



One state. One system.

PMIA Processing

Business Process Workshop (BPW)

2017 STO/SCO Release



Agenda

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

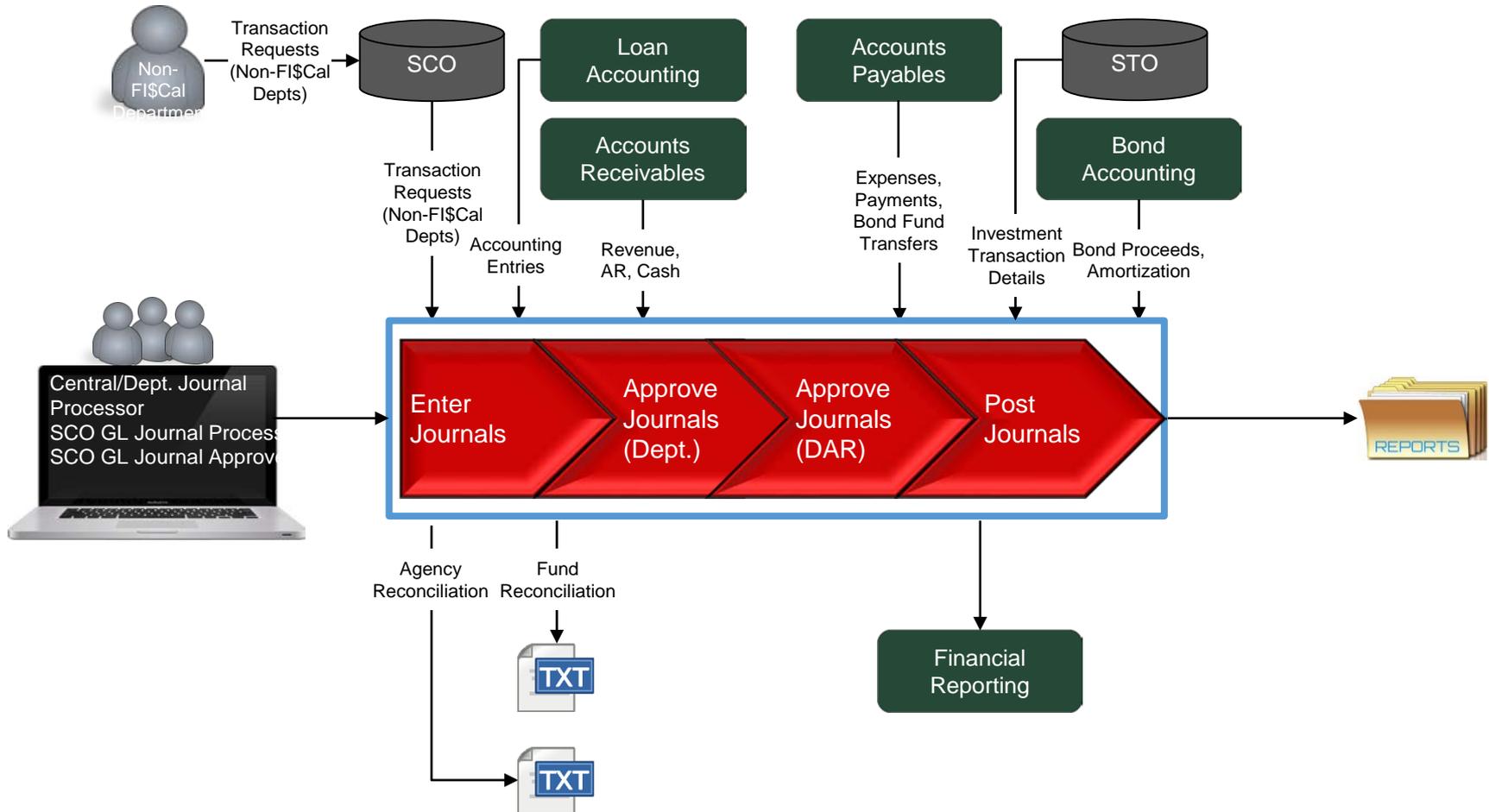
BPW Objectives

- 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

General Ledger Overview



Key Terms

Term	Definition
Participant	Participants are those who invest in the Pooled Money Investment Account (PMIA).
ADB Ledger	Average Daily Balance (ADB) Ledger tracks average daily balances: <ul style="list-style-type: none"> • PMIA Funds – cash balances • SMIF Funds – invested balances
Investment Pool	Cash Management (CM) functionality that tracks investors' balances, including deposits, withdrawals and earnings. This functionality will be used to manage LAIF participants, each having its own unique ID.

Key Terms

Term	Definition
Participant Transaction	Any transaction that results in the increase or decrease of the participant’s investment balance. Examples of such transactions are deposits, withdrawals, investment return, fees, penalties, etc.
Investment Earnings	The PMIA earns interest on its investments. Those earnings are then distributed to participants based on each participant’s average daily cash balance (except for the General Fund).
Investment Balance (in CM)	[For LAIF-participants only] The total outstanding amount of the investment including principal, return, admin charges, penalties, etc.
Trees	Specify how the system groups together the values of a field for purposes of reporting or security access

User Roles Summary

FI\$Cal End-User Role	Description
SCO Investment Pool Processor	The SCO end user who will have access to investment pool functionality, including pool information, participant information, participant transaction, viewing transactions, pool position, participant position, and interface processing.
SCO Investment Pool Approver	The SCO end user who is responsible for approving transactions in the investment pool functionality. This role will have access to the Participant Transactions and Participant Position pages.

