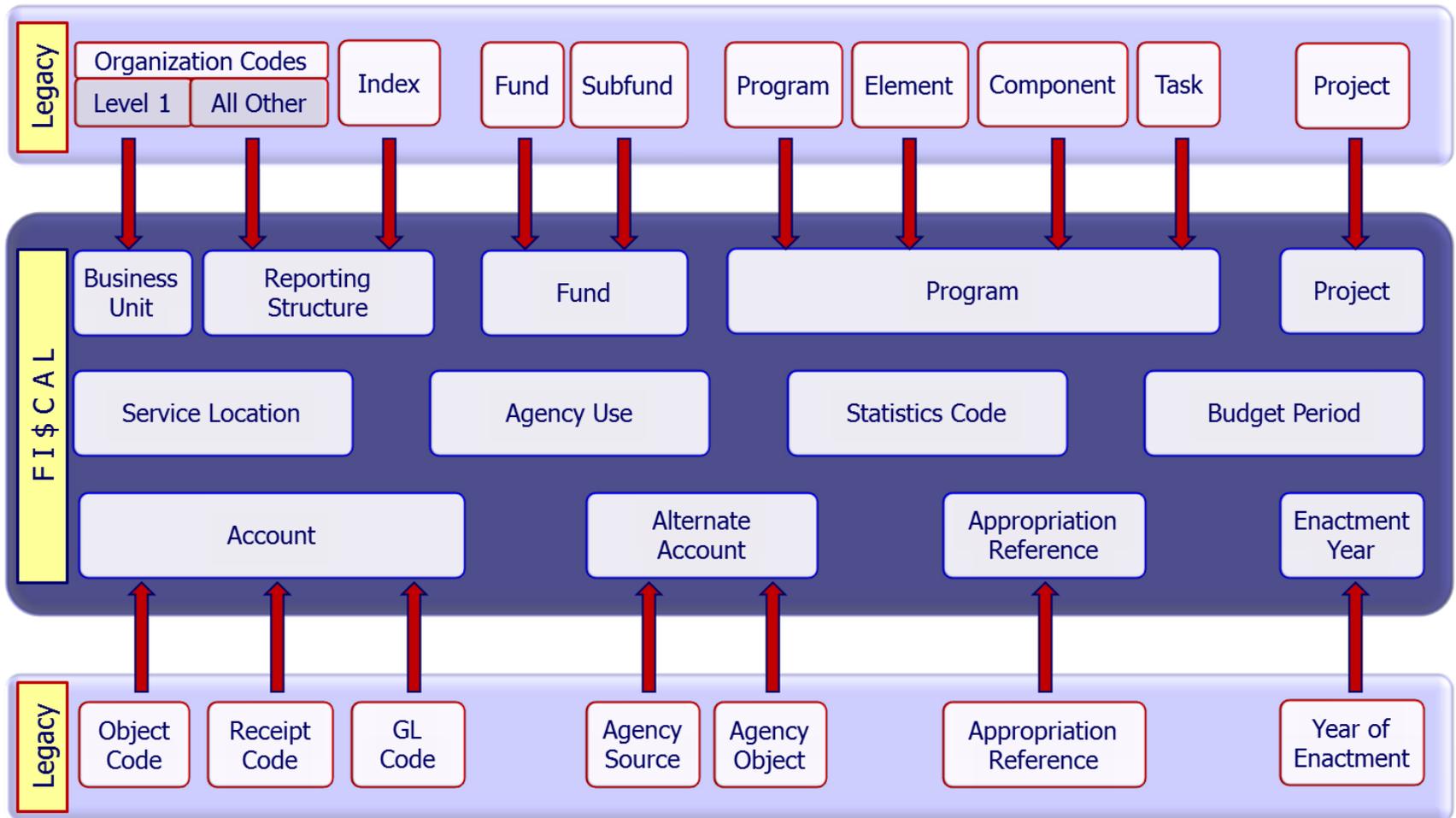
# FISCAL Account Solution



# SCO/STO Solution Overview



# Chart of Accounts



# Key Terms

Term	Definition
<b>Cash Validation</b>	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. The cash balance will also increase when a deposit is made into the fund.
<b>AR Payments</b>	Remittances are now known as AR Payments in FI\$Cal.
<b>Interagency Intercept Collection (IIC)</b>	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:

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# Accounts Payable Module Impacts

- The 2017 STO/SCO Release has the following impacts for Non-FI\$Cal Departments:
  - Warrant Processing
  - Paper Claims Import
  - Electronic Claims Import
  - Expedite Processing
  - Cash Validation will occur during AP payments
  - Warrant Post Issuance

