



One state. One system.

# Processing Loans

Business Process Workshop (BPW)

2017 STO/SCO Release



# Agenda

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

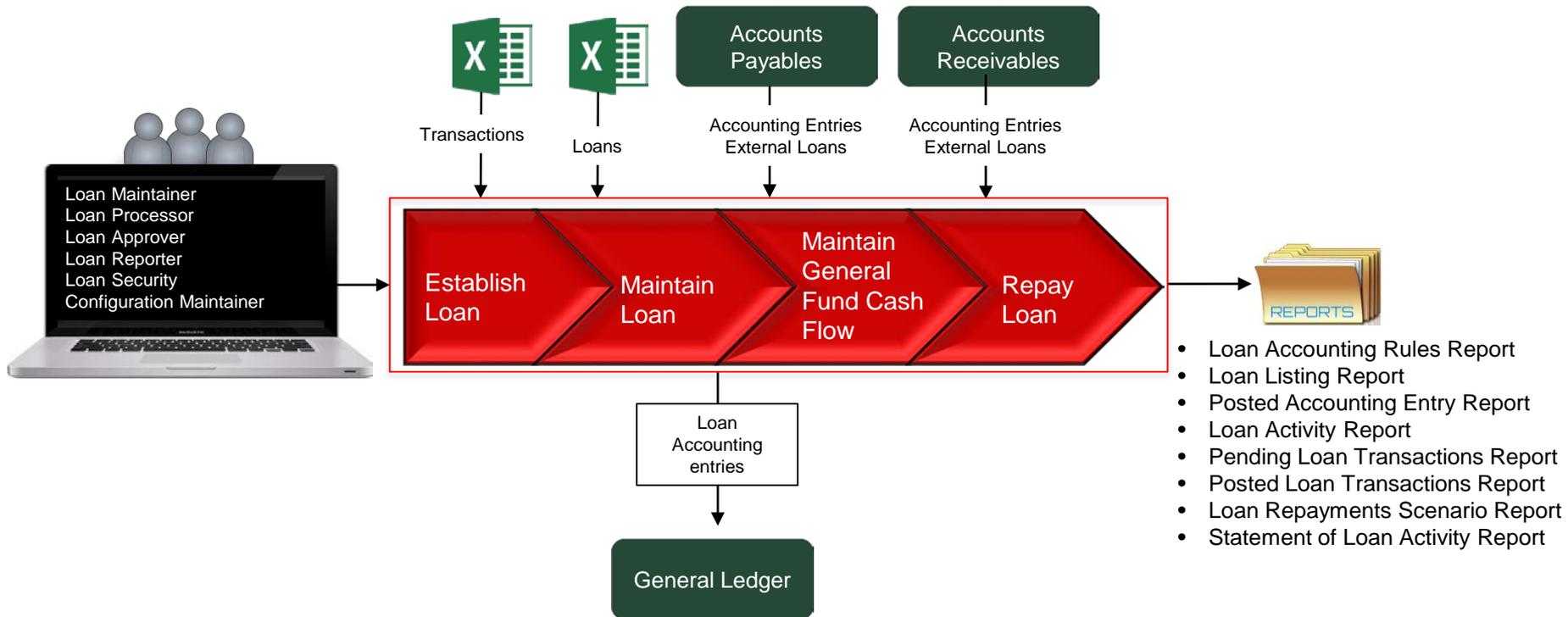
# BPW Objectives

- 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

# Loan Accounting Overview



# Key Terms

Term	Definition
<b>Loan Participant</b>	Participants are the borrowers or lenders of the loans. In FI\$Cal, loan participants can be funds, appropriations, external entities (such as counties, individuals etc.), Pooled Money Investment Account (PMIA), etc.
<b>Loan Transaction</b>	Transactions that result in the increase or decrease of the loan balance. Examples of such transactions are borrowings, repayments, interest accruals, fees, penalties, write-offs, loan forgiveness, etc.
<b>Interest Accrual</b>	The way interest is generated on a loan. Interest accrual can be calculated and added to a loan automatically in FI\$Cal based on the loan details using the Interest Accrual process.

# Key Terms

Term	Definition
<b>Repayment Schedule</b>	The system automatically creates a repayment schedule for all loans based on the loan details but allows users to manually set up different repayment scenarios.
<b>Scenario</b>	A custom repayment schedule created by loan administrators to more accurately forecast cash needs and availability. The base for every user entered repayment scenario will always be the current automated repayment projection which the user then modifies for a more realistic repayment schedule based on information not available in the system.
<b>Loan Balance</b>	The total outstanding amount of the loan including principal, interest, fees, penalties, etc.

# Key Terms

Term	Definition
<b>Loan Type</b>	A classification designated to a loan for accounting and reporting purposes. Loan Types in FI\$Cal include PMIA AB55, Interfund, Interfund (Cat 80), Local Government, School District, RAN, RAW, Departmental, and Daily General Fund Cash Flow Loans.
<b>Principal</b>	The base loan amount from borrowing transactions that does not include interest, fees, penalties, etc.
<b>Transaction Amount</b>	The total amount of a transaction being applied to a loan's balance.
<b>Status</b>	The current state of the loan sequence. Statuses include Active, Inactive, Closed and Closed by Rollover

# Key Terms

Term	Definition
<b>Managing Business Unit</b>	Business Unit of the Department who is managing the loan. Some departments will have the ability to manage loans on behalf of other departments.
<b>Loan Sequence</b>	Loan details such as interest rate and participant chartfield values are part of a loan sequence attached to the loan. More than one loan sequence can be added to a loan, allowing an established loan to be renewed or “rolled over” with new terms.