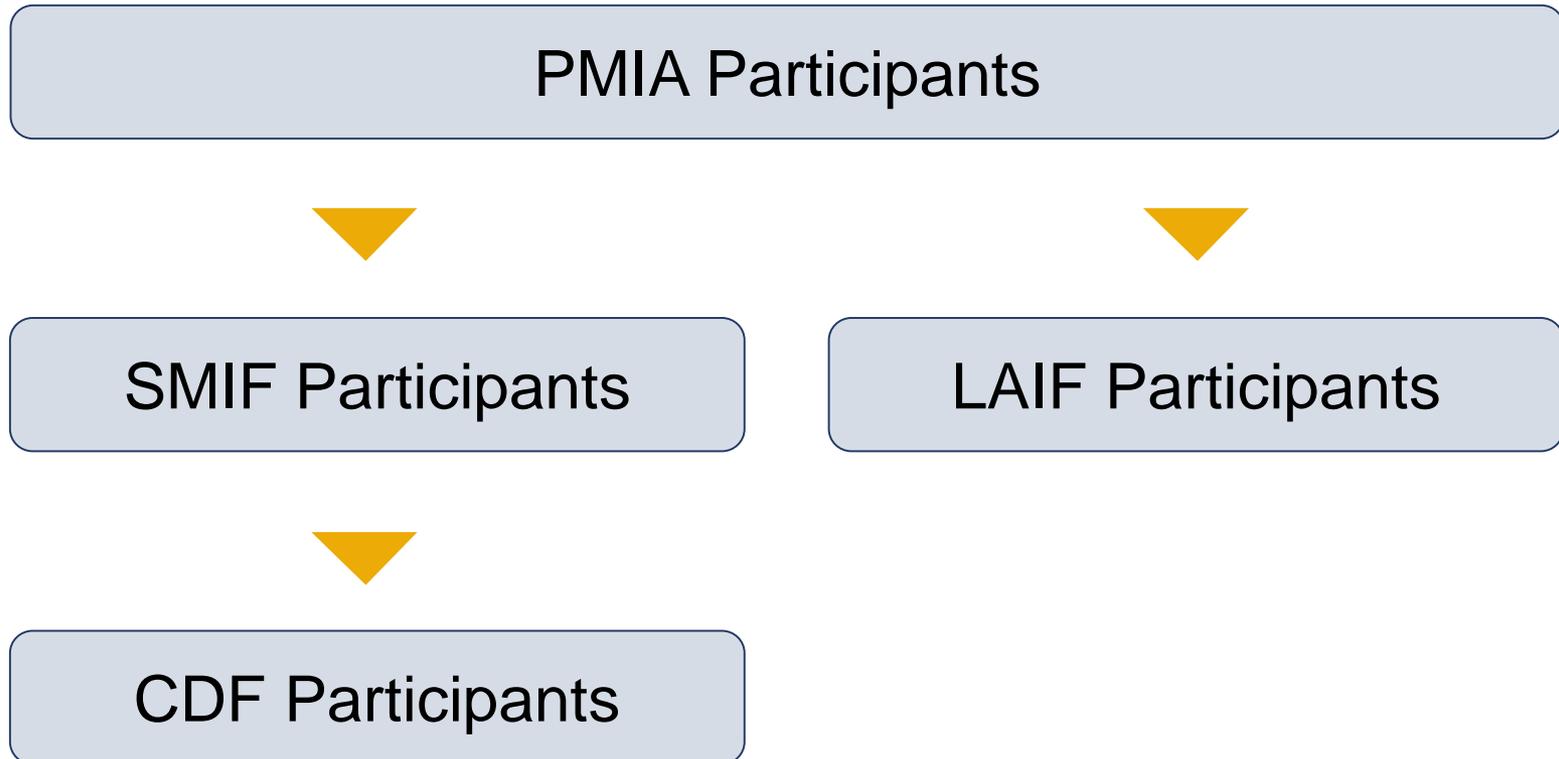
PMIA Investments

- Through the Pooled Money Investment Account (PMIA), the State Treasurer invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities.
- The PMIA has three primary sources of funds: the State general fund; special funds held by State agencies; and moneys deposited by cities, counties and other entities into the Local Agency Investment Fund (LAIF).
- As PMIA earns interest, it is periodically distributed (currently quarterly) to participants (other than the General Fund) based on their Average Daily Cash Balance (ADB).
- The General Fund receives the remaining earnings.

