



**FI\$Cal**

*Financial Information System for California*

# Conference Room Pilot

## Loan Accounting

*December 10, 2014*

# Housekeeping

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- A copy of the presentation will be shared with attendees 1 week from the presentation date
  
- Breaks
  - PM Break – approx. 2:30pm
  
- Restrooms
  - Main hall to right

# Agenda

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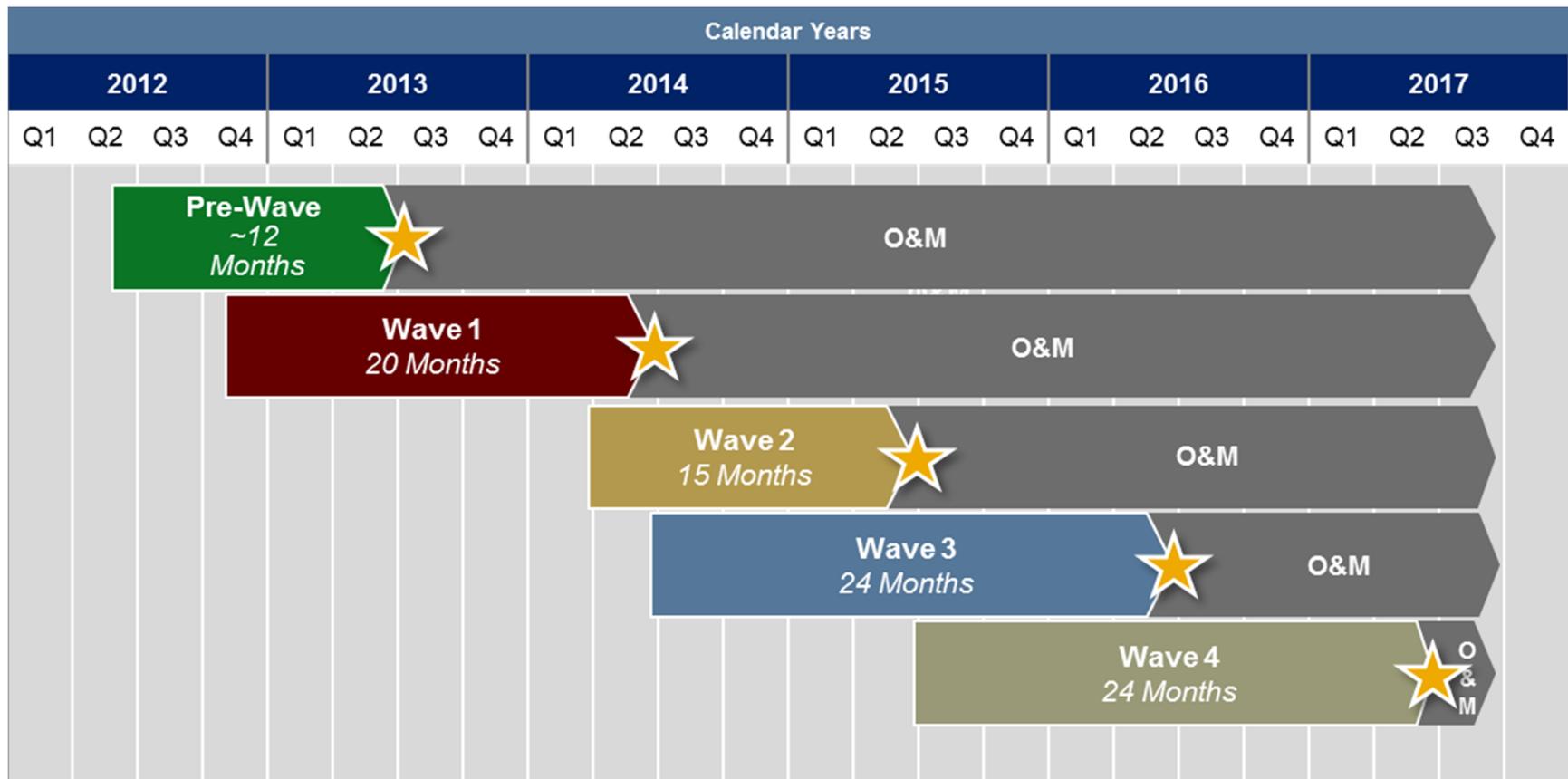
- FI\$Cal Project Overview
- Wave 3 CRP Objectives and Approach
- FI\$Cal Solution Overview
- Loan Accounting
  - Key Terms
  - Business Process Overview
  - Scenarios Overview
  - Covered Requirements
- Session Recap

# FI\$Cal Project Overview

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- The Financial Information System for California (FI\$Cal) is a business transformation project for the State in the areas of budgeting, accounting, procurement, and cash management. The Project prepares the State to work in an integrated financial management system.
  
- California's Partner Agencies are working together to form the partnership to support FI\$Cal at the highest level:
  - Department of Finance (DOF)
  - Department of General Services (DGS)
  - State Controller's Office (SCO)
  - State Treasurer's Office (STO)

# FI\$Cal Wave Timeline



# CRP Objectives

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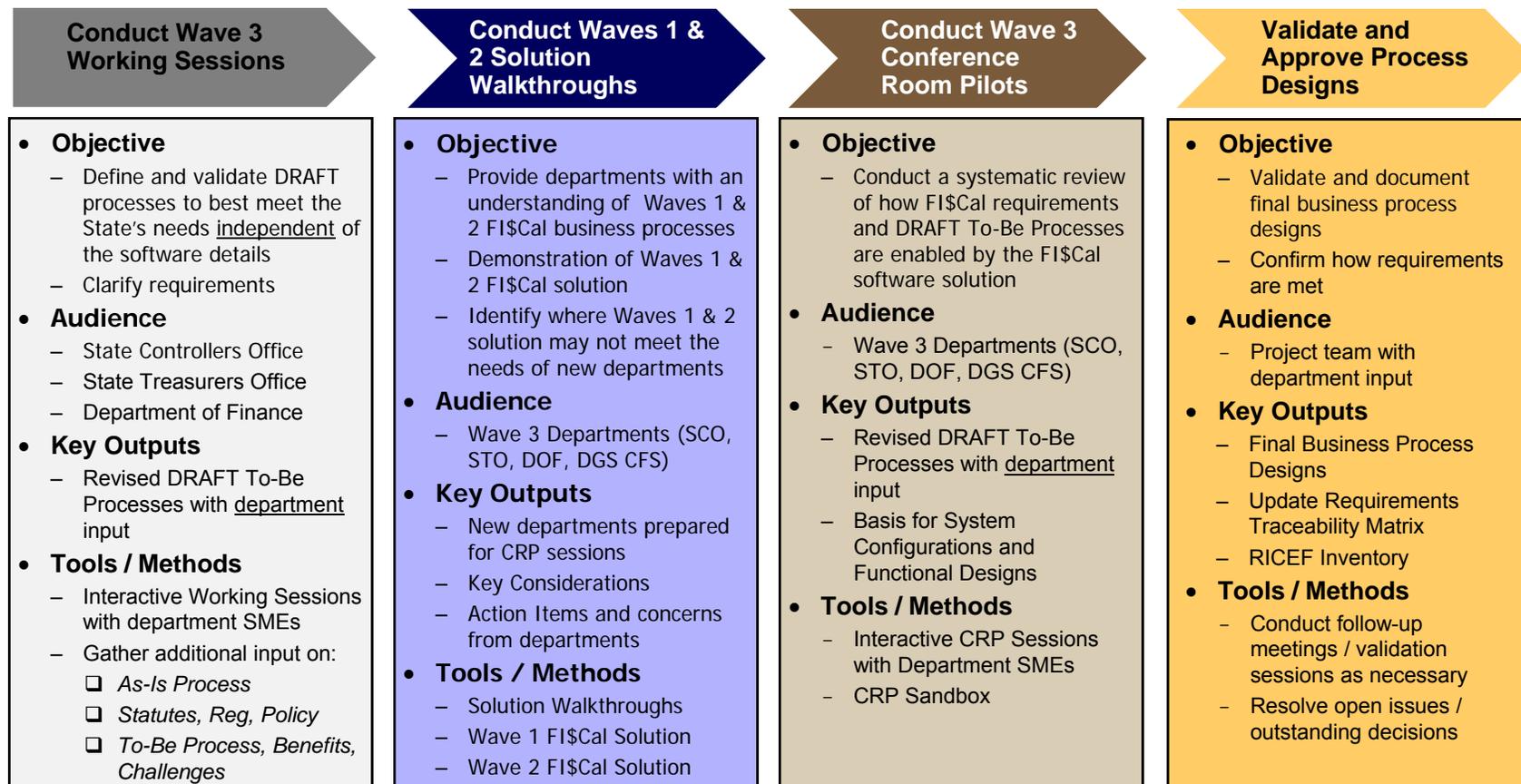
- The Wave 3 CRPs will:
  - Facilitate interactive discussion on “To-be” state business processes
  - Demonstrate delivered software capabilities to meet state requirements
  - Confirm application requirements and identify gaps where business needs are not satisfied by standard software functionality
  - Identify critical concerns/issues for each process area

# Business Requirements

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- What is a Business Requirement?
  - Business requirements specify the functionality of an application
  - Business requirements collectively represent the “To-Be” state of a system
  - Requirements denote common functionality across all Departments
  - The FI\$Cal project team contracted with Informatix to facilitate Joint Application Development (JAD) sessions with all partner and stakeholder departments to tailor the baseline requirements to the FI\$Cal project in 2006
  - The State conducted several rounds of review of the requirements in the past few years
  - The current baseline requirement list is taken from the FI\$Cal RFP