# Departmental Roles Summary

<b>FI\$Cal End-User Role</b>	<b>Description</b>
<b>Loan Maintainer</b>	The end user who configures new participants, establishes and maintains loans.
<b>Loan Processor</b>	The end user who enters and maintains loan transactions.
<b>Loan Approver</b>	The end user who approves loans and loan transactions.
<b>Loan Reporter</b>	The end user who runs inquiries and reports on loans and loan transactions.

# Control Roles Summary

<b>FI\$Cal End-User Role</b>	<b>Description</b>
<b>SCO Accounting Configuration Maintainer</b>	The SCO end user who can add/update general configuration.
<b>SCO Daily General Fund Cash Flow Configurator</b>	The SCO end user who configures the cash flow loan settings when updating general fund cash flow loans.
<b>Loan Security Configuration Maintainer</b>	End user who assigns loan processing privileges to the end users.

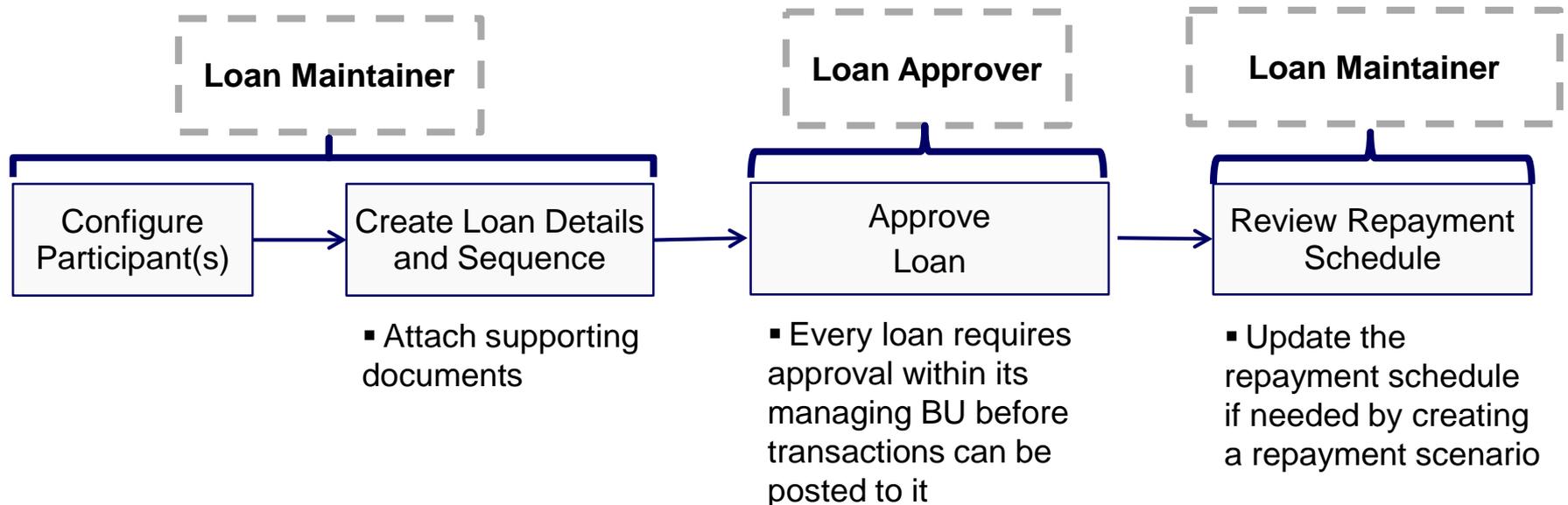
# Establishing Loans

- All loans involve two participants, a borrower and a lender. Loan participants must be configured before the loans are created. The participants can also be used for future loans.
- After participant configuration, the details of the new loan, including principal amount, maturity date, interest rate, etc. are created. The system will also allow the user to attach supporting documentation to the loan.
- Once the loan is approved, the LA module supports the creation of an automated repayment schedule for principal as well as interest. The system also allows the user to setup different repayment scenarios and then select one of them as the default repayment schedule. This allows the user to perform cash forecasting based on multiple repayment projections.

# Loan Types

- The following loan types are available in FI\$Cal:
  - PMIA AB55
  - Interfund
  - Interfund (Cat 80)
  - Local Government
  - School District
  - RAN
  - RAW
  - Departmental (External)
  - Daily General Fund Cash Flow Loans will be covered in a separate session

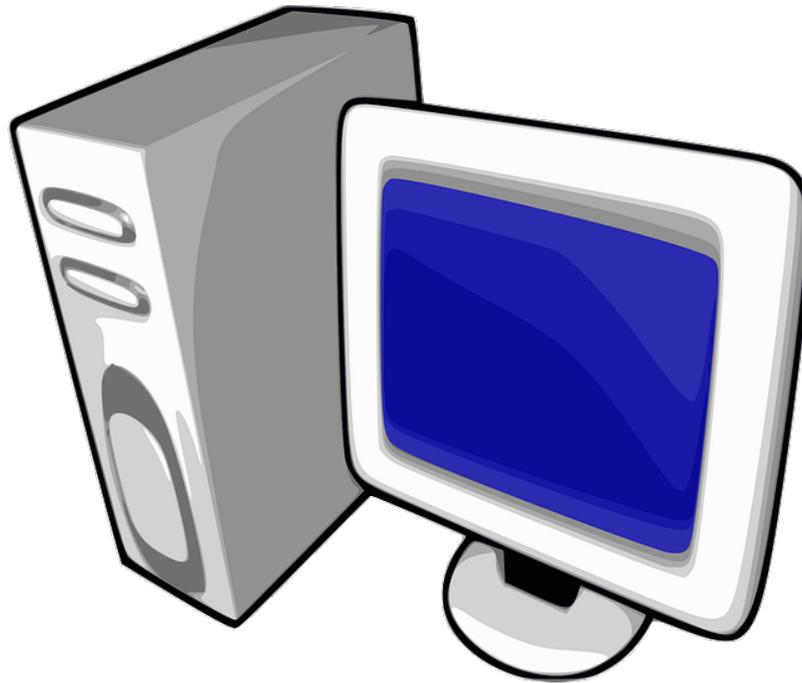
# Establish Loans



## Key Impacts

- All loans involve two participants, a borrower and a lender
- After participant configuration, the details of the new loan, including maturity date, interest rate, etc. are created.
- Once the loan is approved, FI\$Cal will create an automated repayment schedule for principal as well as interest.