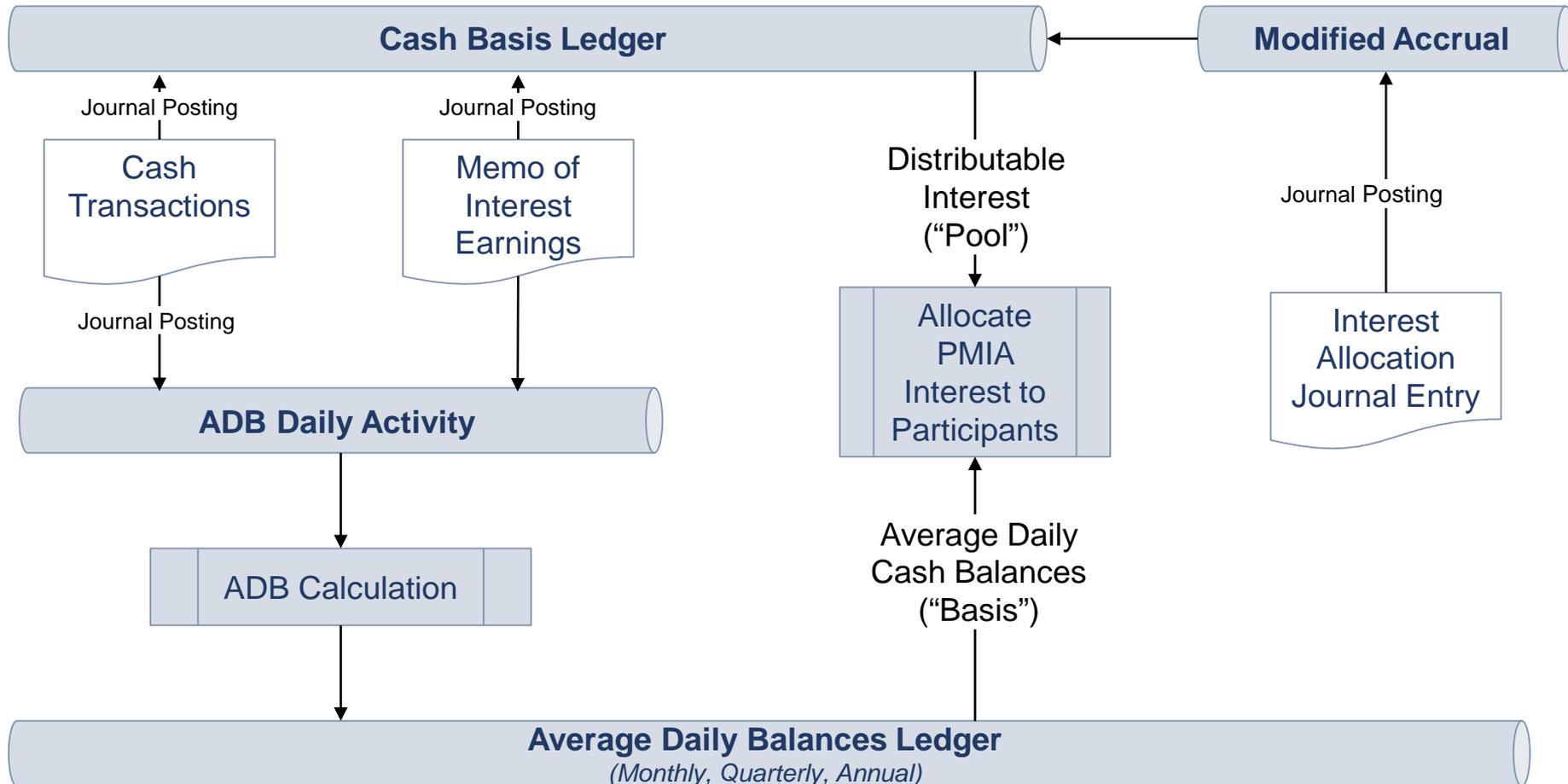
Notable PMIA Participants

- The Surplus Money Investment Fund (SMIF) and the Local Agency Investment Fund (LAIF), the Condemnation Deposit Fund (CDF) are notable PMIA Participants since these funds contain multiple participants of their own.
 - For SMIF, these participants are identified as funds and are tracked in the ADB Ledger using Chartfield (e.g., fund) values in the General Ledger (GL) module.
 - For LAIF, these participants are identified as investors managed using Investment Pools in the Cash Management (CM) module.
 - This same method has been identified for use with CDF in the future.

PMIA Earnings Allocation Hierarchy



PMIA Participant Interest Allocation



ADB Calculation

- Every journal posted has two critical dates:
 - Journal Date determines the accounting period (i.e., fiscal month) to which the journal is posted.
 - ADB Date determines the day to which the cash impact of that journal is posted in the ADB Ledger.
- Therefore, a journal can be assigned a current journal date and a historical ADB date for correction purposes.
- The ADB Ledger is updated by the ADB calculation process.

Calculating PMIA Participant Earnings

$$\text{distributableEarnings} * \frac{\text{singleParticipantADB}}{\text{averagePMIABookValue}} = \text{singlePMIAParticipantEarnings}$$

- The participants' shares are determined by their ADB in relation to the average PMIA book value of investments.

$$\text{generalFundEarnings} = \text{distributableEarnings} - \sum \text{participantEarnings}$$

- The general fund earnings is the remaining amount of earnings that is leftover after the participants get their share.