# FI\$Cal Design Approach

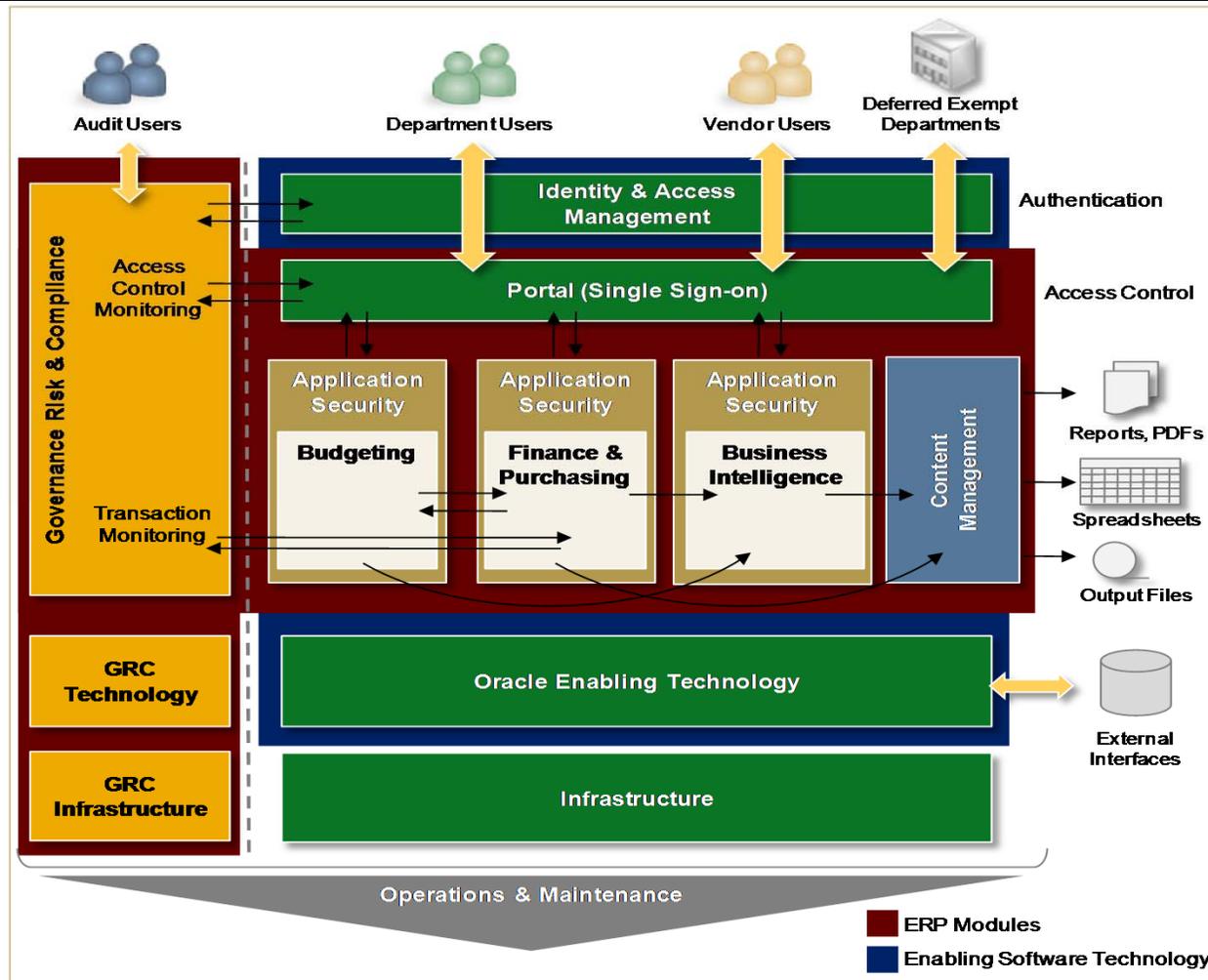


# Ground Rules & Guiding Principles

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- Challenge how the State does things today
- Perspective – adopt a “Statewide” perspective
- Silence is consent – speak and share your thoughts
- There are no bad questions – it is better to ask than assume
- Consider business process changes
- Think of the data and information you require

# FI\$Cal Solution Overview





# CRP & SWT Schedule

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Business Process	Date	Time	Location
CRP: General Ledger (1 of 2)	10/22/14	9:00 – 12:00	Jade - Evergreen
CRP: General Ledger (2 of 2)	11/05/14	9:00 – 12:00	Jade - Evergreen
SWT: Disbursements	11/12/14	9:00 – 12:00	Jade - Evergreen
SWT: Receivables & Cash Management	11/12/14	1:00 – 4:00	Jade - Evergreen
CRP: Disbursements	11/13/14	9:00 – 12:00	Jade - Evergreen
CRP: Bond Accounting	11/19/14	9:00 – 12:00	Sapphire - Evergreen
CRP: Cash Management	11/19/14	1:00 – 4:00	Jade - Evergreen
CRP: Bond Accounting cont'd	12/03/14	9:00 – 12:00	Jade - Evergreen
CRP: Loan Accounting	12/10/14	1:00 – 4:00	Jade - Evergreen

# Wave 3 Loan Accounting Topics

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- Loan Types
  - Budget Act
  - Department Managed
  - PMIB (AB55)
  - Special Legislation
  - General Fund
- Processing Scenarios
  - Establish
  - Maintain
  - Repay

# Key Concepts and Terms

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- Accounting Entry Validation – The systematic process to validate ChartField values, ChartField combinations, spending authority (budget), and the cash availability (Cash Validation)
- Activate – Change in a loan’s status to make it eligible for transactions
- Applicant – A party applying for a loan (fund administrator, external parties, department)
- Journal Generation – A delivered PeopleSoft process that creates General Ledger Journals from accounting entries created in subsystems

# Key Concepts and Terms

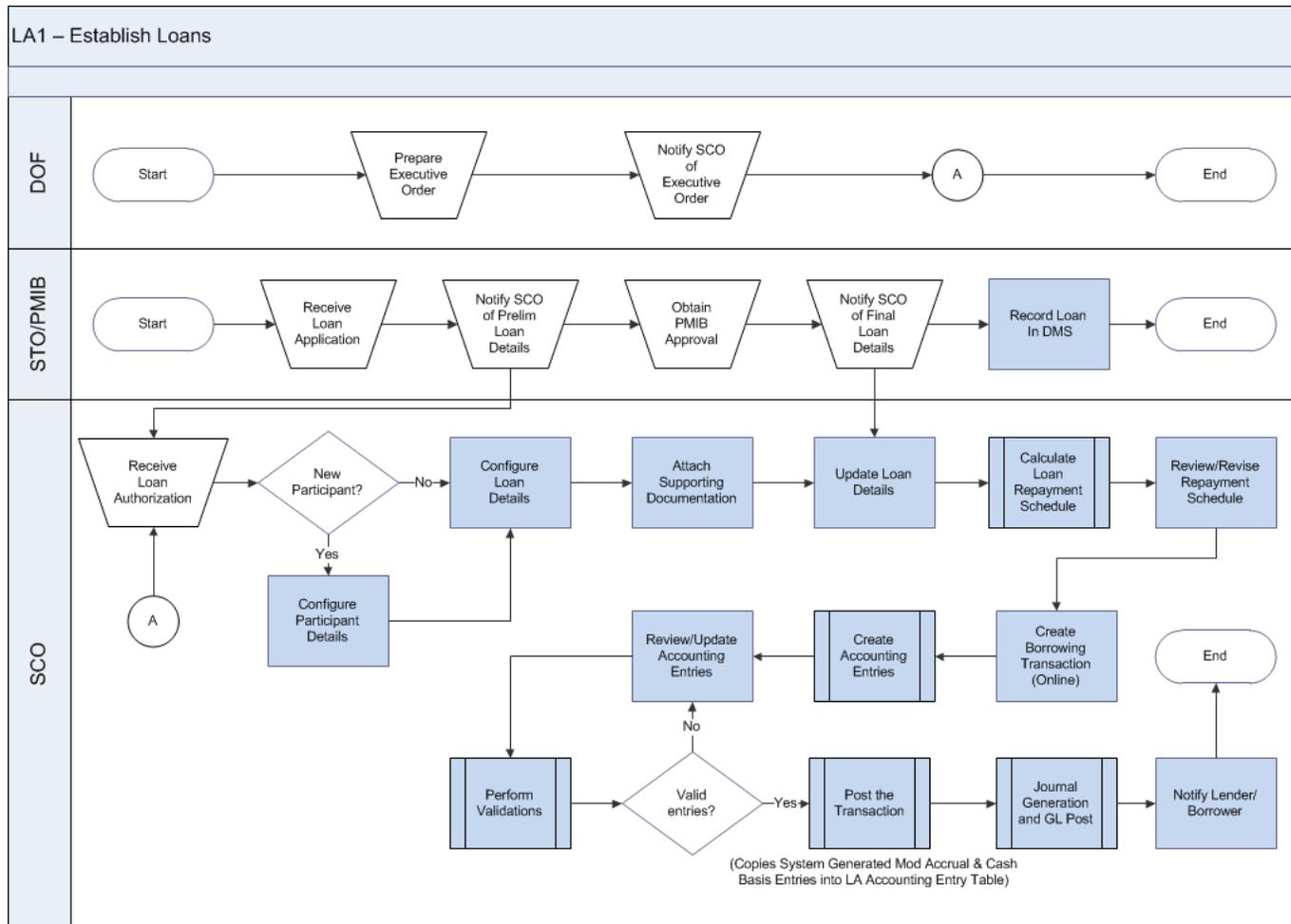
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- Parent/Child Loans – In some cases the proceeds of Special Legislation loans are loaned by departments to external parties. When this occurs, the Special Legislation loan is referred to as the parent, while the Department Managed loans are referred to as children
- PMIB – Pooled Money Investment Board

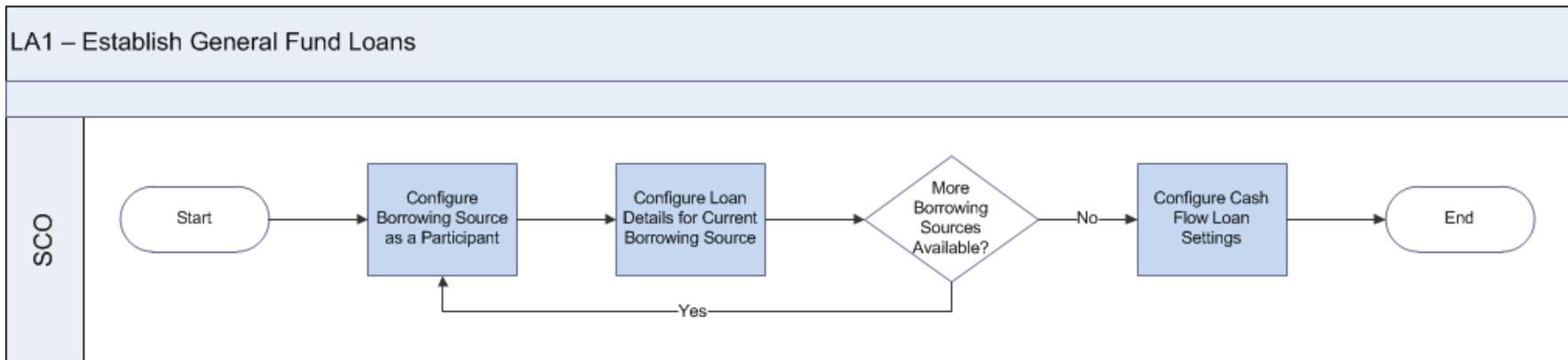
# Scenario 1 – Establish Loans

ID		Requirement Description
LA	4.00	The System should generate and track multiple versions of loan and loan repayment projections, at any time during the fiscal year(e.g., cash flow projections, amortization schedules) including:
LA	4.03	Loan and Returned Check Fees
LA	4.04	Deferred Revenue