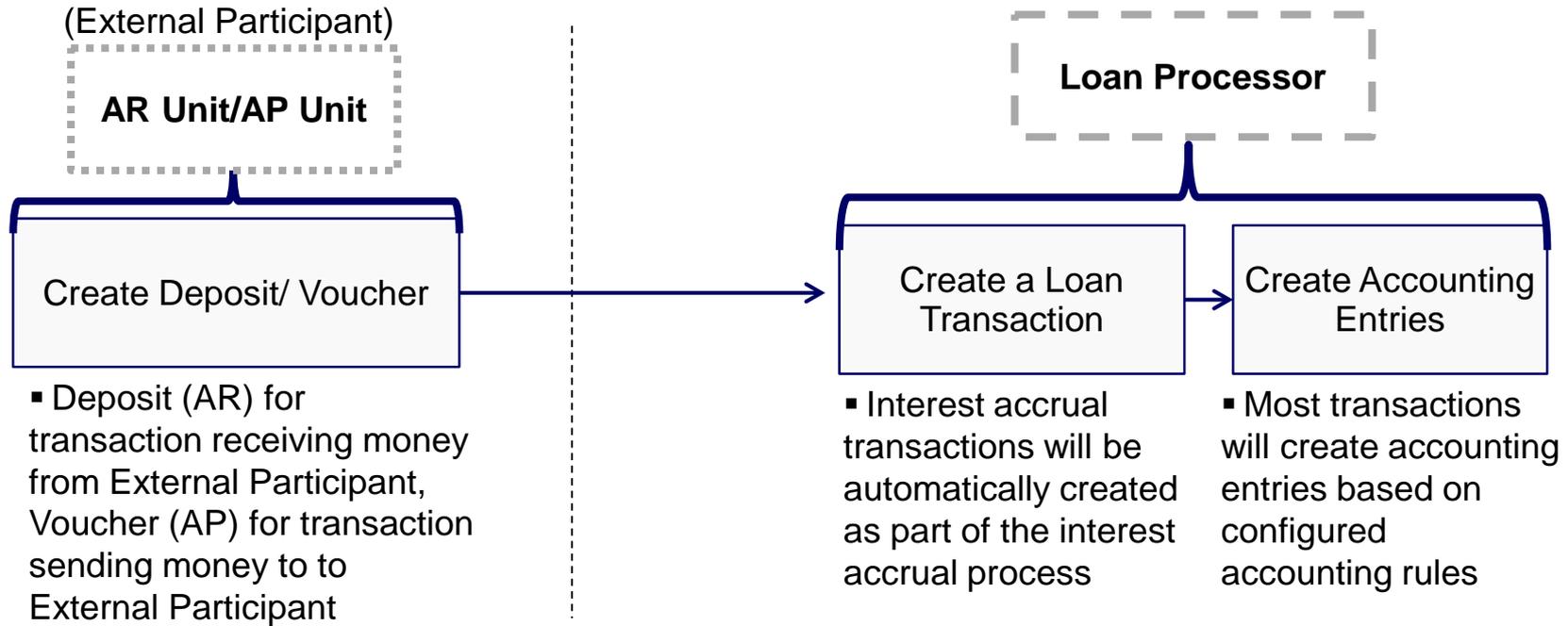
# Demonstration



# Maintaining Loans

- Every borrowing or repayment done against the loan mandates the recording of a corresponding loan transaction in the system. Transactions also need to be recorded for interest accrual, fees, penalties, forgiveness and write-offs.
- Loan transactions can be automated (in case of Daily General Cash Flow or Interest Accrual) or manually entered. In some cases loan transactions may require Managing BU approval. The criteria that determines if approval is needed is based on loan type.