Calculating LAIF Participant Earnings

$$\text{LAIF} - \text{PMIA Participant Earnings} * \frac{\text{Single LAIF Participant Average Invested Balance}}{\text{Participant Average Invested Balance}}$$

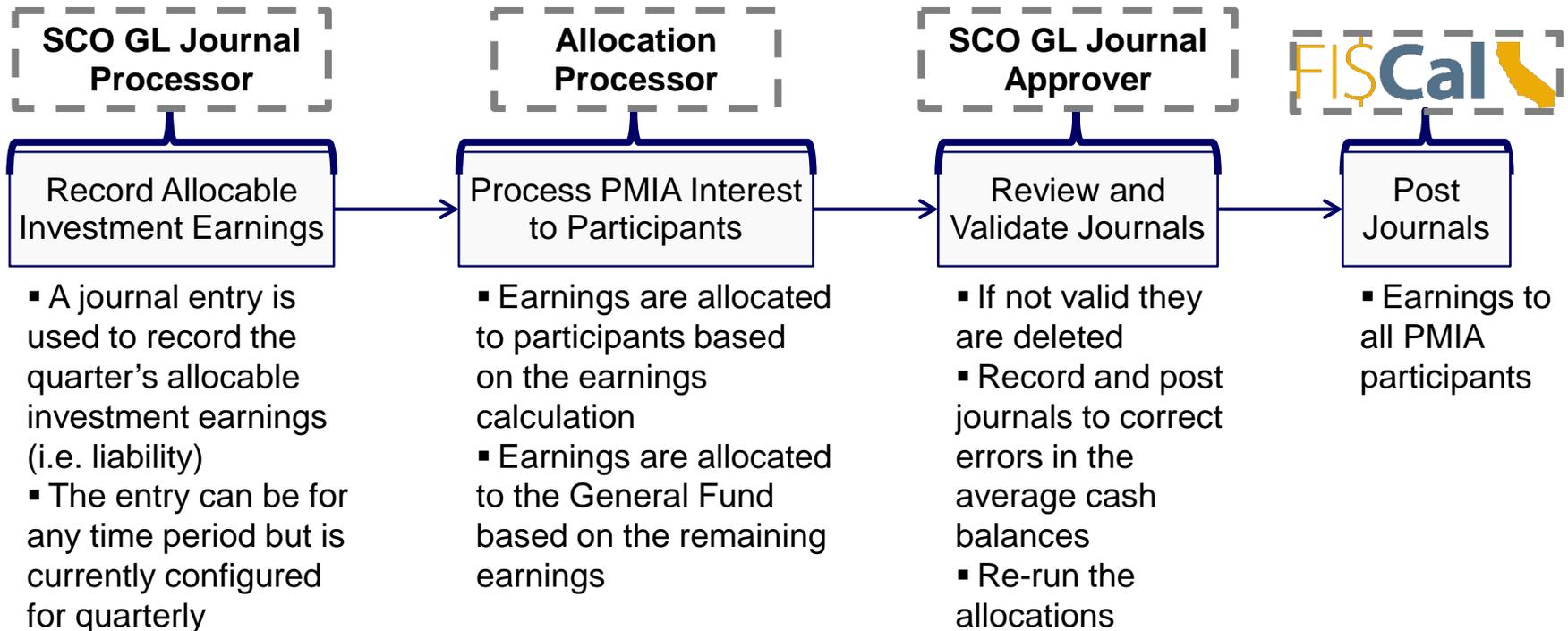
$$= \text{Single LAIF Participant Earnings}$$

- The participants' shares are determined by their Average Investment Balance in the investment pools.

Distributing Interest Earnings

- Distributing to Participants (in GL)
 - SCO uses an allocation to distribute PMIA earnings to participants
- Distributing to SMIF Participants (in GL)
 - Earnings credited to SMIF are distributed to participating funds using an allocation based on the average daily invested balance of each participant
- Distributing to LAIF Participants (in CM)
 - Earnings credited to LAIF are distributed to investors based on their average daily invested balances using investment pool functionality