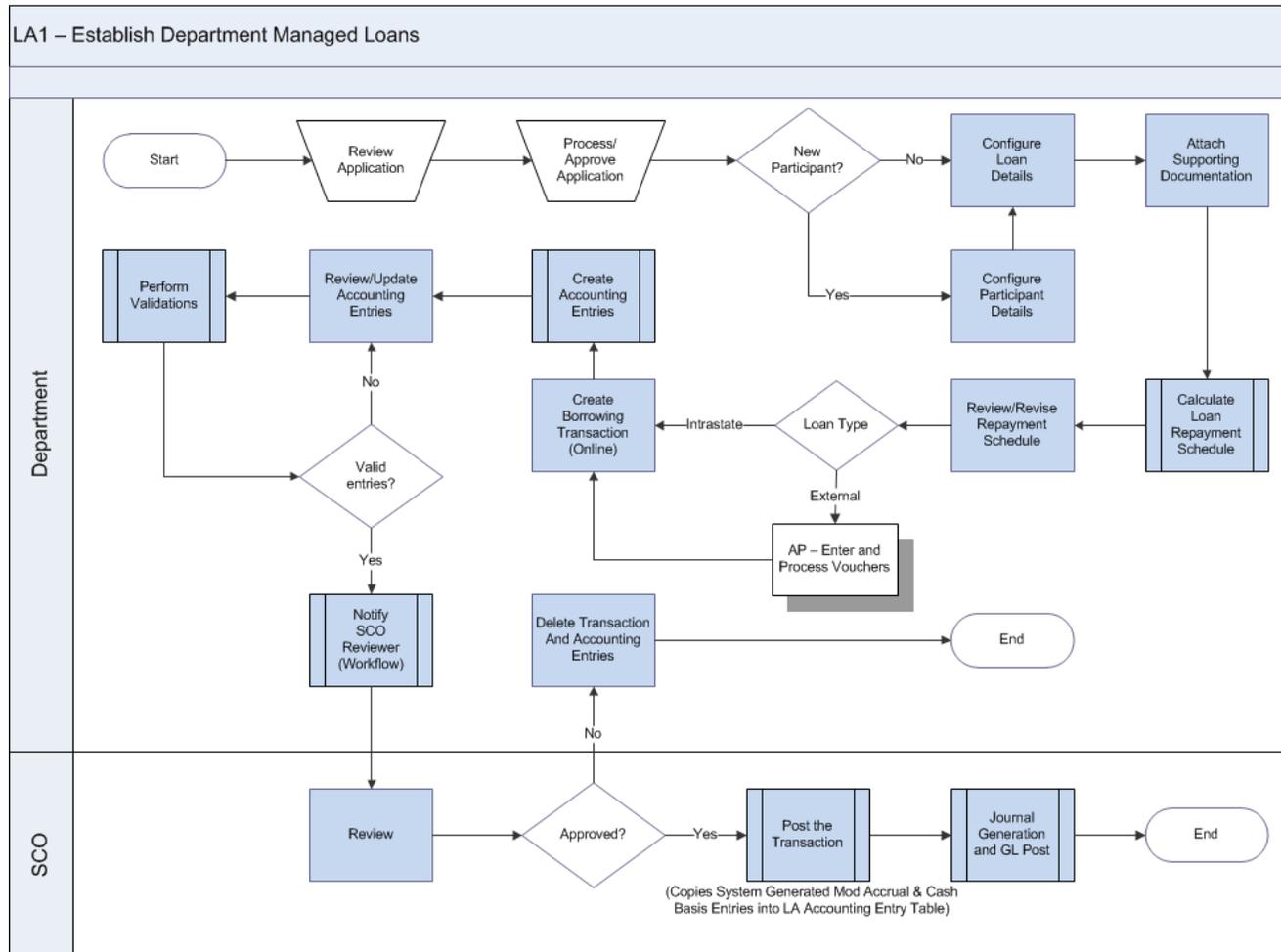
# Scenario 1 – Establish Loans



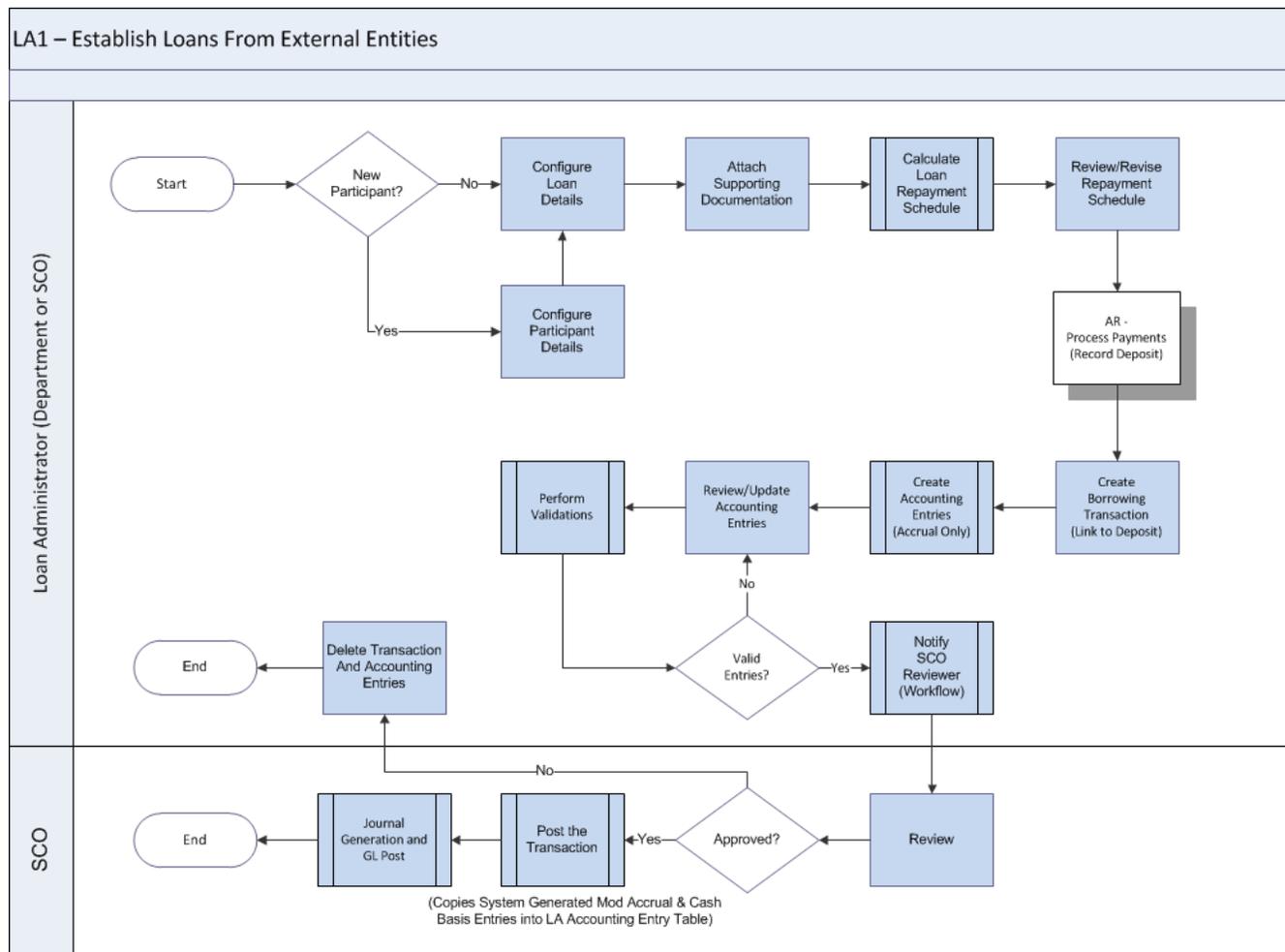
# Scenario 1 – Establish Loans



# Scenario 1 – Establish Loans



# Scenario 1 – Establish Loans



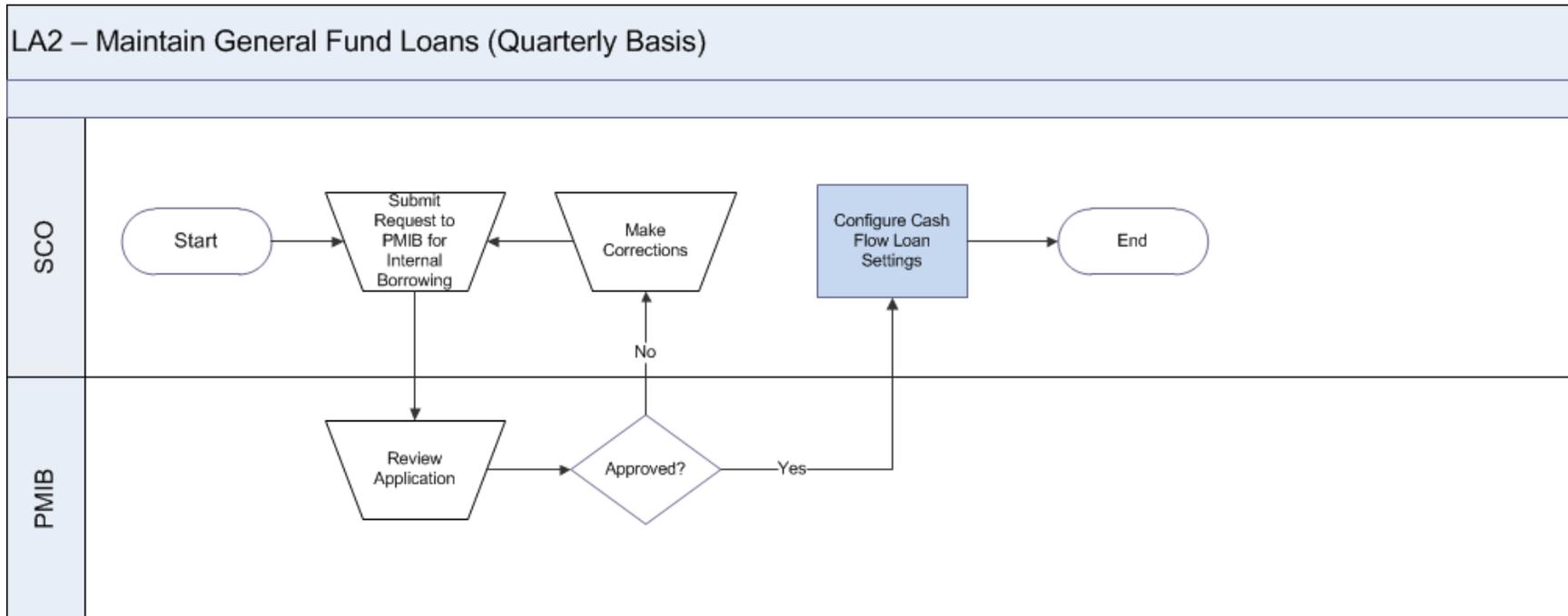
# Scenario 2 – Maintain Loans

ID		Requirement Description
LA	5.00	The System should allow modification to multiple versions of loan and loan repayment projections, at any time during the fiscal year(e.g., cash flow projections, amortization schedules) including:
LA	5.01	Loans, By Type (e.g., loans being repaid, loans that will not be repaid)
LA	5.04	Loan and Returned Check Fees
LA	5.05	Deferred Revenue
LA	7.00	The System shall track loans, showing disbursements and repayments at the fund level and multiple hierarchical account levels (e.g., by school district).
LA	9.00	The System shall generate summary and detail level loan reports, by Accounting Classification, basis of accounting.
LA	16.00	The System shall track borrowable funds cash balances to be used to prepare the borrowable resources forecast that incorporates the month-end historical cash balances information by fund.
LA	17.00	The System shall process entries for General Fund internal borrowing and repayment of specified funds.