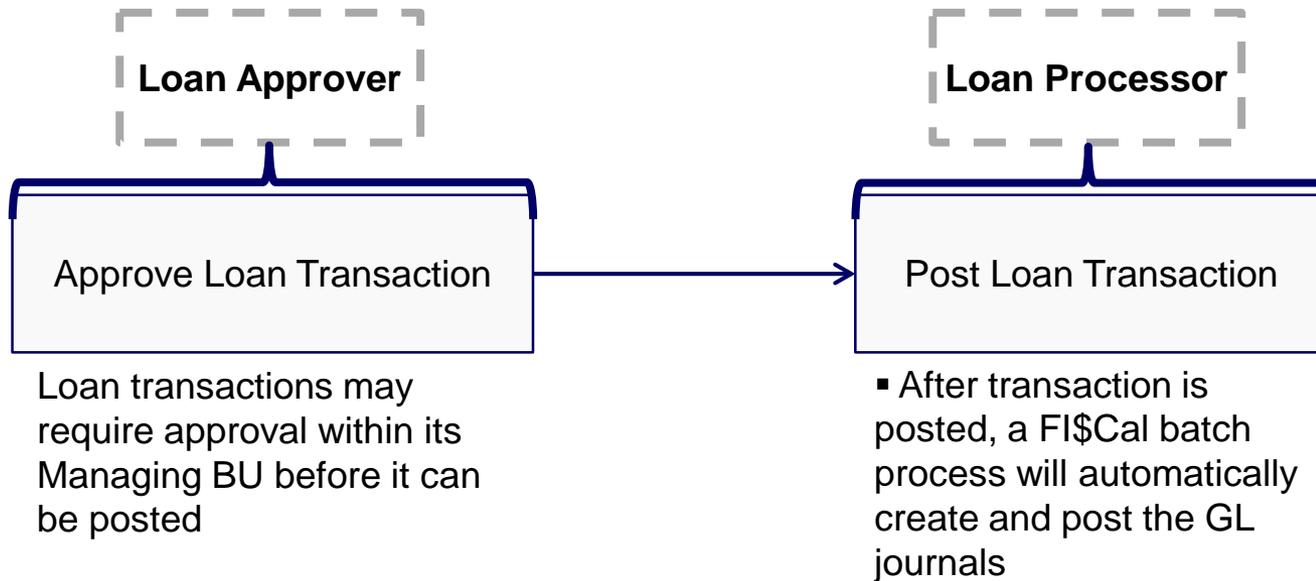
# Process Loan Transactions



## Key Impacts

- A loan transaction is any transaction that results in the increase or decrease of the loan balance.
- Loan transactions can be automated (in case of Daily General Fund Cash Flow or Interest Accrual) or manually entered.

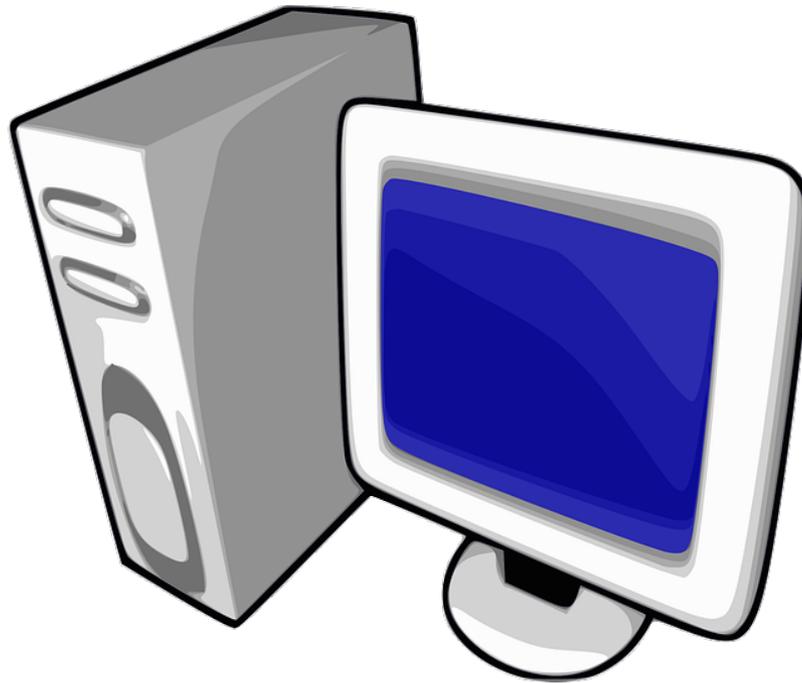
# Approve and Post Transactions



## Key Impacts

- If required, a loan transaction must be approved before it can be posted.
- The Post Loan Transaction process will be done by FI\$Cal as a recurring batch process but can also be done by the Loan Processor ad-hoc.

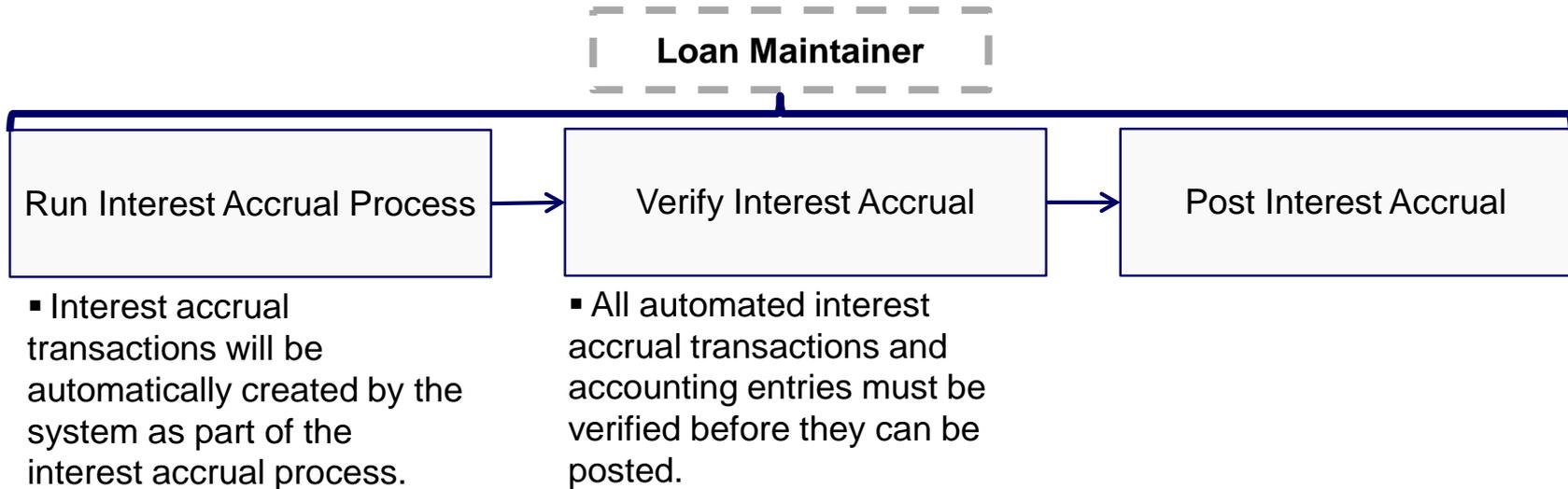
# Demonstration



# Repaying Loans

- Loans can be repaid and renewed multiple times. The system allows the creation of a new loan sequence every time a loan is renewed via an automated rollover process.
- All interest bearing loans will accrue interest on a recurring basis or on-demand. Interest calculation can be fixed or variable. All automated interest accrual transactions must be verified before they can be posted.
- Departments can borrow from as well as lend money to external entities, which takes the form of external loans, paid and received using AP Vouchers and Accounts Receivable (AR) Deposits respectively.