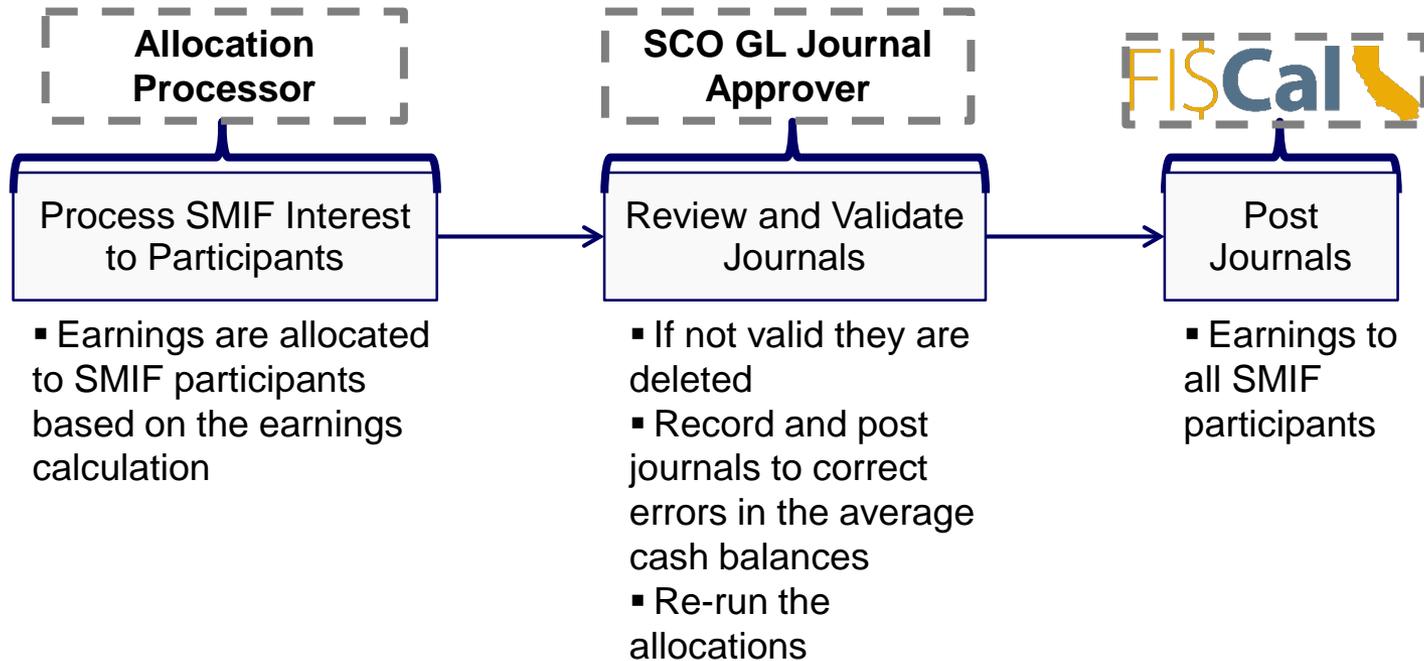
Distributing to PMIA Participants



Key Impacts

- This process automates the distribution of earnings to participants

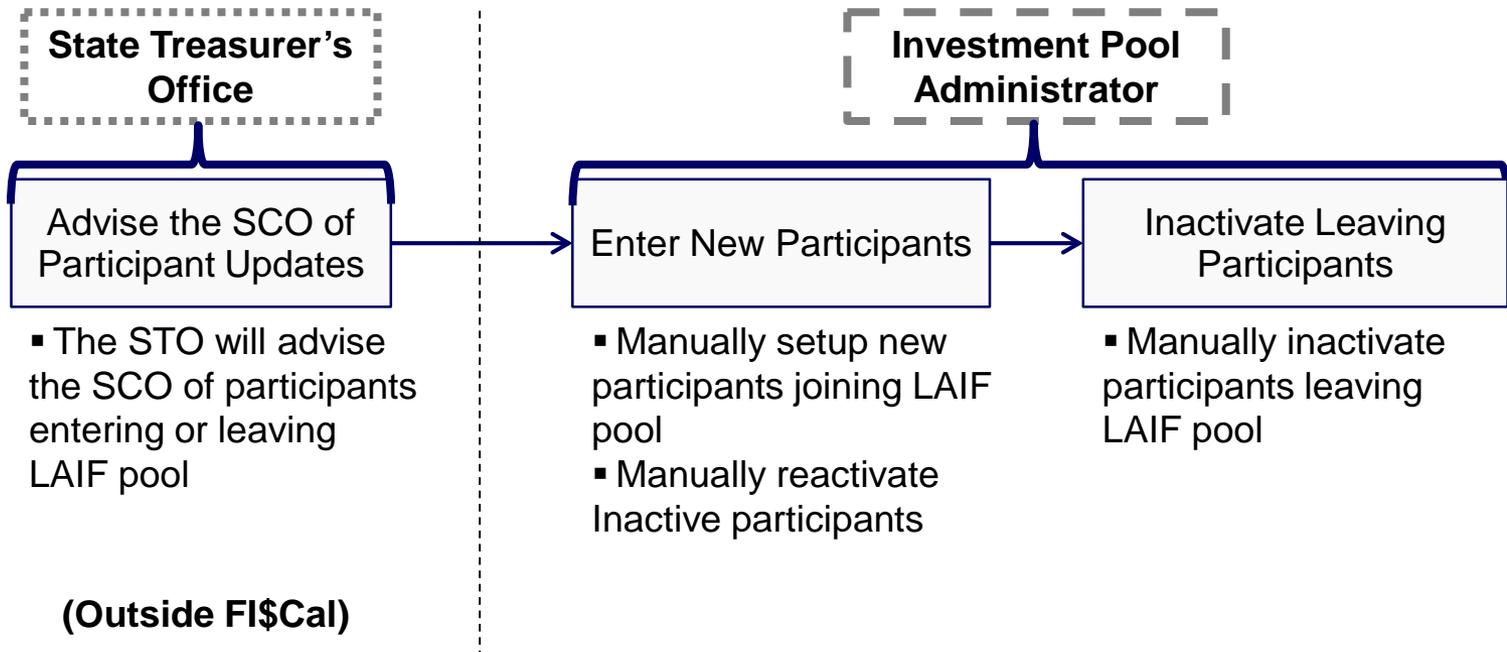
Distributing to SMIF Participants



Key Impacts

- This process automates the distribution of earnings to SMIF participants

Managing LAIF Participants



Key Impacts

- STO will advise SCO of participants joining/leaving LAIF pools
- Changes to participants will be entered manually in FI\$Cal CM Investment Pools