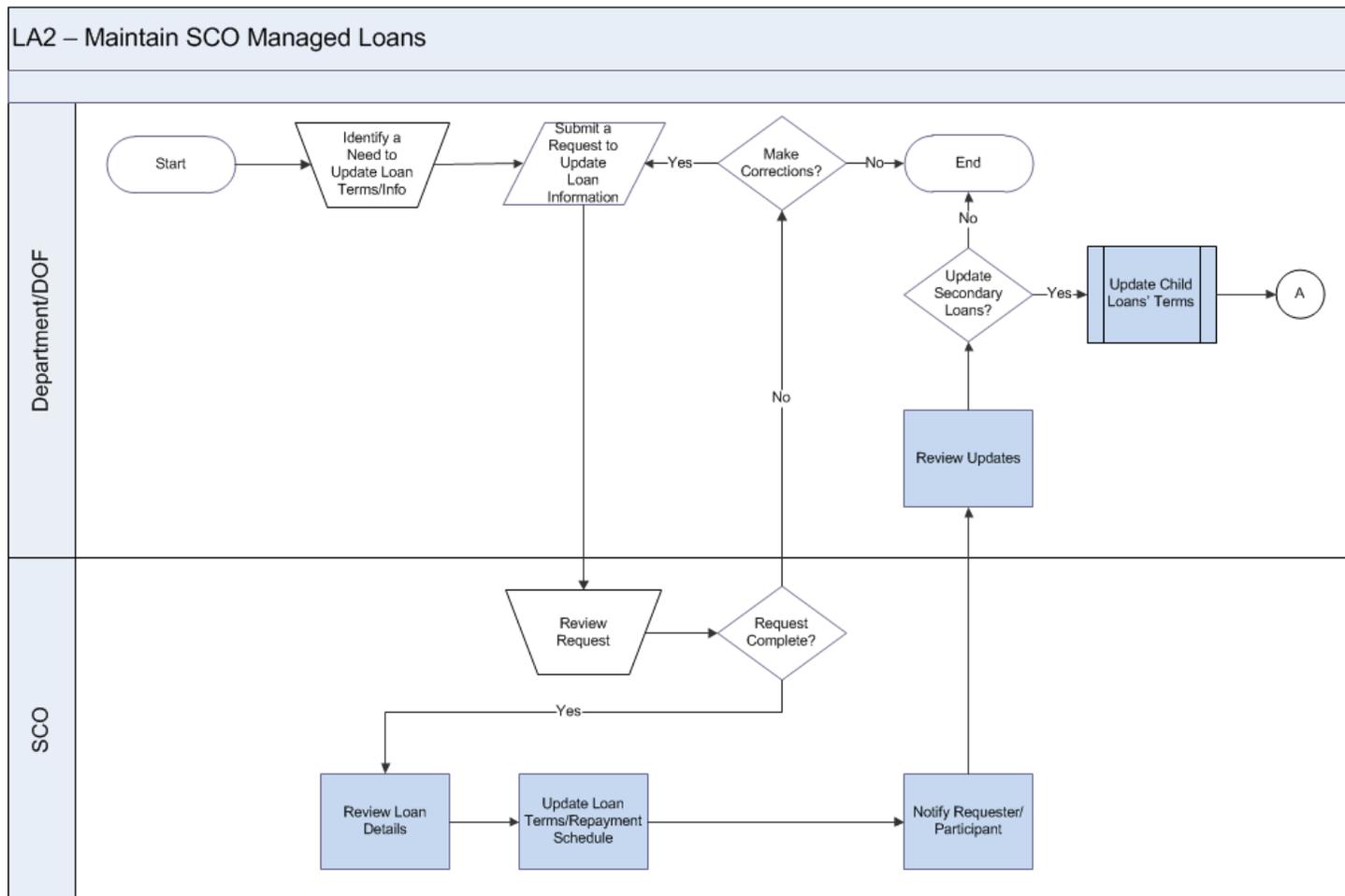
# Scenario 2 – Maintain Loans

ID		Requirement Description
LA	20.00	The System shall establish, track, and report advances to other funds (e.g., Tax Relief and Refund Account, Social Welfare Federal Fund).
LA	24.00	The System shall accept data from the State Treasurer's Office (STO) on all investments including PMIA with premiums and discounts, and the amortization of premiums and discounts on those investments.

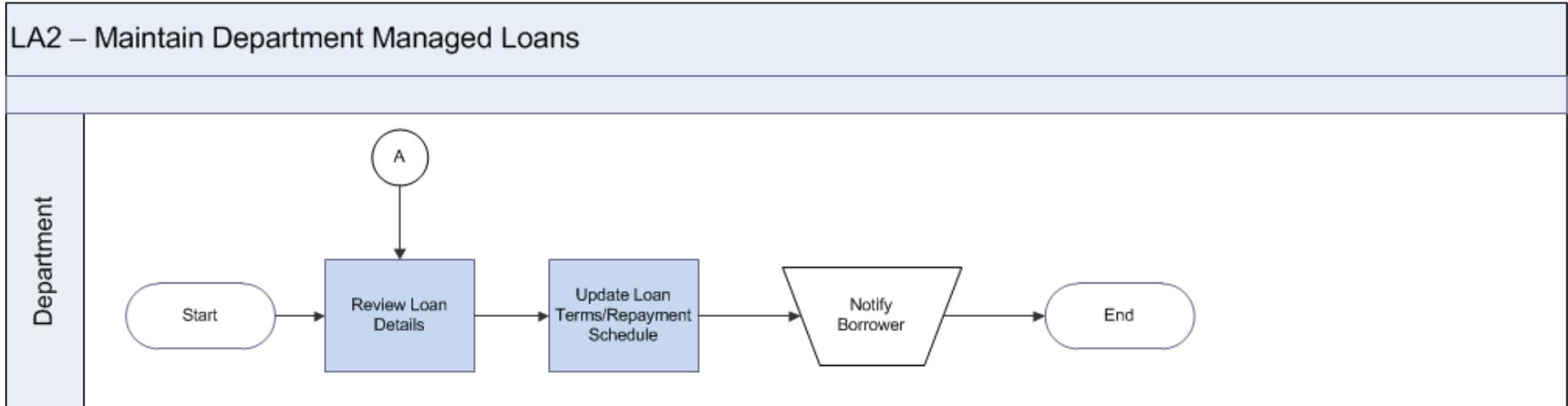
# Scenario 2 – Maintain Loans



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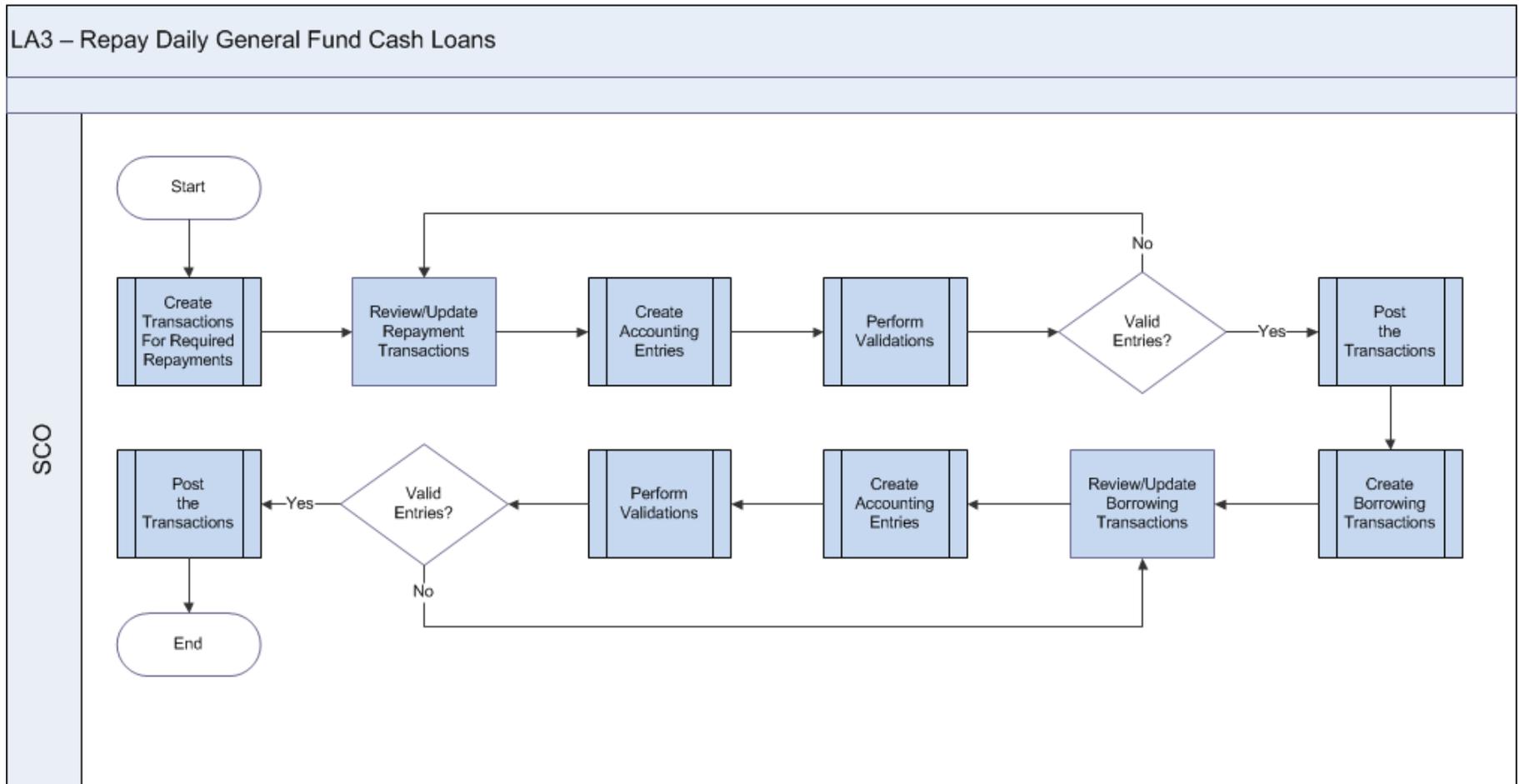
# Scenario 2 – Maintain Loans