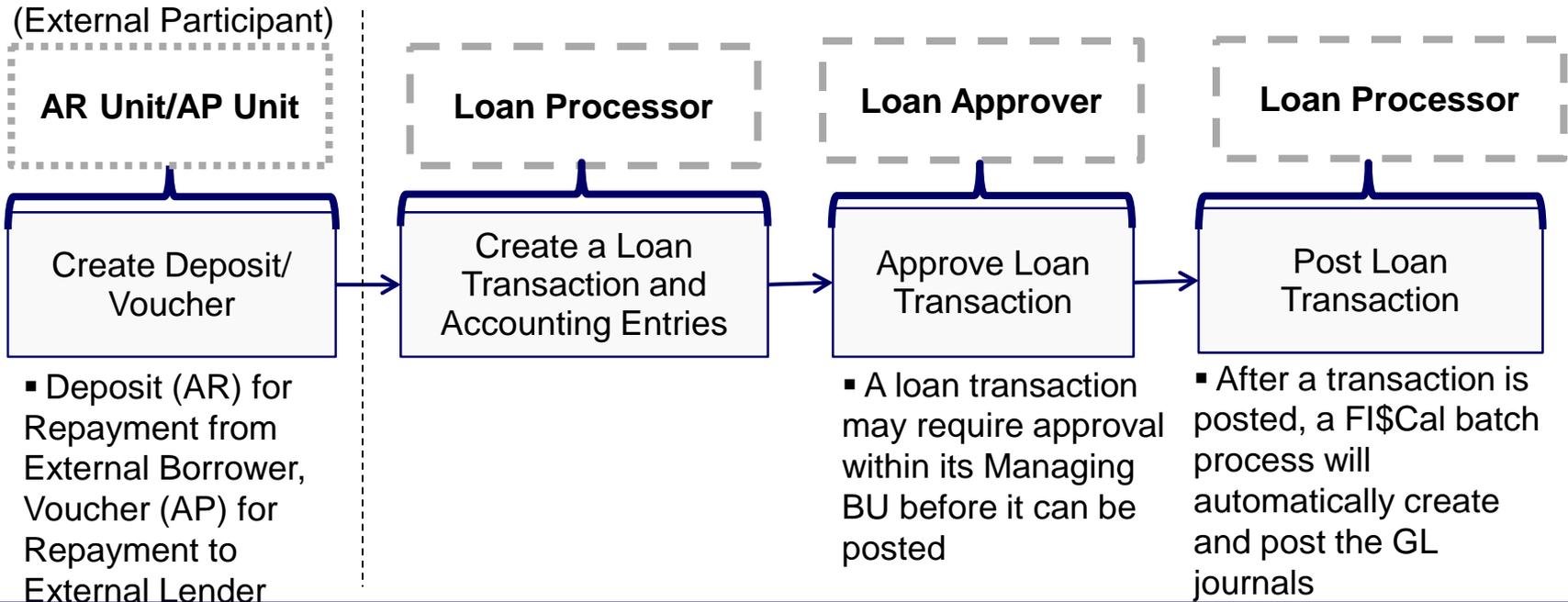
# Interest Accrual



## Key Impacts

- For fixed interest loans, the interest rate will be specified on the loan itself.
- For variable interest loans, a rate type (configurable item) will be specified on the loan.
- A rate type is a list of dates and the applicable interest rates on those dates.

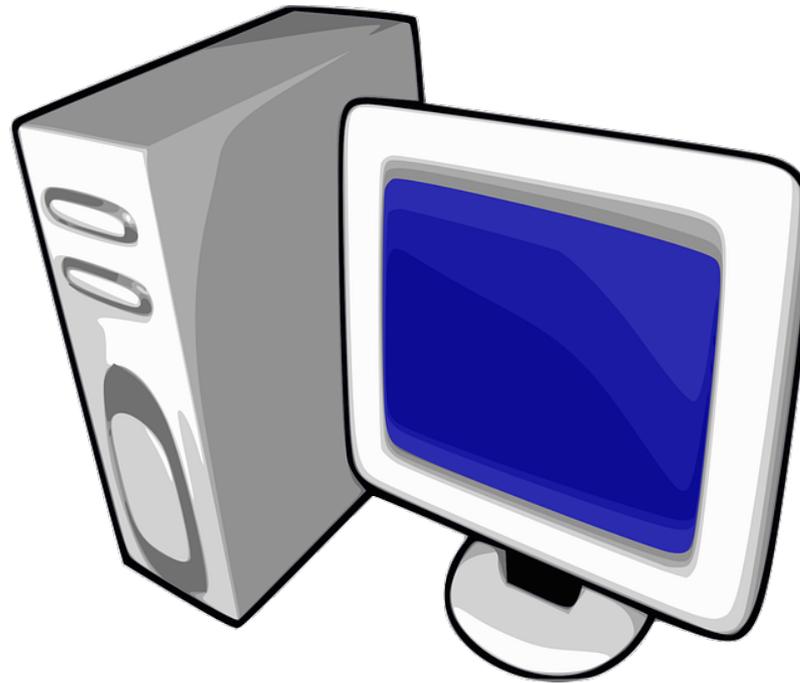
# Repay Loans



## Key Impacts

- Loans with external entities are paid and received using AP Vouchers and Accounts Receivable (AR) Deposits respectively.
- If Loan Balance is 0, a user may deactivate/close the loan if no further borrowings are planned.