Managing LAIF Participants



Participant Information

SetID STATE Participant ID 1101004

General Information

Find | View All First 1 of 1 Last

Effective Date Status

*Description

Account Information

Find | View All First 1 of 1 Last

*Business Unit *Pool ID

*Participant Account

Allow Withdrawal from Deposit

*Description

Account Details

Personalize | Find | First 1 of 1 Last

ChartFields

*Account Type	Transfer Template ID	Approp Ref	Fund	ENY	*Account	Alt Acct	Program	Project	Rptg Struct
Deposit	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	1001	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Address Information

Notes

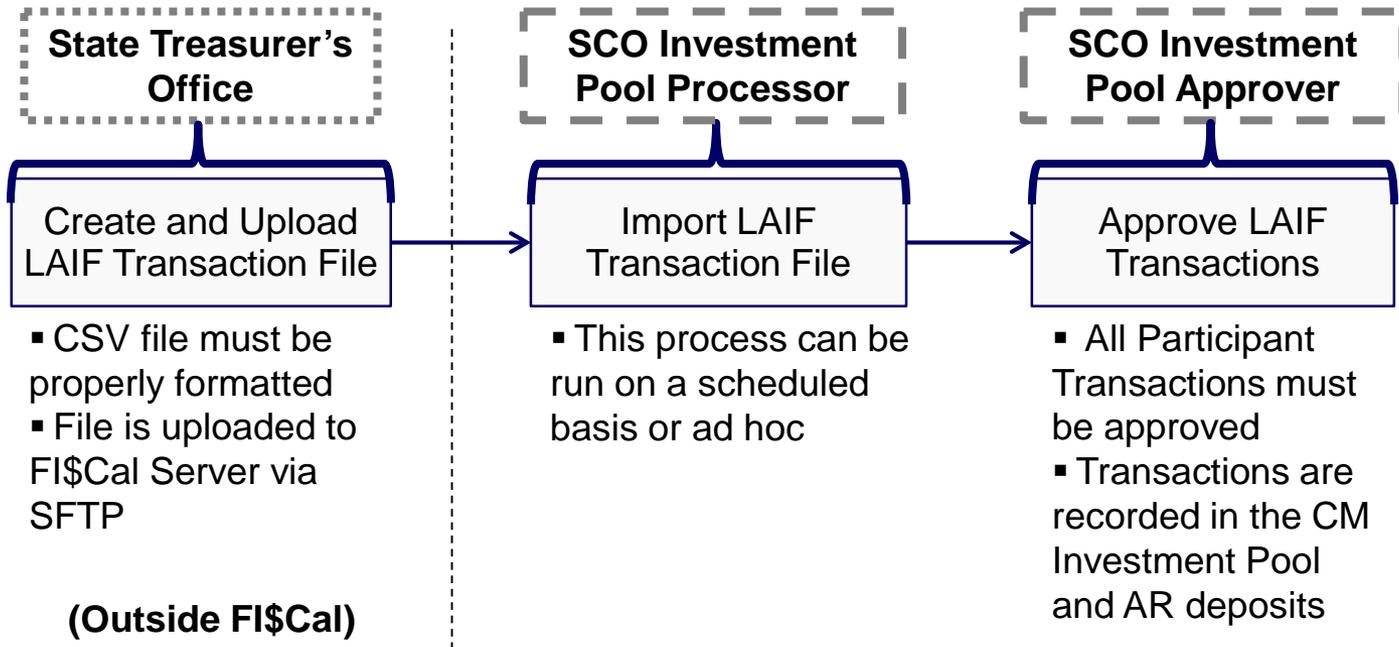
Contact Information

Event Log

Attachments (0)

- Save
- Return to Search
- Previous in List
- Next in List
- Notify
- Add
- Update/Display
- Include History
- Correct History

Interface LAIF Deposits/Withdrawals



Key Impacts

- STO will provide a file of LAIF transactions when deposits or withdrawals occur
- Withdrawals will be processed in AP
- Loaded LAIF transactions are used to update and track each participant's average daily balance (ADB)