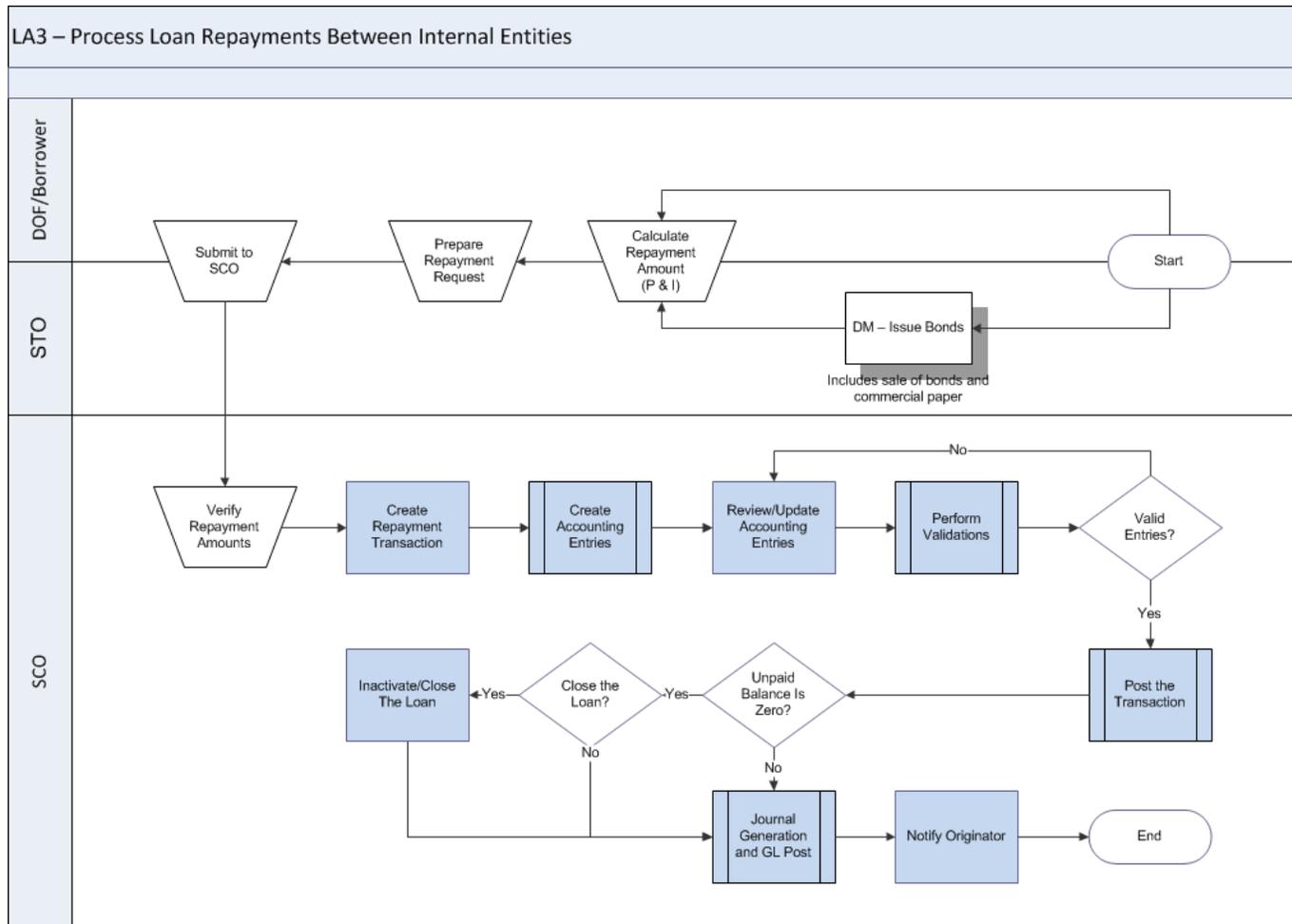
# Scenario 2 – Repay Loans

ID		Requirement Description
LA	18.00	The System should generate payment coupon books for loans.
LA	21.00	The System shall allow repayment of advances to other funds (e.g., Tax Relief and Refund Account, Social Welfare Federal Fund).