# Demonstration



# Overview of Role Mapping

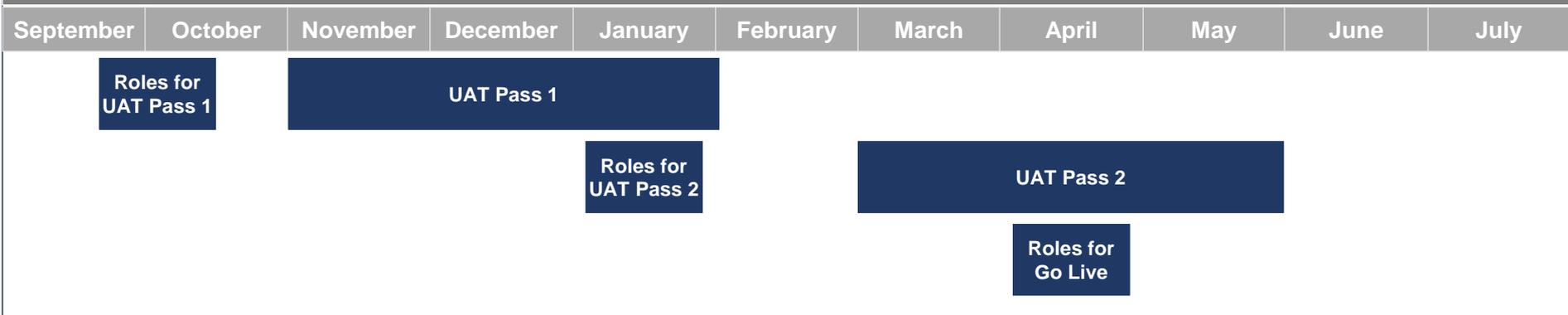
## Description

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](http://fiscal.ca.gov/wave_3_resources/index.html)

Introduction

Establish  
Loans

Maintain  
Loans

Repay  
Loans

Closing

Appendix

# 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 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:

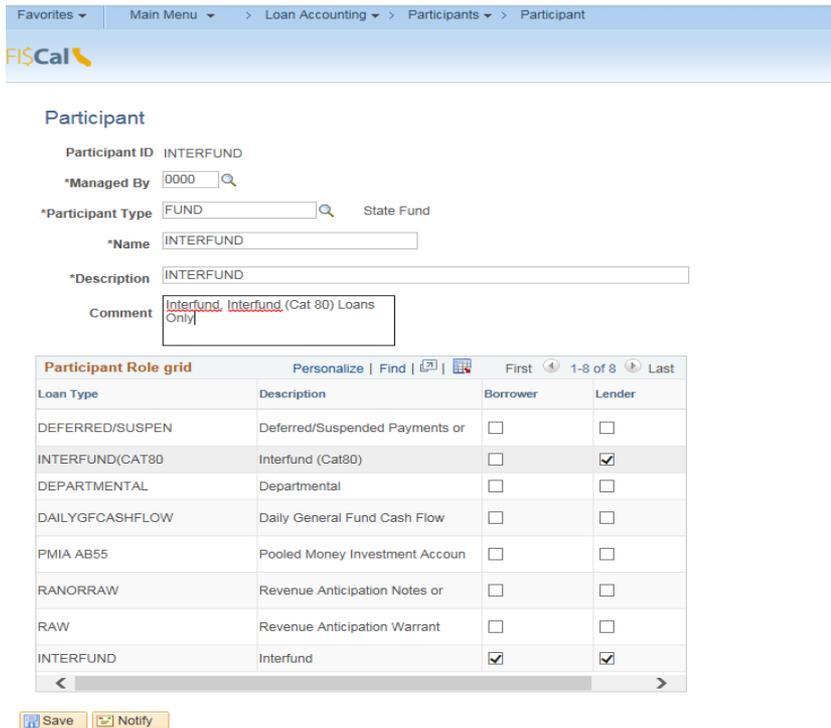
[fiscal.cmo@fiscal.ca.gov](mailto:fiscal.cmo@fiscal.ca.gov)

# Appendix

- ❑ Configure Participants Page
- ❑ Add/Update Loan Page
- ❑ Loan Sequence Page
- ❑ Loan Transaction Page
- ❑ Create Accounting Entries Page
- ❑ Transactions Page

# Screenshots

- Configure Participants Page
  - Main Menu > Loan Accounting > Participants > Participant



**Participant**

Participant ID INTERFUND

\*Managed By 0000

\*Participant Type FUND State Fund

\*Name INTERFUND

\*Description INTERFUND

Comment Interfund, Interfund (Cat 80) Loans Only

Loan Type	Description	Borrower	Lender
DEFERRED/SUSPEN	Deferred/Suspended Payments or	<input type="checkbox"/>	<input type="checkbox"/>
INTERFUND(CAT80)	Interfund (Cat80)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEPARTMENTAL	Departmental	<input type="checkbox"/>	<input type="checkbox"/>
DAILYGFCASHFLOW	Daily General Fund Cash Flow	<input type="checkbox"/>	<input type="checkbox"/>
PMIA AB55	Pooled Money Investment Account	<input type="checkbox"/>	<input type="checkbox"/>
RANORRAW	Revenue Anticipation Notes or	<input type="checkbox"/>	<input type="checkbox"/>
RAW	Revenue Anticipation Warrant	<input type="checkbox"/>	<input type="checkbox"/>
INTERFUND	Interfund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Save Notify