LAIF Transaction Approval



Approve Transactions

Search Criteria

Business Unit Pool ID Participant ID

Participant Account Status Transaction Type

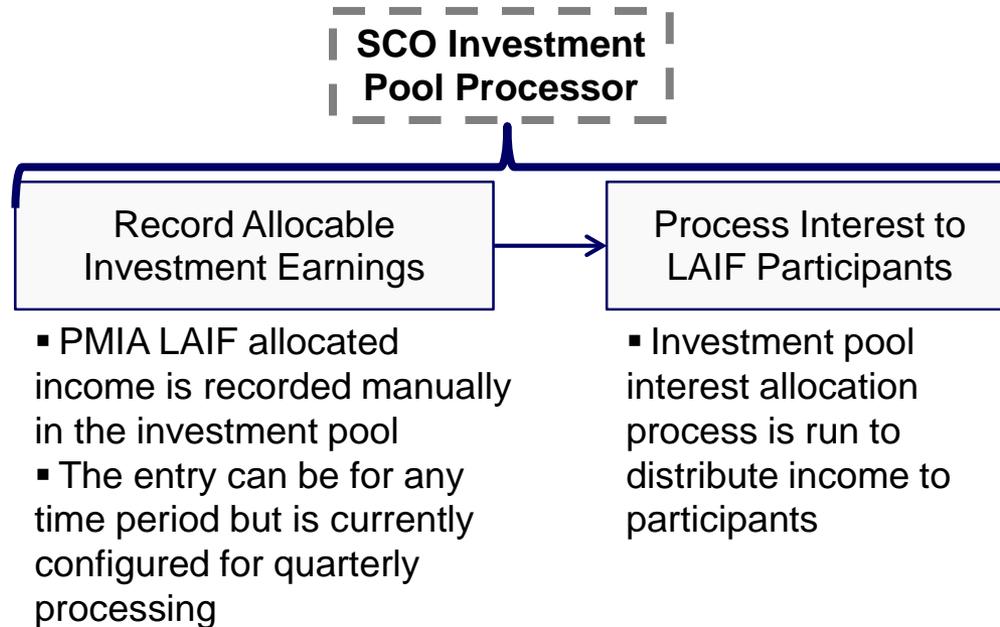
From Date To Date

Transactions

Personalize | Find | View All | | First 1-50 of 100 Last

Select	Participant ID▲	Account	Transaction ID	Type	Date▲	Amount	Currency	Status
<input type="checkbox"/>	1101043	35110101043	466561	Withdrawal	07/01/2015	1,096,000.00	USD	Approved
<input type="checkbox"/>	1337002	35110337002	470996	Deposit	07/01/2015	4,000,000.00	USD	Approved
<input type="checkbox"/>	1615002	35110615002	472942	Withdrawal	07/01/2015	50,049.64	USD	Approved
<input type="checkbox"/>	1643003	35110643003	471006	Deposit	07/01/2015	1,700,000.00	USD	Approved
<input type="checkbox"/>	1709001	35110709001	466670	Withdrawal	07/01/2015	1,000,000.00	USD	Approved
<input type="checkbox"/>	1741002	35110741002	466688	Withdrawal	07/01/2015	20,000.00	USD	Approved
<input type="checkbox"/>	2501011	35120501011	466704	Withdrawal	07/01/2015	100,000.00	USD	Approved
<input type="checkbox"/>	3507003	35130507003	466716	Withdrawal	07/01/2015	96,000.00	USD	Approved
<input type="checkbox"/>	3535004	35130535004	473042	Withdrawal	07/01/2015	907.07	USD	Approved

Allocating LAIF Earnings



Key Impacts

- PMIA earnings must be distributed prior to this allocation
- Interest Allocations will be calculated using the LAIF Pool's and Participant's Average Daily Balance (ADB)

LAIF Interest Allocation



Income Distribution

Run Control ID TEST

Report Manager

Process Monitor

Run

Parameters

Find | View All

First ◀ 1 of 1 ▶ Last

*Business Unit 

*Pool ID 

*As Of Date 



 Save

 Return to Search

 Notify

 Add

 Update/Display

LAIF Participant Interest History

Position History x

Help

Business Unit 0840 Pool ID LAIF01 Participant ID 1101044

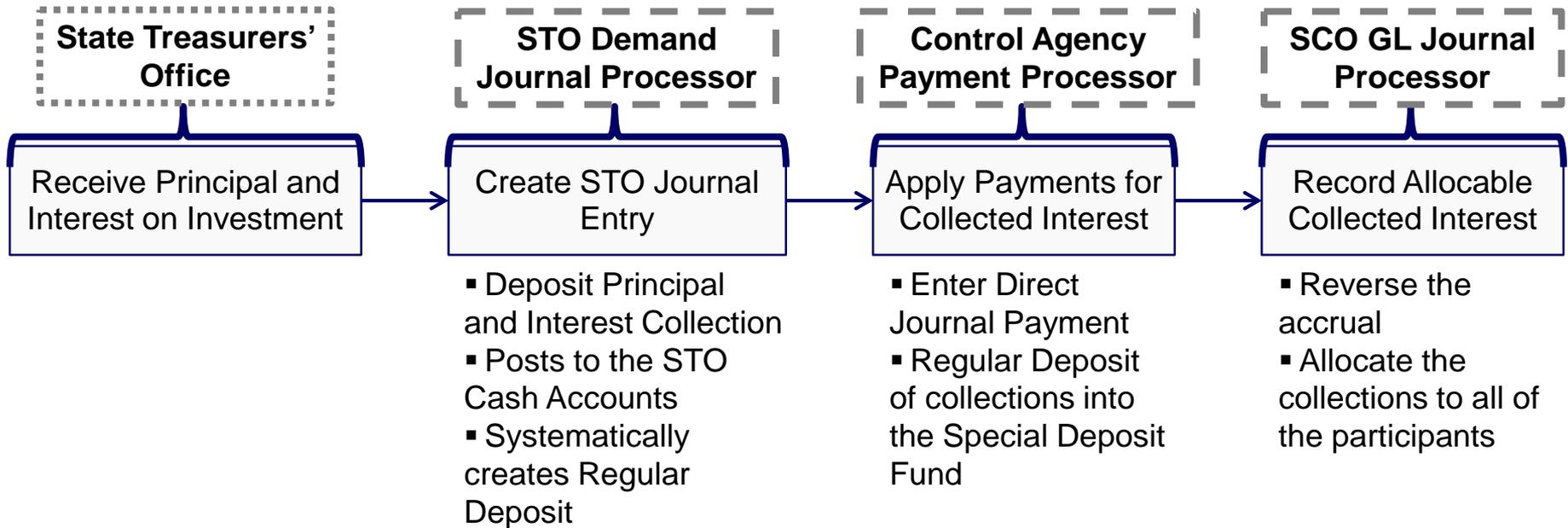
Participant Account 35110101044 Account Type Deposit