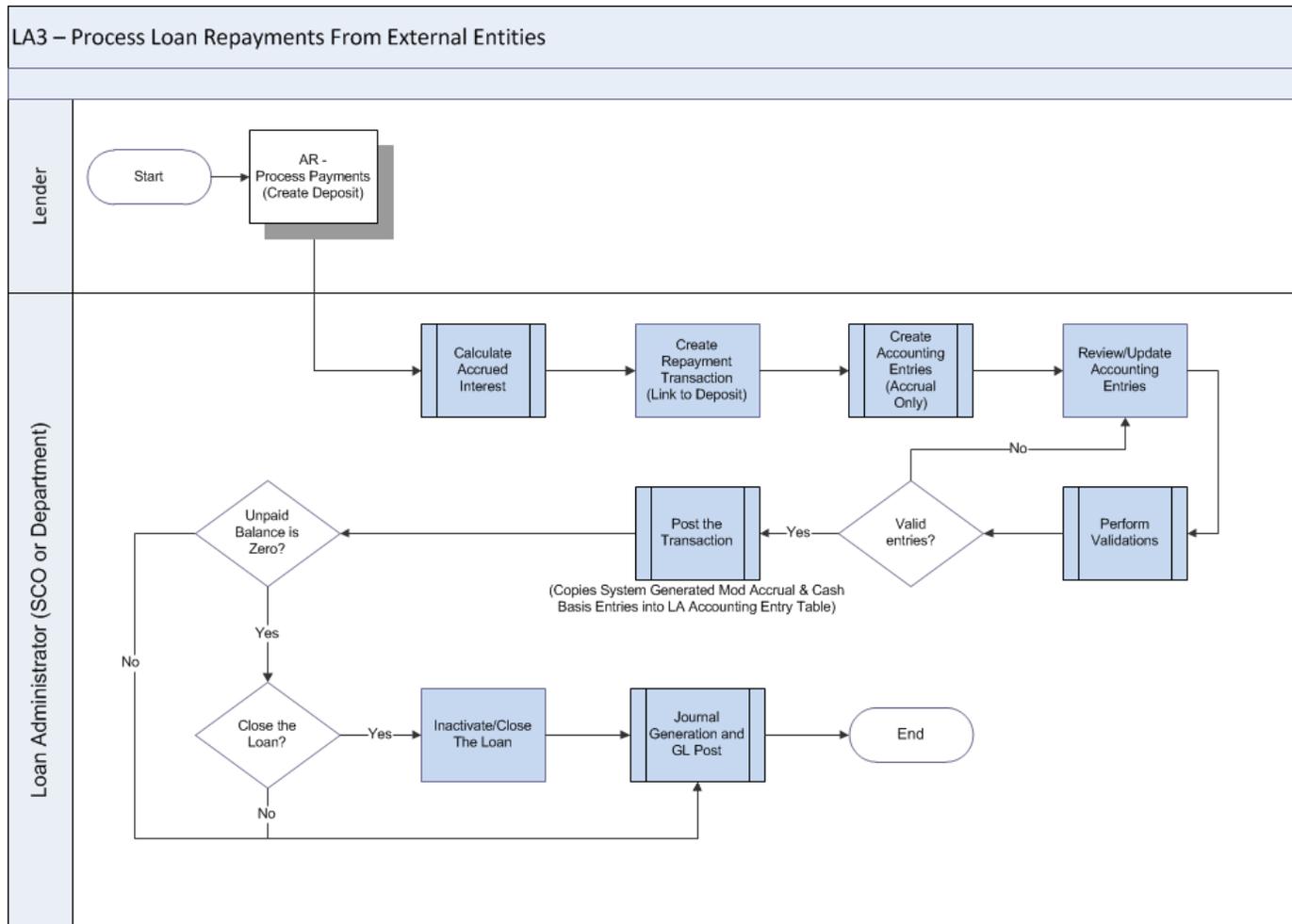
# Scenario 3 – Repay Loans



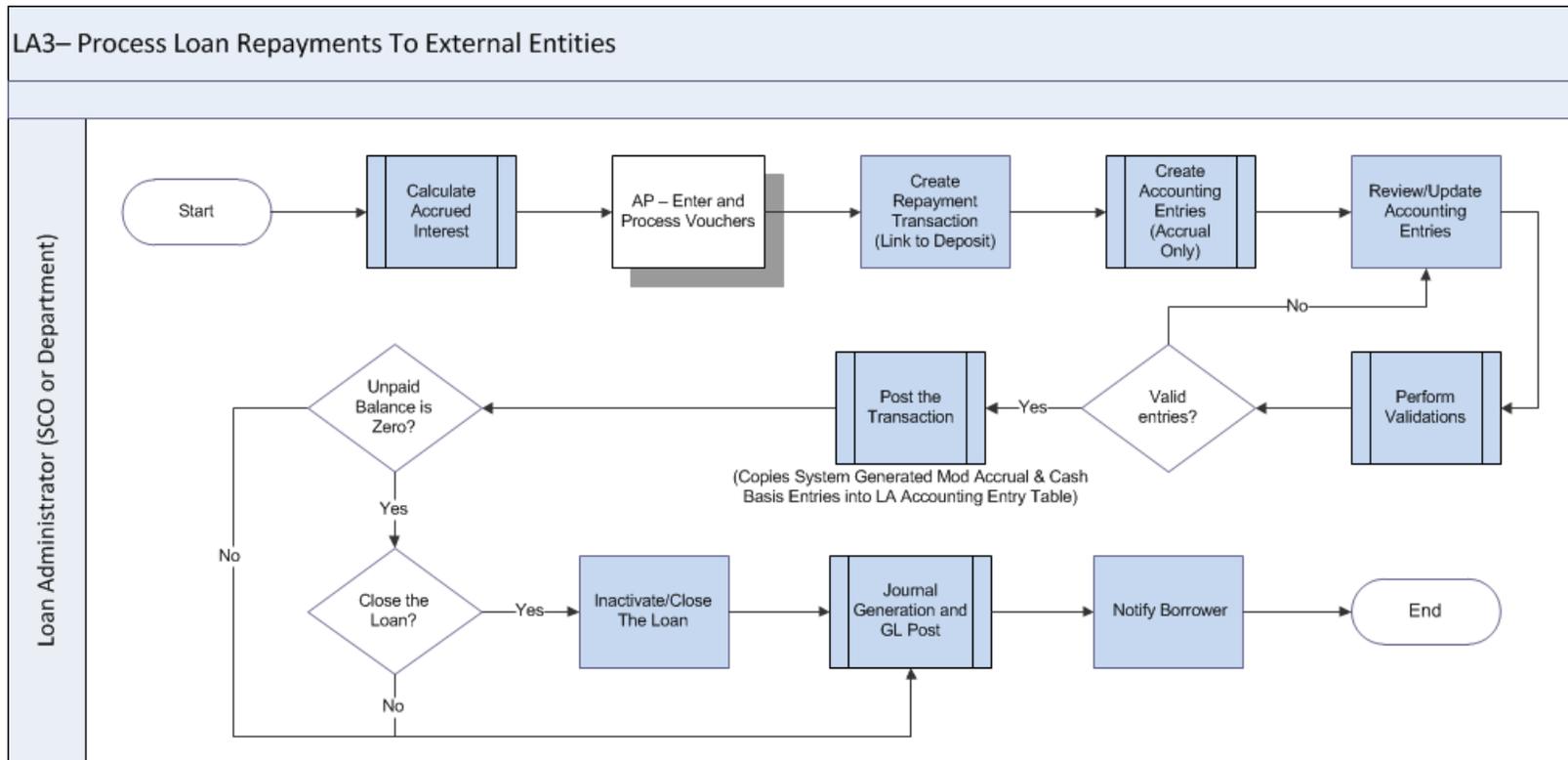
# Scenario 3 – Repay Loans



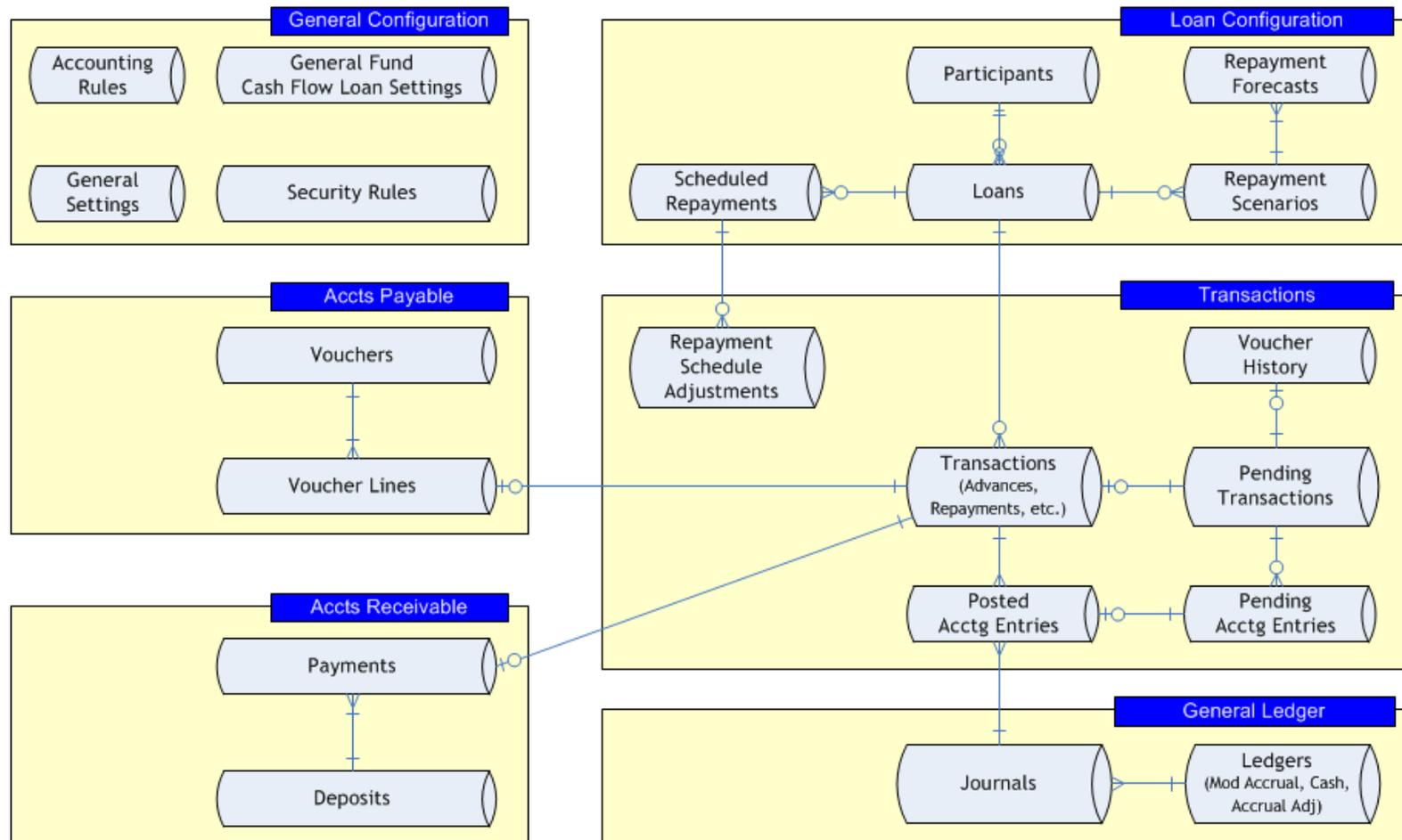
# Scenario 3 – Repay Loans



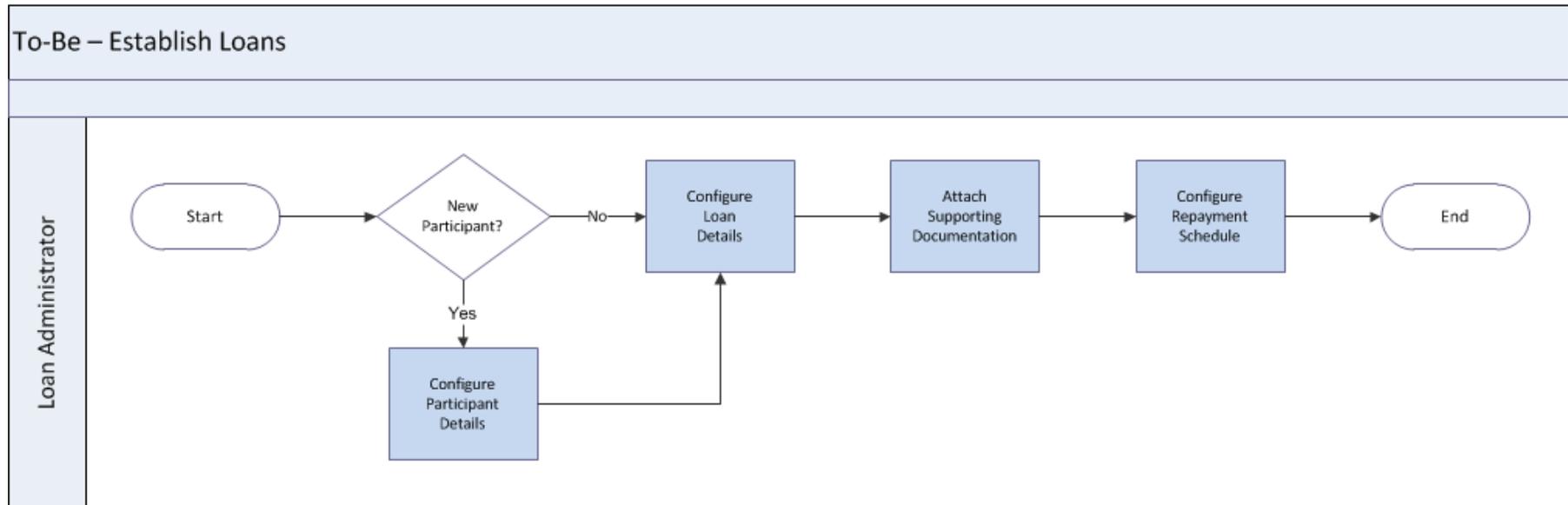
# Scenario 3 – Repay Loans



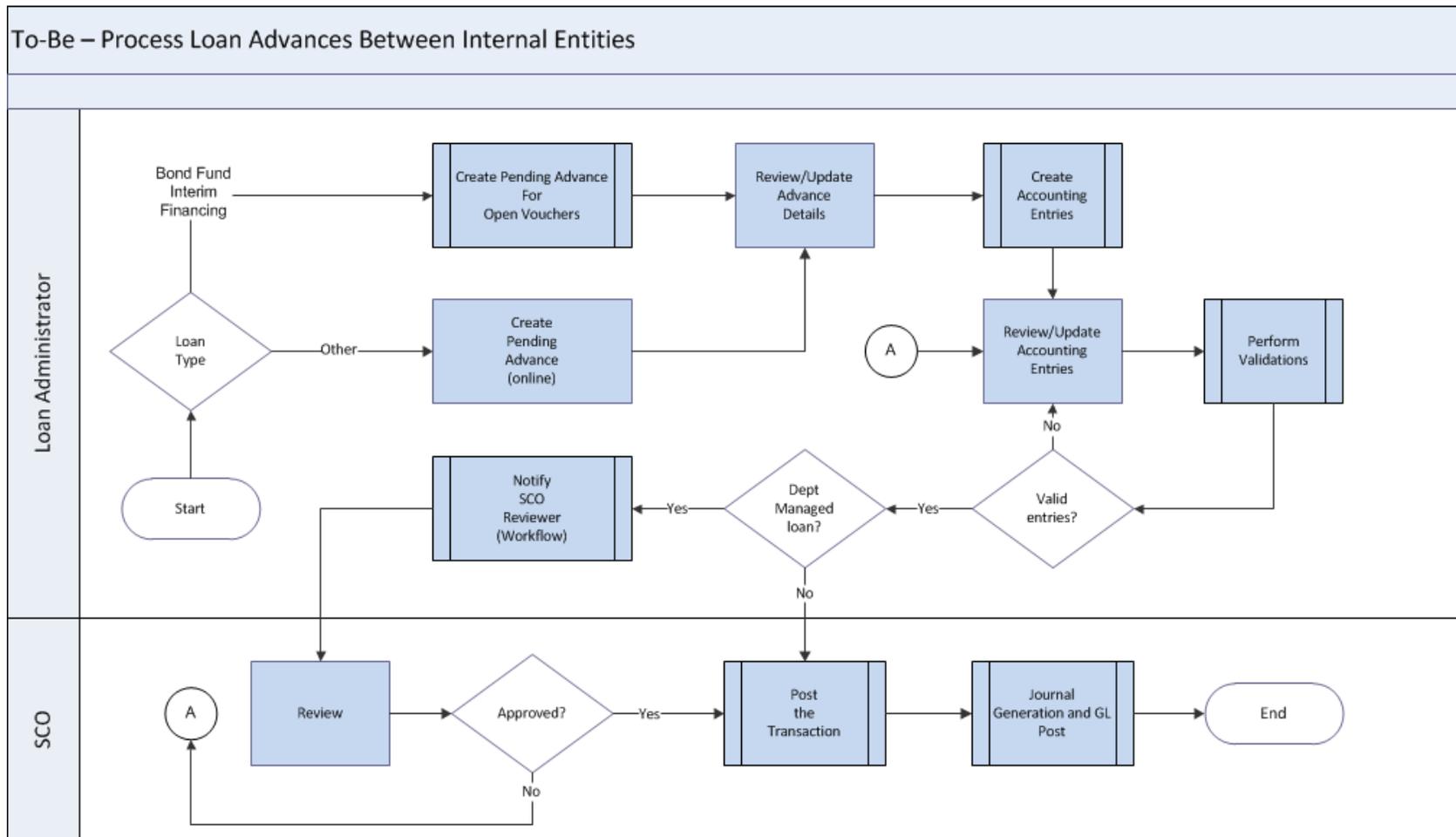
# Loan Accounting Enhancement – Data Draft Model