# Screenshots

- Loan Details Page
  - Main Menu > Loan Accounting > Loan > Add/Update Loan

Favorites ▾ | Main Menu ▾ > Loan Accounting ▾ > Loan ▾ > Add/Update Loan

FI\$Cal 

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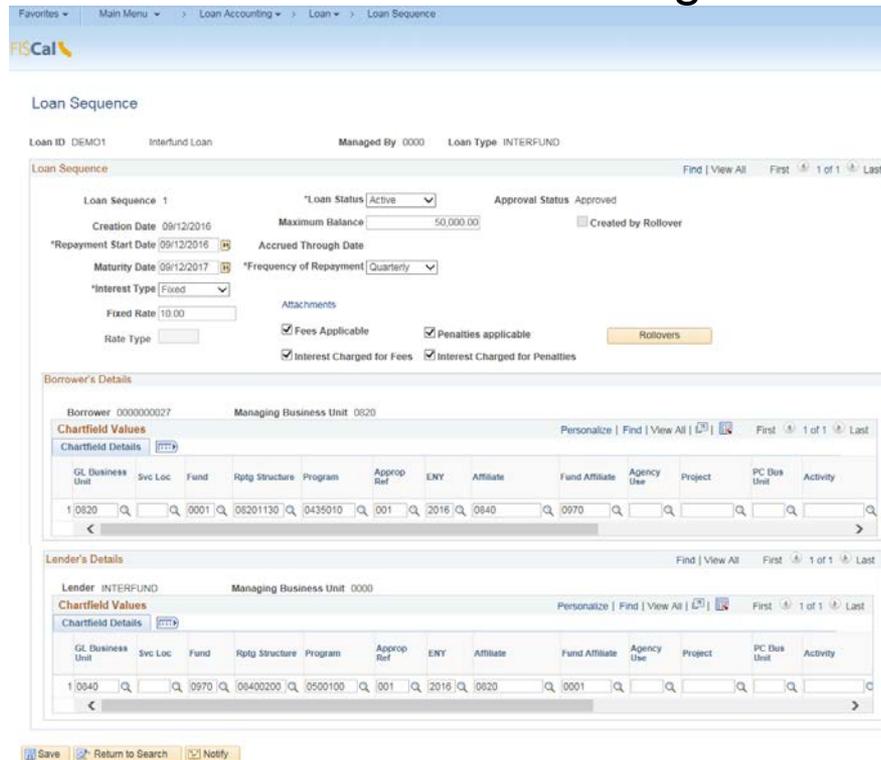
### Loan Details

Loan ID DEMO1 \*Managed By 0000  Delete Loan  
 Creation Date 09/12/2016  
 \*Description   
 Long Description   
 \*Loan Type   \*SubType   
 Source  Category   
 Borrower 0000000027 Managing Business Unit 0820  
 Lender INTERFUND Managing Business Unit 0000  
 Comments    
 External Loan

Last Update Date/Time 09/12/2016 11:26:46AM Last Update User ID Z\_LA\_LOAN\_MAINTAINER

# Screenshots

- Loan Details Page
  - Main Menu > Loan Accounting > Loan > Loan Sequence



**Loan Sequence**

Loan ID: DEM01    Intertund Loan    Managed By: 0000    Loan Type: INTERFUND

Loan Sequence 1    \*Loan Status: Active    Approval Status: Approved

Creation Date: 09/12/2016    Maximum Balance: 50,000.00     Created by Rollover

\*Repayment Start Date: 09/12/2016    Accrued Through Date

Maturity Date: 09/12/2017    \*Frequency of Repayment: Quarterly

\*Interest Type: Fixed

Fixed Rate: 10.00

Rate Type:

Attachments

Fees Applicable     Penalties applicable   

Interest Charged for Fees     Interest Charged for Penalties

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**Borrower's Details**

Borrower: 0000000027    Managing Business Unit: 0620

Chartfield Values

GL Business Unit	Svc Loc	Fund	Rptg Structure	Program	Approp Ref	ENY	Affiliate	Fund Affiliate	Agency Use	Project	PC Bus Unit	Activity
1 0620		0001	06201130	0435010	001	2016	0640	0970				

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**Lender's Details**

Lender: INTERFUND    Managing Business Unit: 0000

Chartfield Values

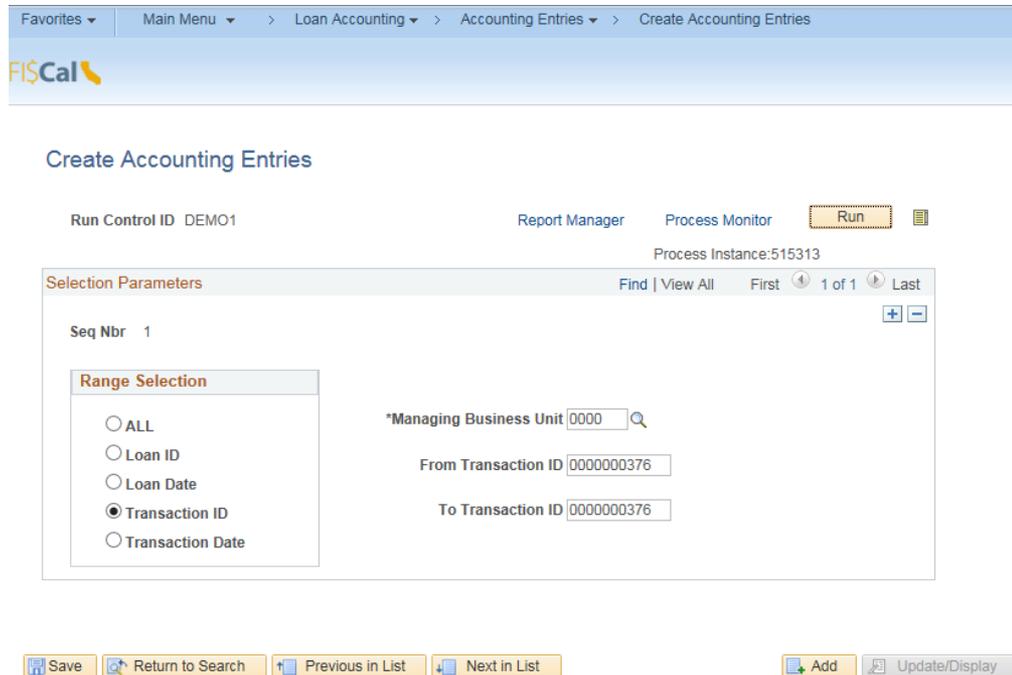
GL Business Unit	Svc Loc	Fund	Rptg Structure	Program	Approp Ref	ENY	Affiliate	Fund Affiliate	Agency Use	Project	PC Bus Unit	Activity
1 0640		0970	06400200	0500100	001	2016	0620	0001				