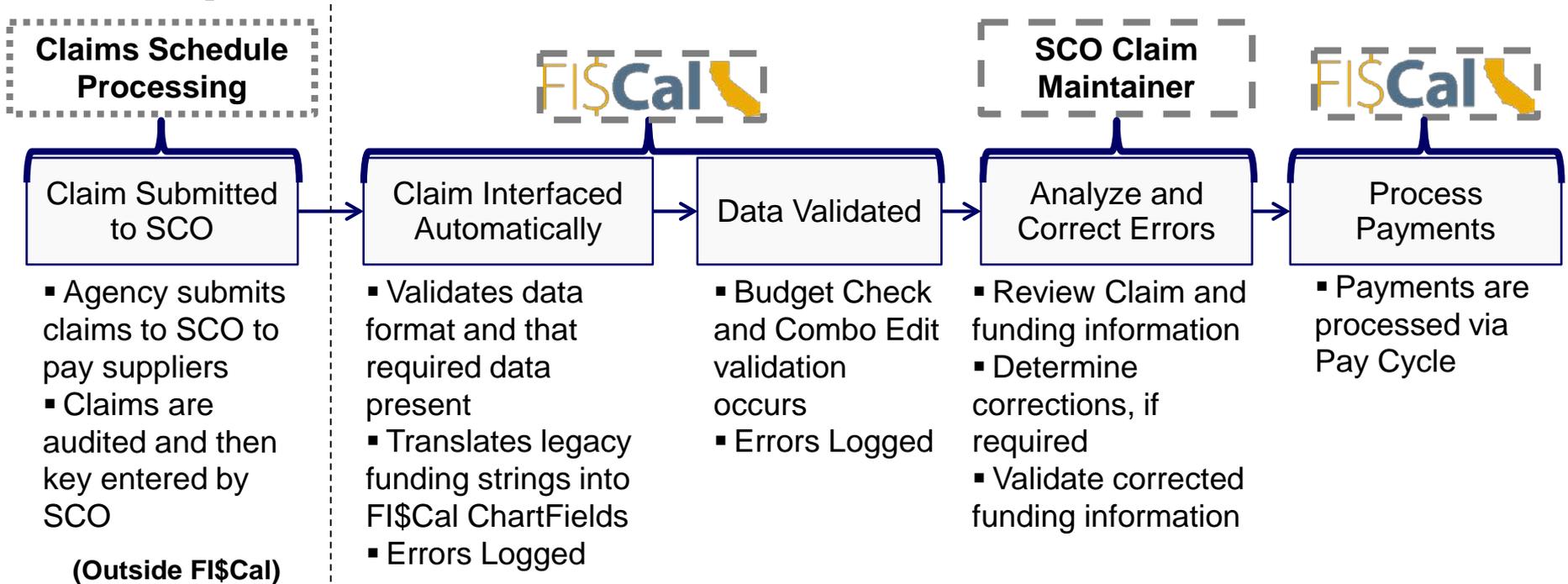
# Warrant Processing

- The FI\$Cal System 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 payment information will come from three sources:
  - Paper claims via interface
  - Specialized payment system and/or payroll system via interface
  - Vouchers entered directly in 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.
- In addition, the FI\$Cal processes allow for Warrant Expedite and Special Handling for vouchers created in the system.

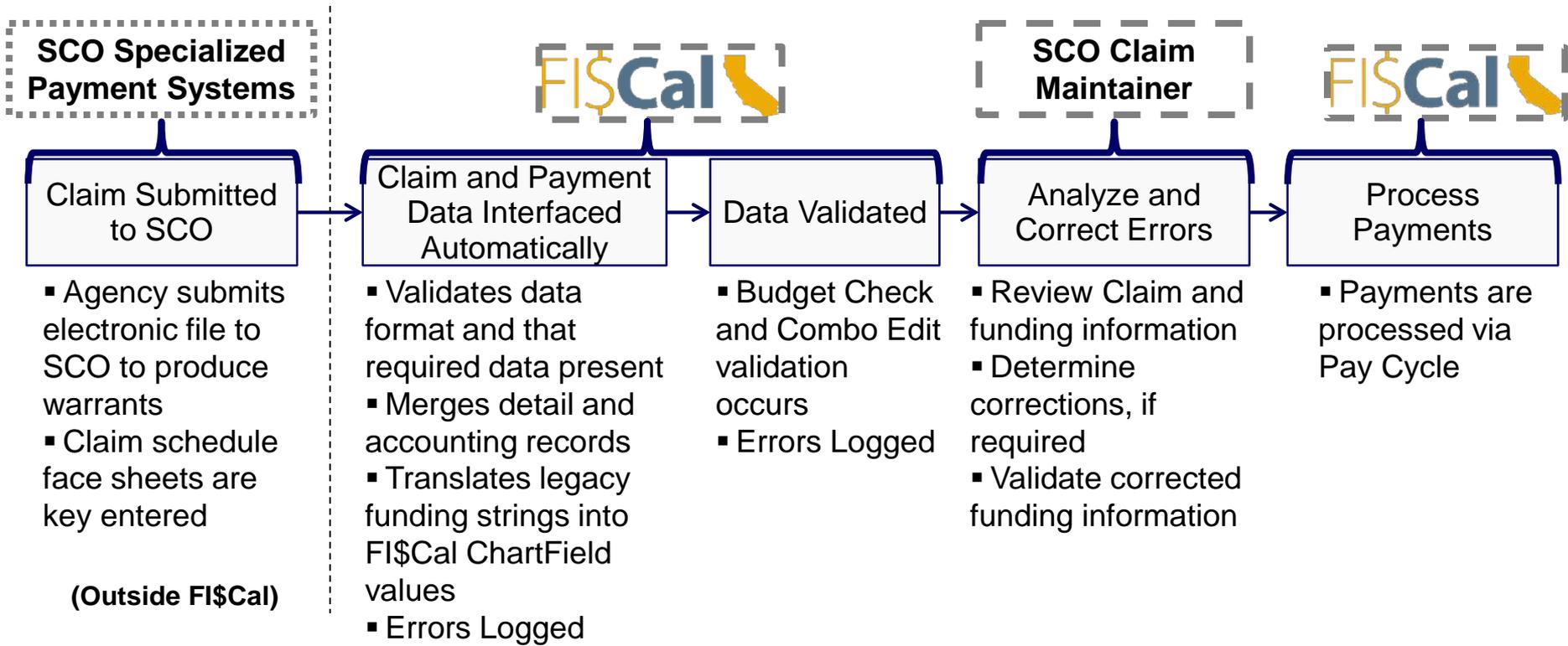
# Paper Claims Interface



## Key Impacts

- FI\$Cal will create the warrant print file and spool memo for printing these warrants.
- When FI\$Cal becomes the State's Book of Record, all warrants will be recorded in FI\$Cal.