Transactions Personalize | Find | View All |  |  First  1-4 of 4  Last

Participant ID	Account	Transaction ID	Transaction Type	Date	Amount	Currency	Status
1101044	35110101044	473730	Income	07/15/2015	15,966.58	USD	Approved
1101044	35110101044	208598	Withdrawal	04/17/2015	9,000,000.00	USD	Approved
1101044	35110101044	205909	Deposit	04/15/2015	2,993.08	USD	Approved
1101044	35110101044	202609	Deposit	04/01/2015	30,000,000.00	USD	Approved

[Return](#)

Record Collected Interest



Key Impacts

- FI\$Cal replaces STO Check Write System for creating an STO Journal Entry

Overview of Role Mapping

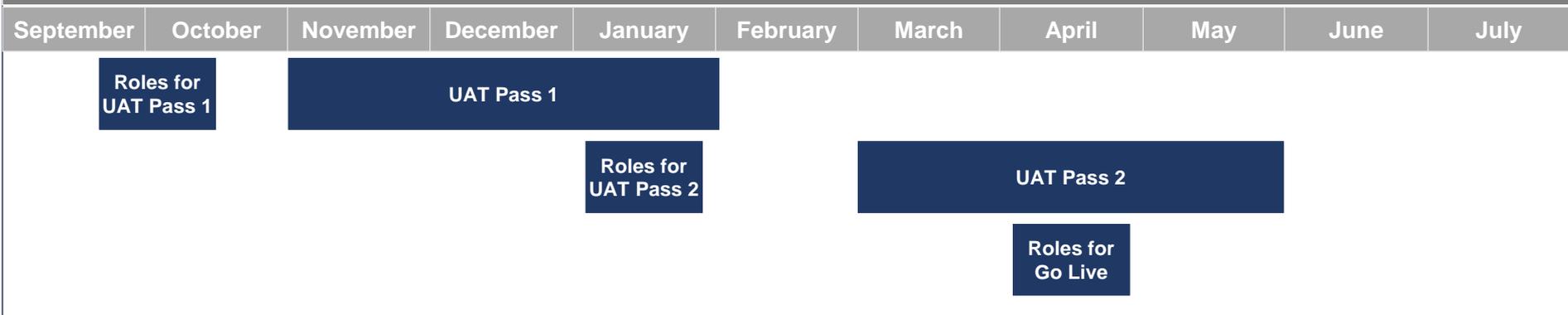
Description

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
- FI\$Cal 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

GOVERNMENT CODE SECTION 16470-16476

16470. The Pooled Money Investment Board shall, at such times as it deems necessary, determine whether any portion of the money then on deposit in the State Treasury to the credit of any fund, exclusive of the General Fund, is not necessary for immediate use; and if so, it shall determine the amount thereof in each such fund, which amount shall thereupon be designated as "surplus money." This article does not apply to any fund included within subdivisions (b), (c), (d), (e), and (f) of Section 16475, or the State Highway Fund, the Public Employees' Retirement Fund, Legislators' Retirement Fund and State Teachers' Retirement Fund, or the Unemployment Compensation Disability Fund.

Any special fund excepted from this article may elect, by filing with the Pooled Money Investment Board a notice of election, to come under the provisions of the Surplus Money Investment Fund; which election shall be revocable by such special fund effective as of December 31st or June 30th of any year upon 30 or more days' notice prior to either of said dates.

16471. Upon the determination and designation of surplus money in any special fund, the Controller shall transfer from that fund to the Surplus Money Investment Fund in the State Treasury, which fund is continued in existence, the amount of surplus money so determined and designated. Nothing herein shall authorize the transfer of money from any special fund to the Surplus Money Investment Fund, if the transfer will interfere with the carrying out of the purpose for which the special fund was created.

16472. All moneys transferred to or deposited in the Surplus Money Investment Fund are hereby appropriated without regard to fiscal years to carry out the purposes of this article.

GOVERNMENT CODE SECTION 16470-16476

16473. The Pooled Money Investment Board shall, at such times as it deems necessary, determine whether any portion of the money theretofore transferred to and remaining in the Surplus Money Investment Fund from any special fund is needed by such special fund to carry out the purposes for which it was created; and if so, it shall determine the amount thereof. Thereupon, it shall reduce the amount of surplus money theretofore designated with respect to such special fund by the amount determined to be needed by such fund. Upon such reduction of the surplus money in any special fund, the State Treasurer shall, on order of the State Controller, transfer from the Surplus Money Investment Fund to such special fund an amount of money equal to that by which the surplus money of such fund was reduced.

16473.5. For the purposes of this article, a written determination signed by a majority of the members of the Pooled Money Investment Board shall be deemed to be the determination of the board.

16474. The money in the Surplus Money Investment Fund, shall be invested and reinvested by the State Treasurer as a part of the Pooled Money Investment Account.