Save    Return to Search    Notify

# Screenshots

- Loan Transaction Page

- Main Menu > Loan Accounting > Accounting Entries > Create Accounting Entries

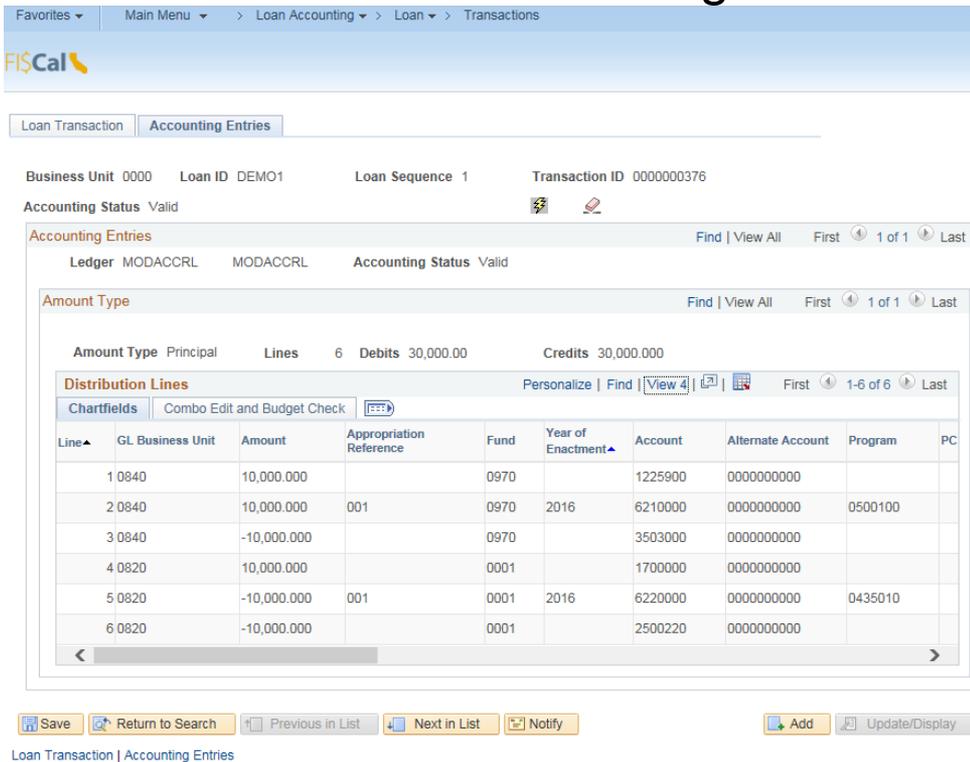


The screenshot shows the 'Create Accounting Entries' page in the FI\$Cal system. The breadcrumb trail at the top reads: Favorites > Main Menu > Loan Accounting > Accounting Entries > Create Accounting Entries. The page title is 'Create Accounting Entries'. Below the title, there is a 'Run Control ID' field with the value 'DEMO1', and buttons for 'Report Manager', 'Process Monitor', and 'Run'. The 'Process Instance' is '515313'. A 'Selection Parameters' section contains a 'Seq Nbr' field with the value '1'. Under 'Range Selection', there are radio buttons for 'ALL', 'Loan ID', 'Loan Date', 'Transaction ID' (which is selected), and 'Transaction Date'. To the right, there are input fields for '\*Managing Business Unit' (value: 0000), 'From Transaction ID' (value: 000000376), and 'To Transaction ID' (value: 000000376). At the bottom, there are buttons for 'Save', 'Return to Search', 'Previous in List', 'Next in List', 'Add', and 'Update/Display'.

# Screenshots

- Loan Transaction Page

- Main Menu > Loan Accounting > Loan > Transactions



The screenshot displays the 'Loan Transaction' page in the FI\$Cal system. The breadcrumb trail is 'Main Menu > Loan Accounting > Loan > Transactions'. The page shows details for Business Unit 0000, Loan ID DEMO1, Loan Sequence 1, and Transaction ID 0000000376. The Accounting Status is 'Valid'. The 'Accounting Entries' section shows a ledger for MODACCRL with a total debit of 30,000.00 and a total credit of 30,000.00. The 'Distribution Lines' table below lists six lines with their respective amounts and account details.

Line	GL Business Unit	Amount	Appropriation Reference	Fund	Year of Enactment	Account	Alternate Account	Program	PC
1	0840	10,000.000		0970		1225900	0000000000		
2	0840	10,000.000	001	0970	2016	6210000	0000000000	0500100	
3	0840	-10,000.000		0970		3503000	0000000000		
4	0820	10,000.000		0001		1700000	0000000000		
5	0820	-10,000.000	001	0001	2016	6220000	0000000000	0435010	
6	0820	-10,000.000		0001		2500220	0000000000		