# Electronic Claims Interface



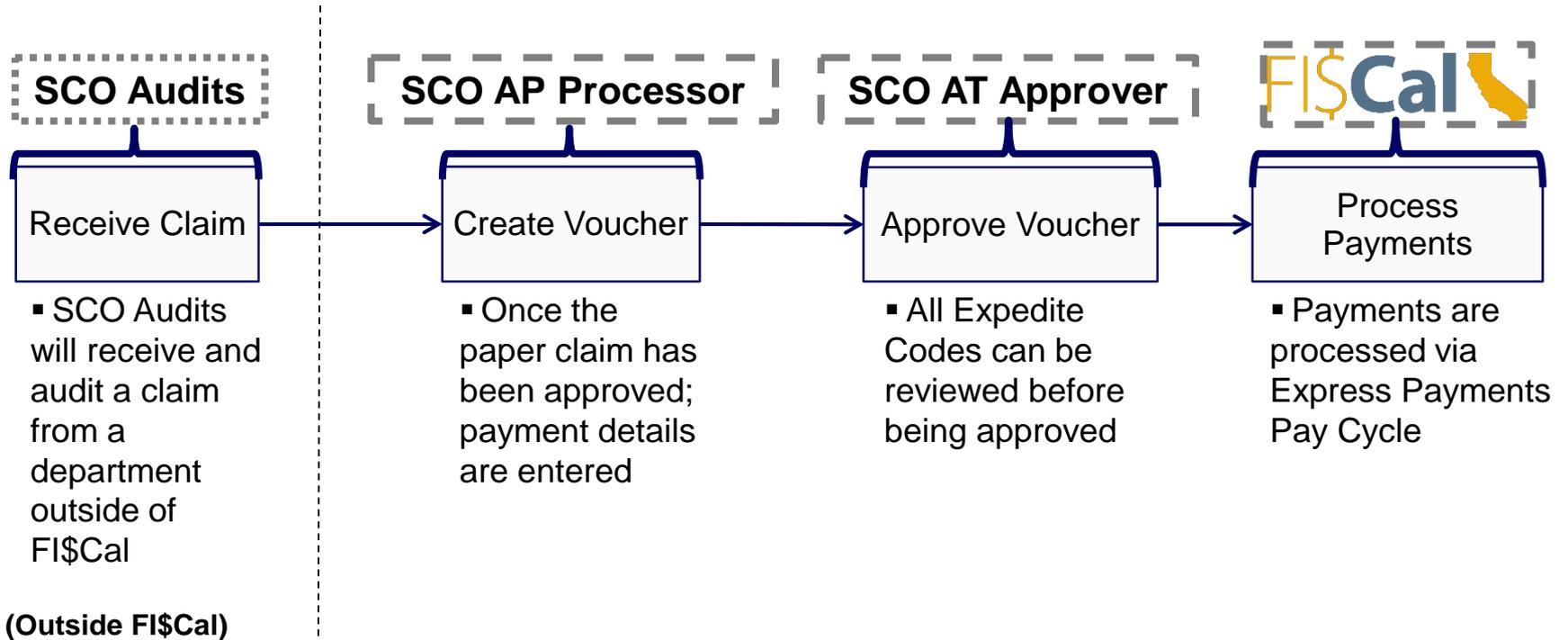
## Key Impacts

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

# Expedite and Special Handling Process

- Expedite or “RUSH” claims will be submitted and audited as they are today.
- Paper Claims with Expedite or Special Handling forms attached will be fulfilled as they are today.
  - Expedited services will continue to incur an additional cost.

# Expedite and Special Handling Processing



## Key Impacts

- Payments are processed according to the department's request
- Bond funded payments no longer require a manual cash transfer letter

# Question and Answer



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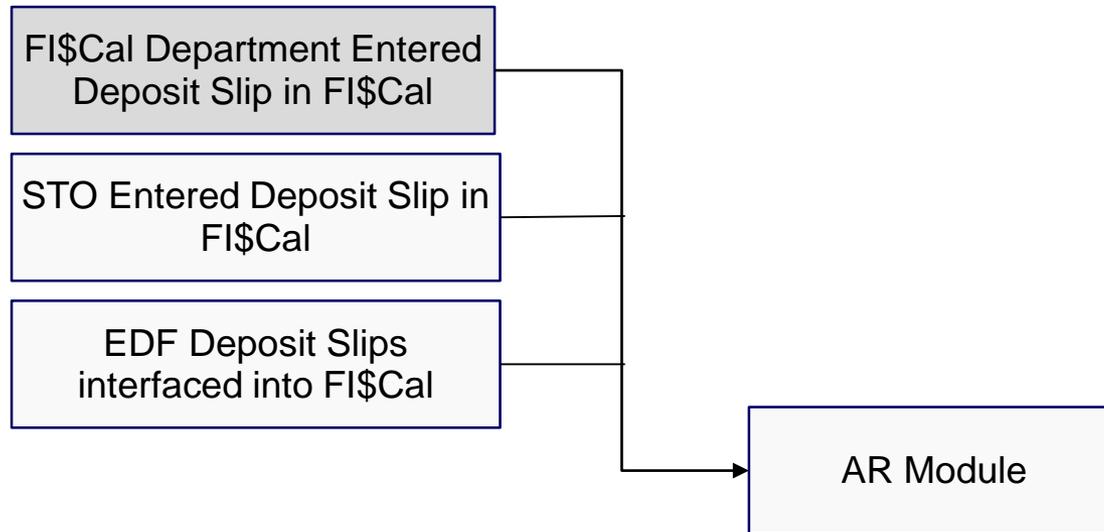
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# Accounts Receivable Module Impacts