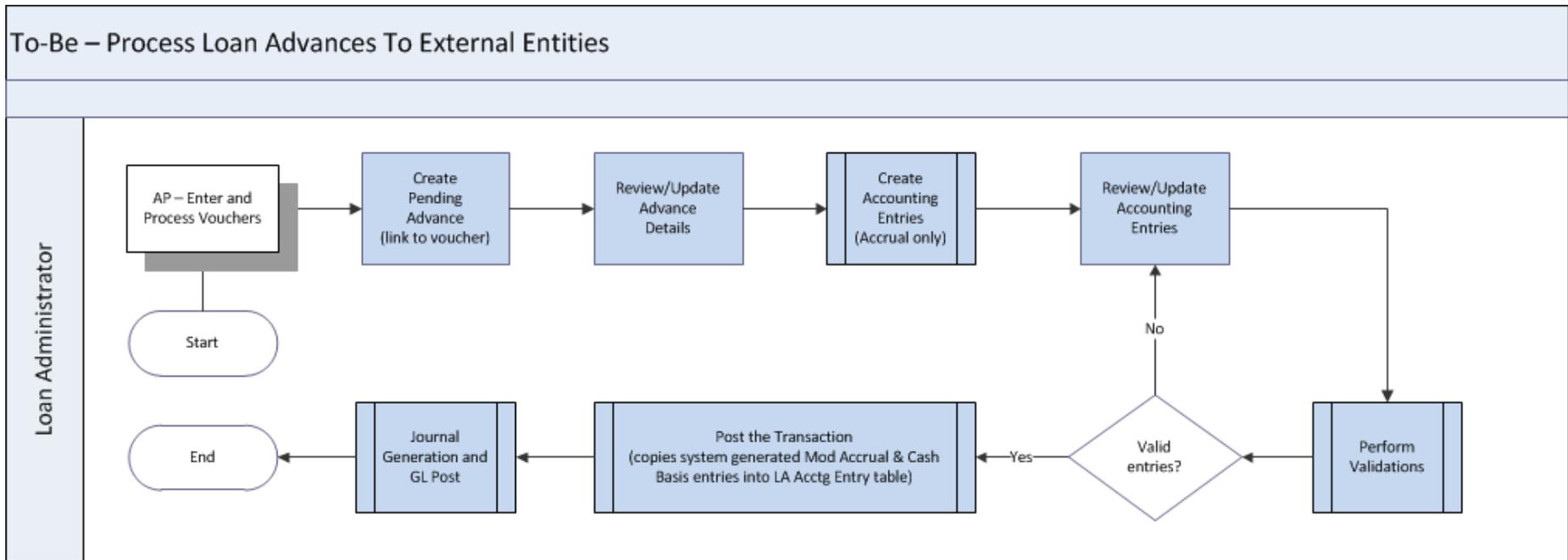
# Establish Loans



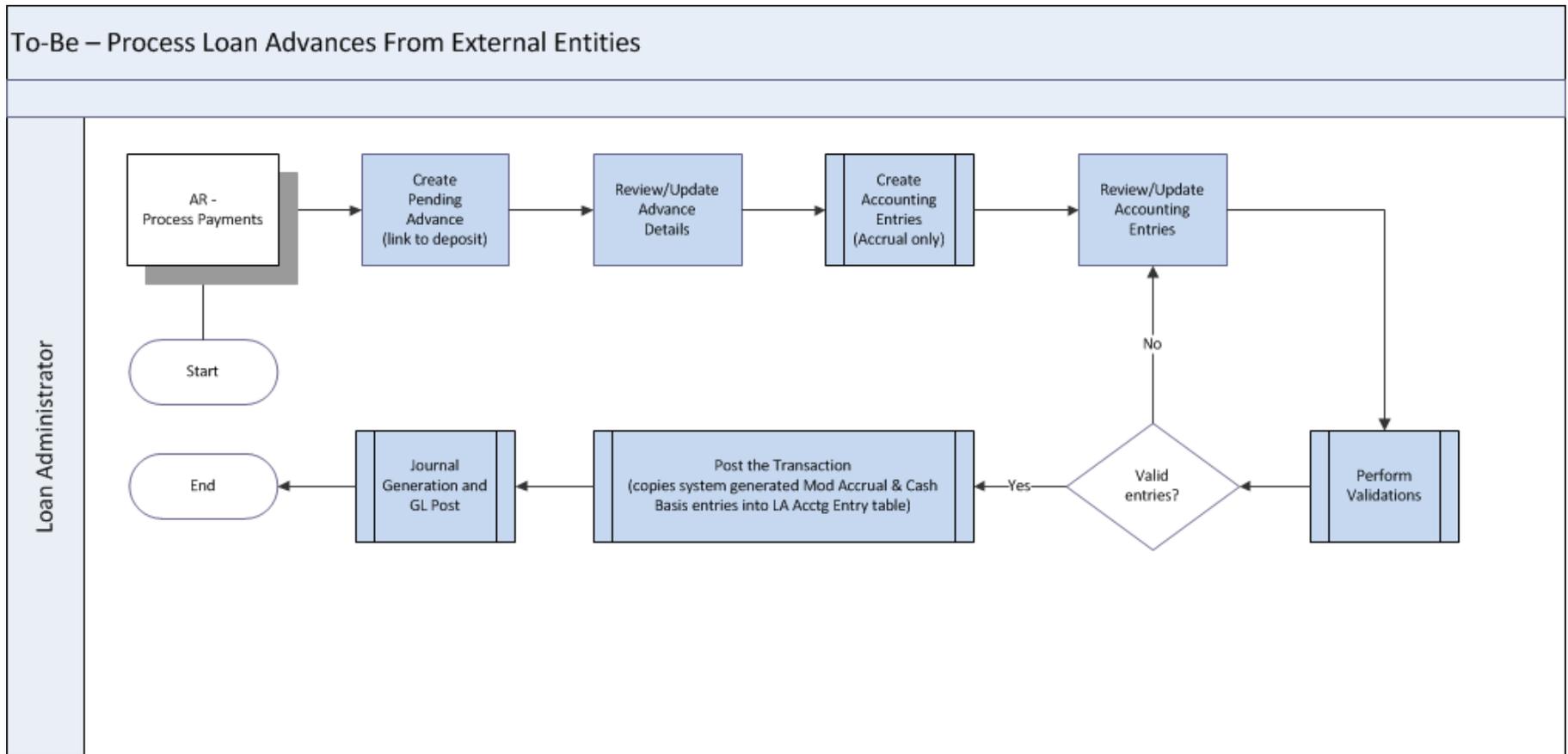
# Process Advances – Internal Entities



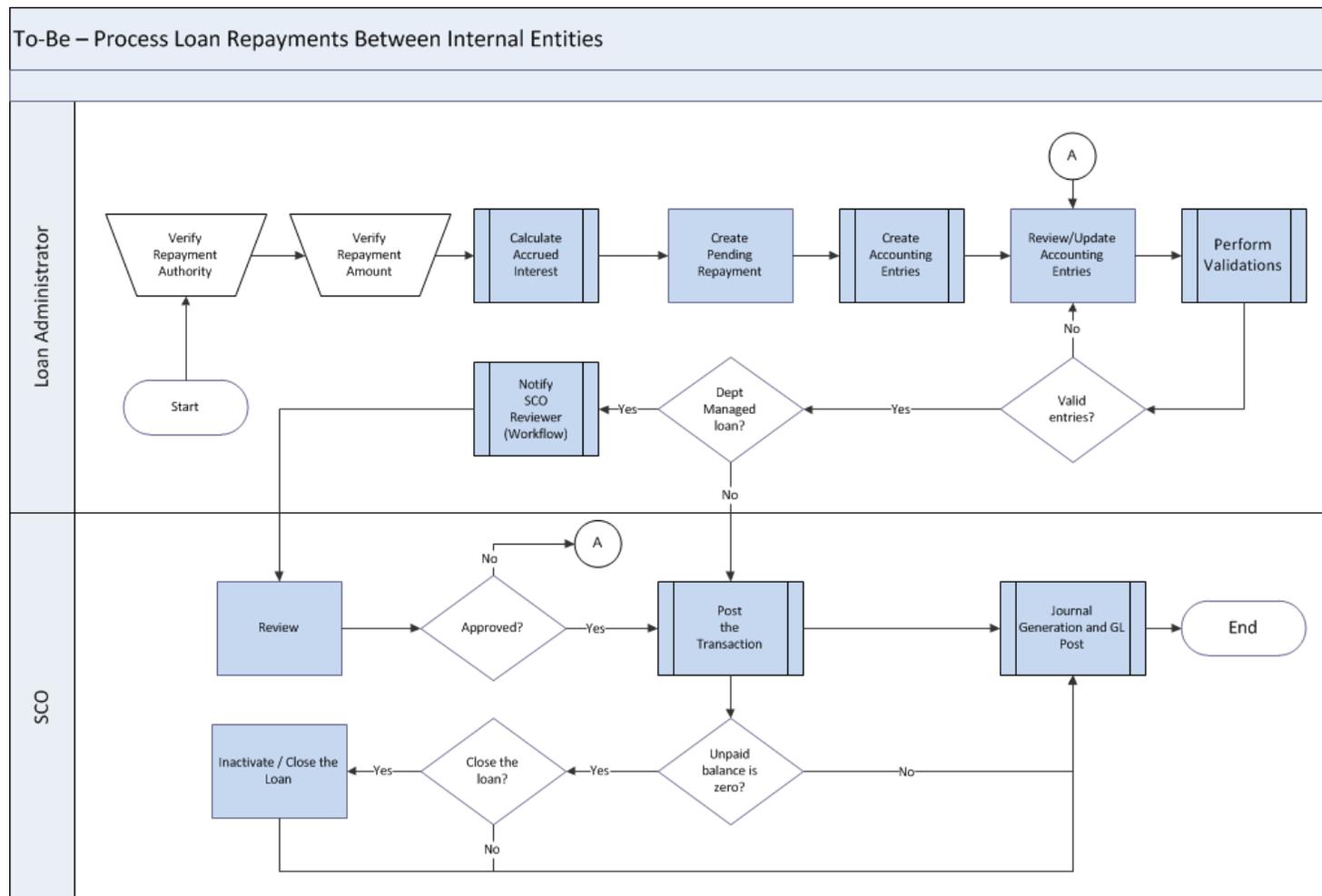
# Process Advances – To External Party



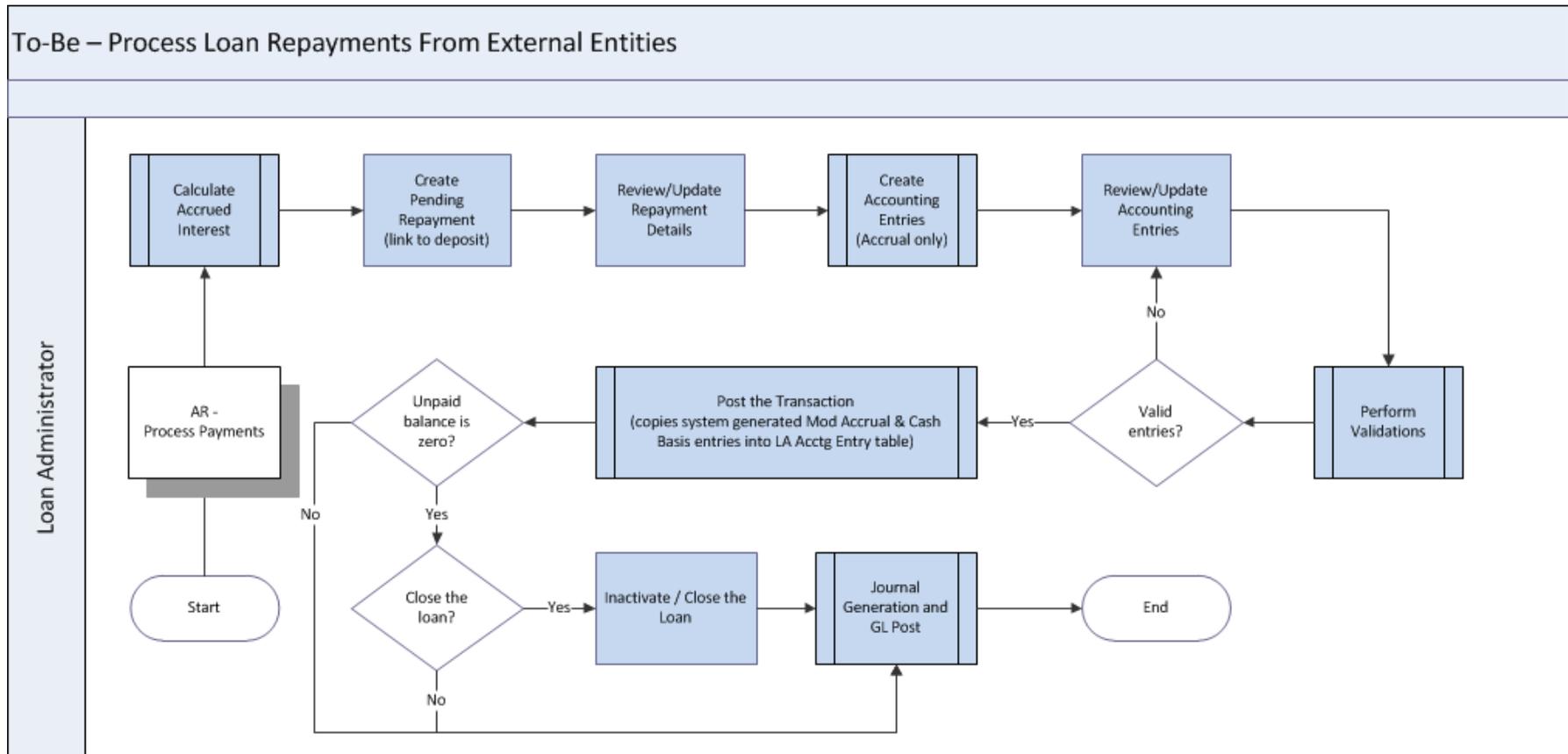
# Process Advances – From External Party



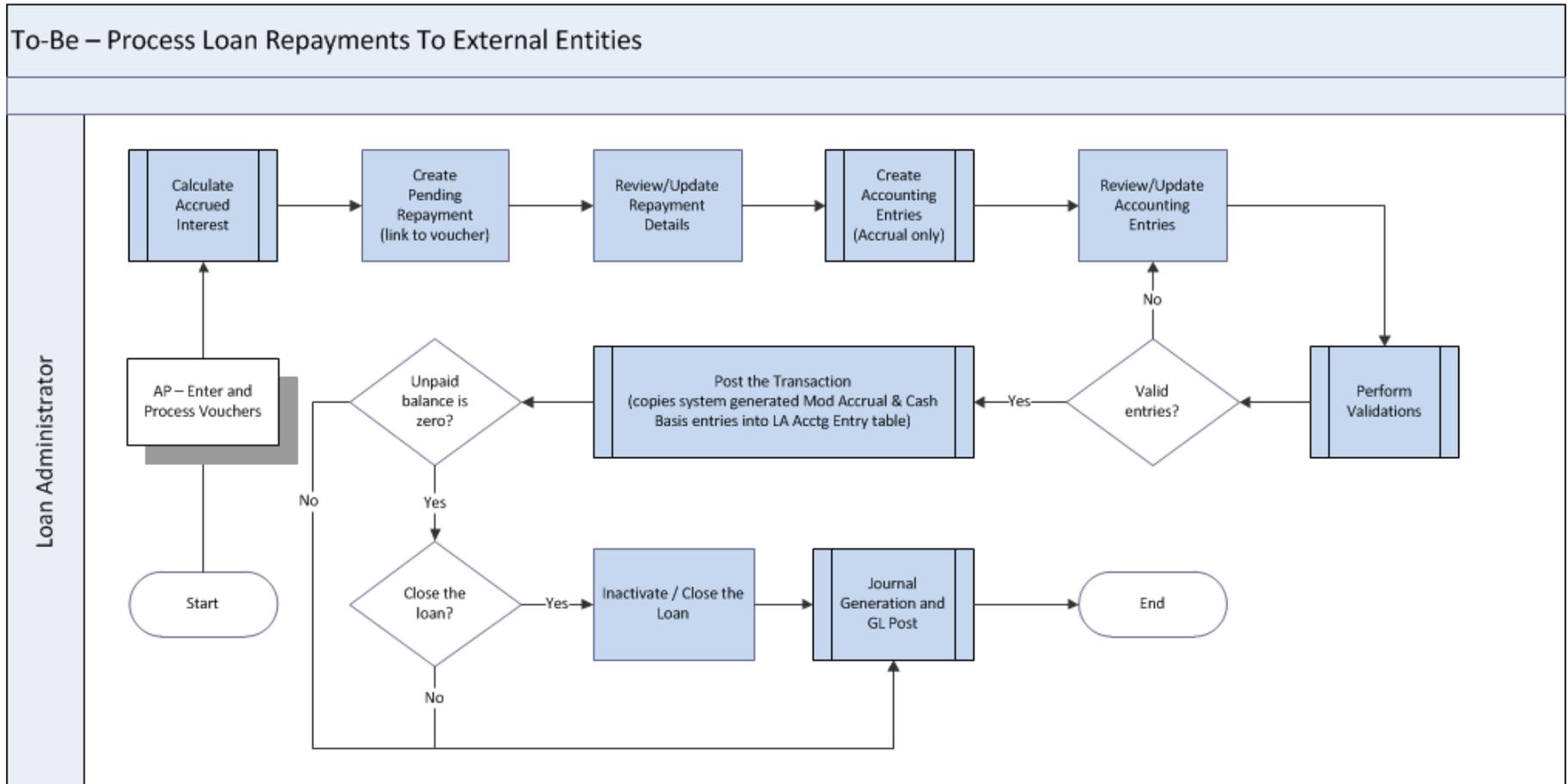
# Process Repayments – Internal Entities



# Process Repayments – From External Party



# Process Repayments – To External Party



# Technology Considerations

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- Interfaces
- Conversions
- Data Protection

# Data Protection Overview

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- FI\$Cal will receive and retain various types of data that will need to be protected. All data can be classified as:
  - Public
  - Personally Identifiable Information
  - Sensitive
  - Confidential
  
- Various state agencies assisted FI\$Cal in the development of a **Data Classification and Protection Framework**

# Data Protection Overview

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- All data that is received, retained, and transmitted by FI\$Cal protected by:
  - Business Unit
  - Encryption
  - Role Based Access
  
- In addition, data classified as PII, sensitive, and confidential will receive the additional protection of:
  - Masked
  - Tracking when added, updated, deleted, and read
  - Role Based Access, such as Confidential User

# Data Protection – Key Terms

Conversion	Definition
<b>Public Information</b>	Information maintained by state agencies that is not exempt from disclosure under the provisions of state or federal laws.