- The 2017 STO/SCO Release has the following impacts for Non-FI\$Cal Departments:
  - Book of Record for Deposits
    - Departments will prepare paper deposits slips and send them to STO or enter deposits on the EDF to be interfaced into FI\$Cal
    - eFITS remittances will be interfaced into FI\$Cal as AR Payments
  - Cash Validation will occur during deposits
  - Offset Processing

# Book of Record for Deposits

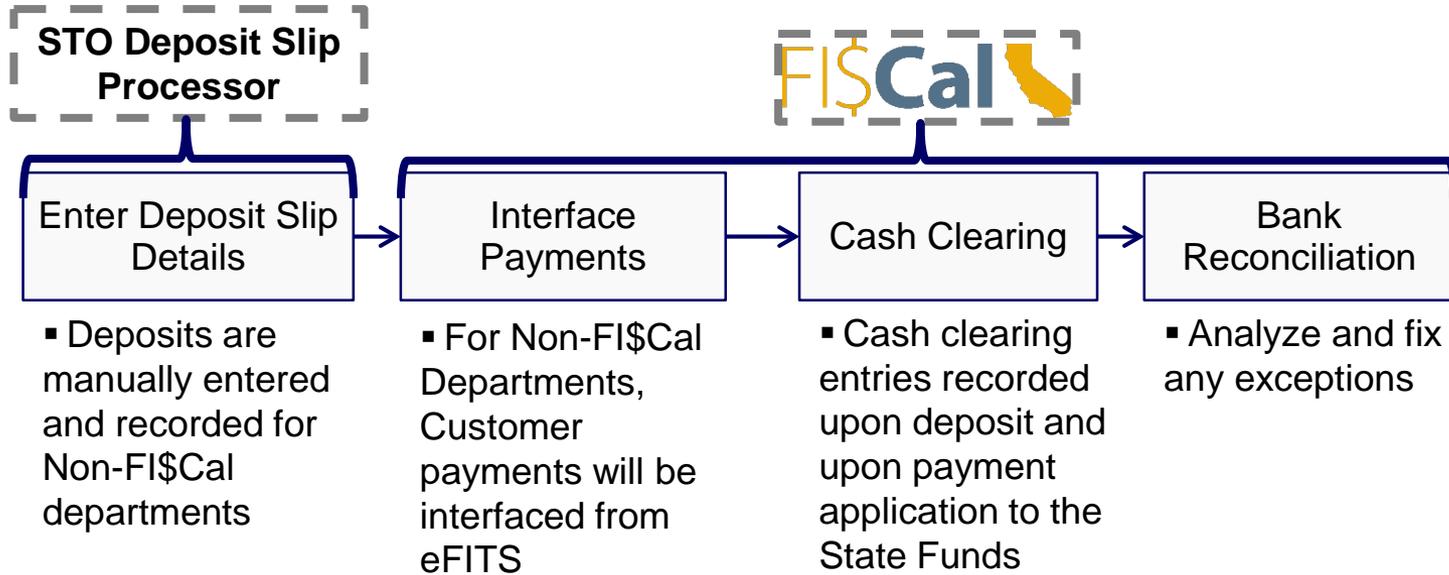
All Deposit Slips will now be recorded or interfaced into FI\$Cal.



## Key Impacts

- No change from the current process

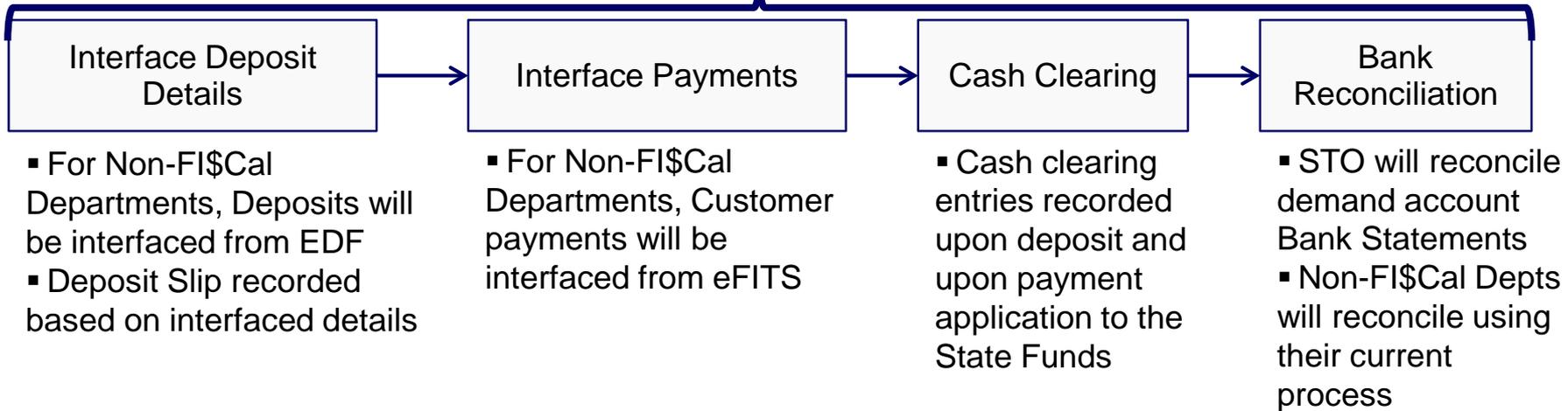
# STO Deposit Slip Processing



## Key Impacts

- STO will record Depository Bank Account details along with the CTS Bank Account details while recording deposits in FI\$Cal

# EDF/eFITS Deposit Processing



## Key Impacts

- No change from the current process

# 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

# 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.

# Question and Answer



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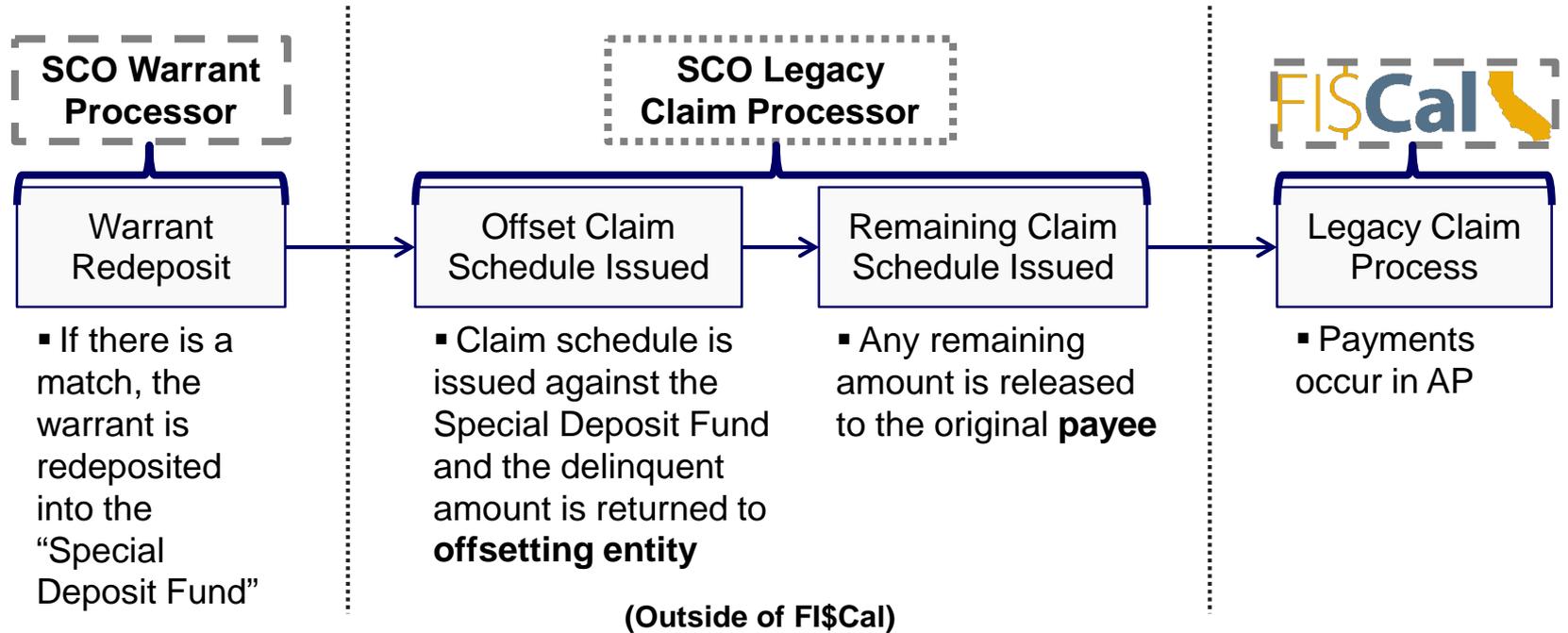
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# Offset Processing Overview

- 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

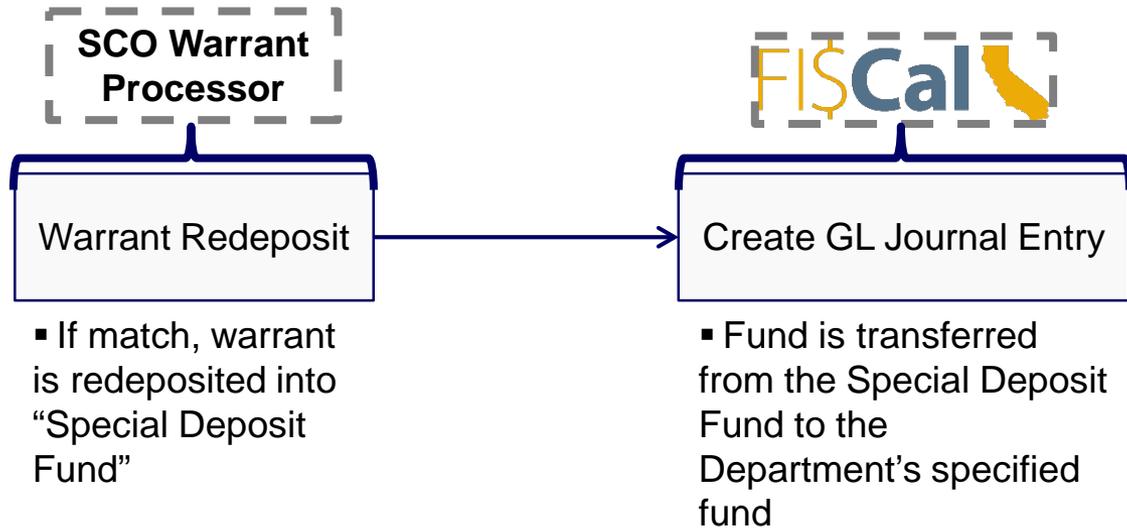
# Offset Settlement by SCO Legacy Claim



## Key Impacts

- Non-FI\$Cal Department will use the EDF interface to deposit the warrant in the State Treasury

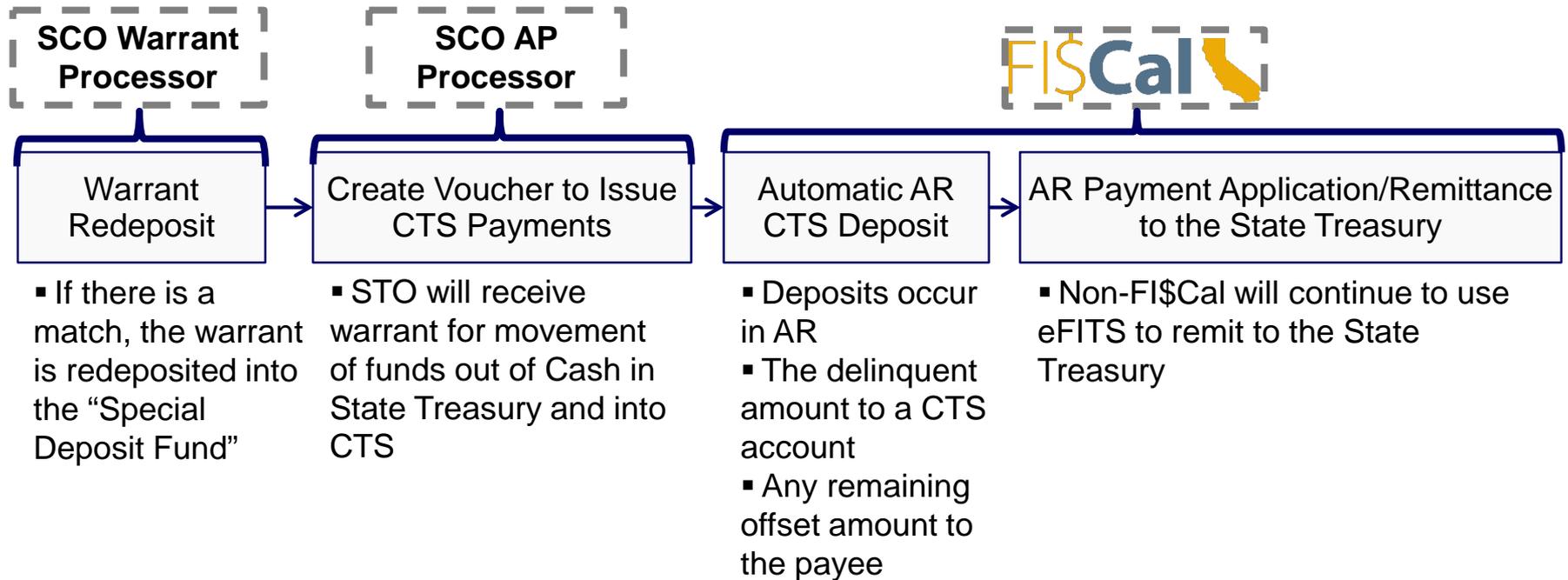
# Offset Settlement by GL Journal Entry



## Key Impacts

- SCO will record the GL Journal Entry in FI\$Cal on behalf of the Non-FI\$Cal Departments

# Offset Settlement by AR Deposit



## Key Impacts

- On creation of an offset deposit, Non-FI\$Cal Department will submit the accounting details using the eFITS interface

# Question and Answer



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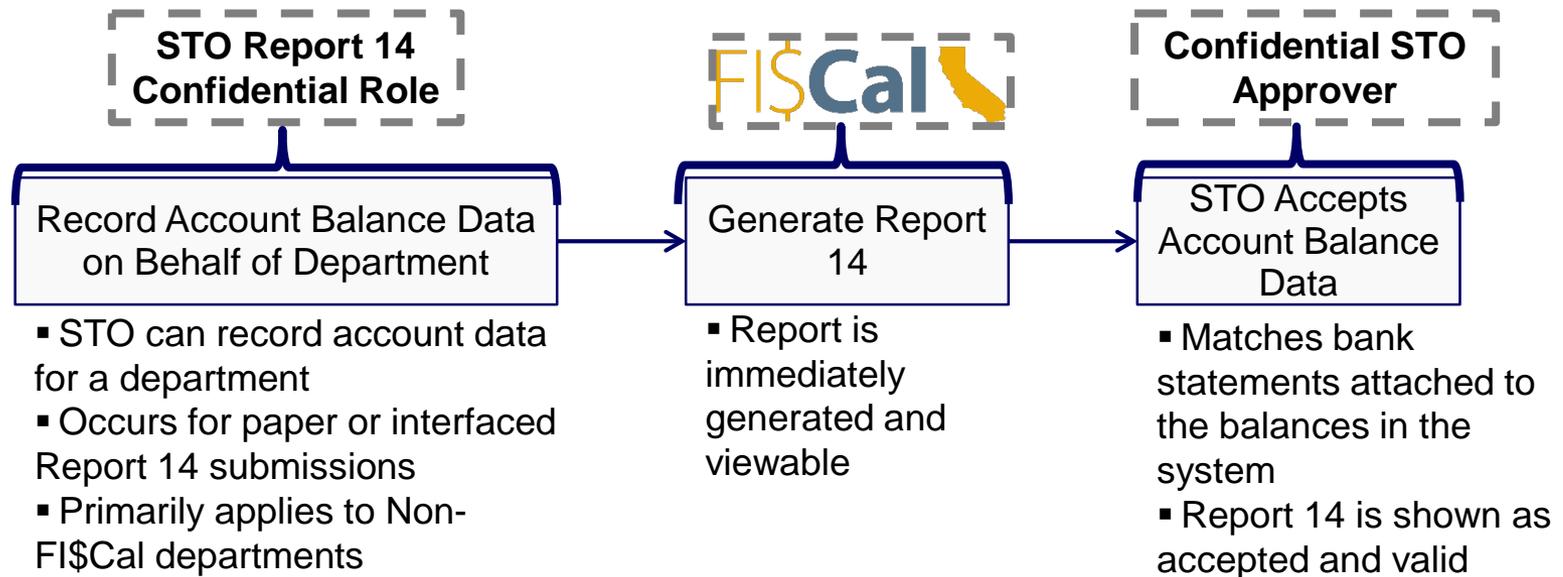
# Cash Management Module Impacts

- The 2017 STO/SCO Release has the following impacts for Non-FI\$Cal Departments:
  - Report 14 – Accounts outside CTS
  - Bank Reconciliation
  - CTS Bank 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 a bank statement, which supports the balance reported to STO 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.

# Report 14 Generation on Behalf



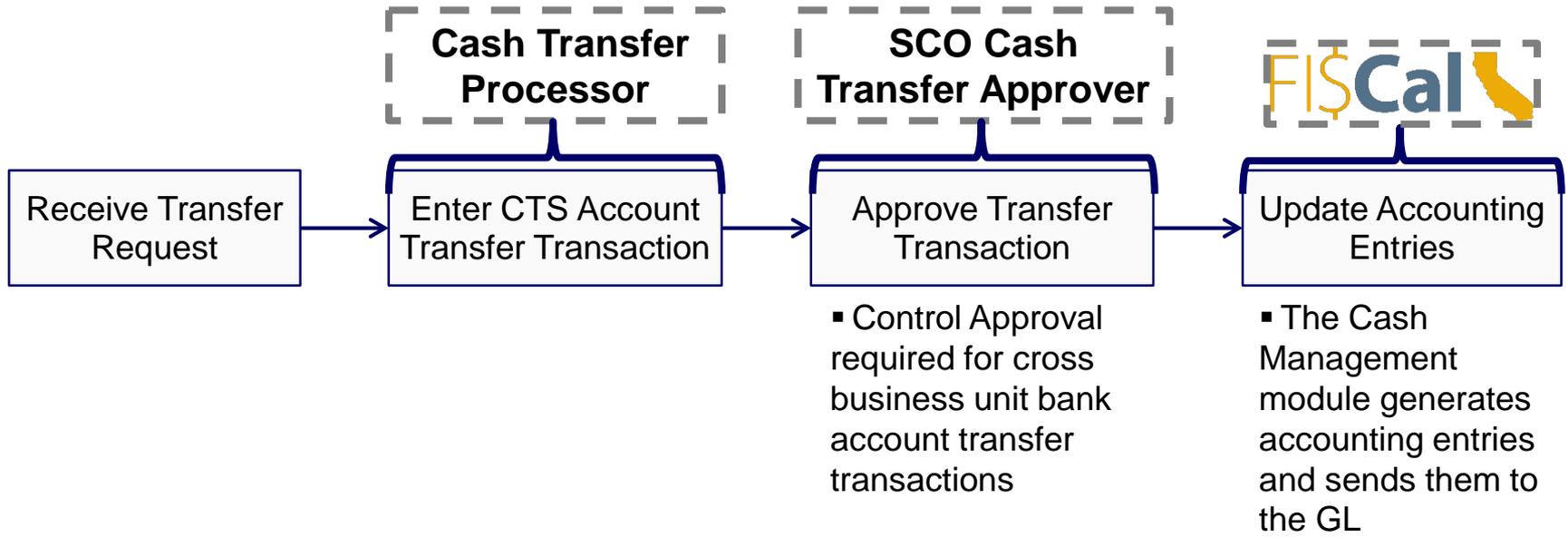
## Key Impacts

- 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 in 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.

# CTS Bank Transfers

- When a department requires a bank transfer with 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 CTS bank transfers in FI\$Cal.

# CTS Account Transfers



## Key Impacts

- SCO will create and approve all CTS Account transfer requests for Non-FI\$Cal Departments

# Question and Answer



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# General Ledger Module Impacts

- The 2017 STO/SCO Release has the following impacts for Non-FI\$Cal Departments:
  - FI\$Cal will become the state's Book of Record
  - Current SCO legacy system interfaces will be replaced by FI\$Cal interfaces
  - The COA crosswalk will be utilized to provide FI\$Cal ChartField values in legacy UCM values

# Processing Legacy Transactions

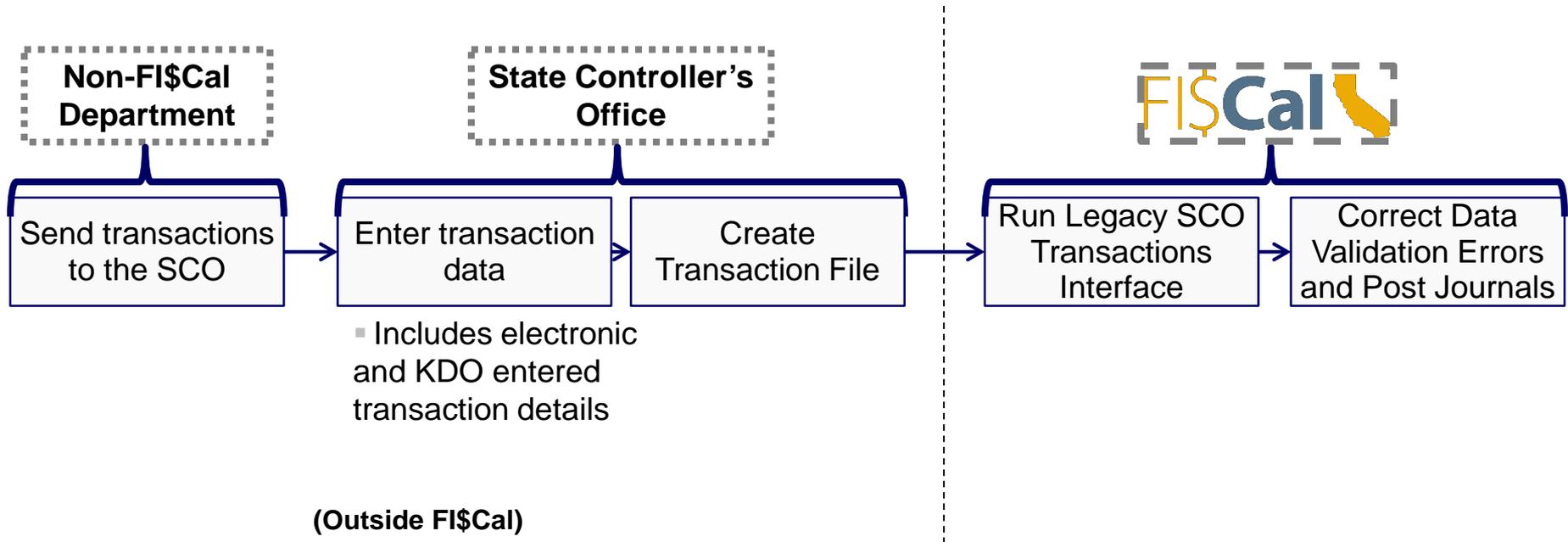
- Previously, all departments prepared and submitted to the SCO transaction request forms and financial statements to initiate the recording of journal entries in the SCO's legacy system. The submission of these documents by Non-FI\$Cal departments will continue.
- SCO's legacy system will no longer exist for recording of transactions.
- A new process has been created that will interface and crosswalk these transactions to FI\$Cal.

# Legacy Transactions to be Interfaced

- Legacy FISCAL
  - TC 35 General Journal
  - TC 36 Plan of Financial Adjustment
  - TC 37 Payroll Revolving Fund Transfers (CLO & CLR)
  - TC 38 Cash Transfer
  - TC 39 No Warrant Transfer
  - TC 47 eFITS Remittance
  - TC 48 ORF Replenishment
- Legacy Reporting
  - TC 34 Report of Accruals/Adjustments to SCO
  - TC 71 Encumbrance
  - TC 72 Encumbrance Reclass
  - TC 84 Nongovernmental Cost Fund Pre-Closing Trial Balance

All other Transaction Codes will be processed directly in FI\$Cal or by a different interface. These codes will no longer exist.

# SCO Transaction Interface



## Key Impacts

- Transaction Codes and UCM values are used to generate accounting entries and, after appropriate validation, are posted in the FI\$Cal General Ledger.

# Question and Answer



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# Commitment Control Module Impacts

- The 2017 STO/SCO Release has the following impacts for Non-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

# 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 funds must be in the system
    - Departments must charge against the project IDs in FI\$Cal to match the FTF budget
    - A slightly modified AUD10a will still be required
  - Establish Project Costing Project IDs for all Capital Outlay projects

# Question and Answer



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# Next Steps - Departmental Activities

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 Statewide Impacts	10/11/16	10/12/16	Current
Interface Testing Support Sessions	10/13/16	10/17/16	Not Started
Interface Testing	11/07/16	01/30/17	Not Started
FI\$Cal Role Mapping for Non-FI\$Cal Depts	TBD	TBD	Planning in Progress
Training and Communication	TBD	TBD	Planning in Progress

# Question and Answer



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# Appendix

Introduction

AP Module  
Impacts

AR Module  
Impacts

CM Module  
Impacts

GL Module  
Impacts

Other Module  
Impacts

Closing

Appendix