<b>Confidential Information</b>	Information maintained by state agencies that is exempt from disclosure under the provisions of state or federal laws.
<b>Sensitive Information</b>	Information maintained <b>by state agencies</b> that requires special precautions to protect from unauthorized use, access, disclosure, modification, loss, or deletion. Sensitive information may be either public or confidential.
<b>Personally Identifiable Information</b>	Information that identifies or describes an individual. This information must be protected from inappropriate access, use, or disclosure and must be made accessible to data subjects upon request.

# Data Protection Processes & Fields

Process Name		Field Description	Sensitive
LA1 – Establish Loans	Participant Names (external participants only)		
LA1 – Establish Loans	Authorized Loan Amount		
			Public
LA1 – Establish Loans	All other loan and participant details		
LA1 – Establish Loans	Participant TIN		PII

**FI\$Cal Standard Protection Framework**

**Standard Data Protection level For:**  
 Confidential (Protected under the Public Records Act),  
 Electronic Protected Health Information (e/PHI), Federal  
 Tax Information, Notice Triggering Information, Payment  
 Card Industry, Personally Identifiable Information (PII)  
 and Sensitive Information, the following is the Standard  
 Data Protection Level:

1. Mandates that Govern the Collection of this Field – State Administrative Manual (SAM).
2. Federal Tax Information Labeling – None.
3. FI\$Cal Standard Protection Method(s):
  - Business Level Security.
  - Encryption.
  - Masked (SSN, TIN, and Payment Card).
  - Role Based.
4. FI\$Cal Standard Actions to be Tracked:
  - Add, Delete, Update and Read.
5. FI\$Cal Standard Data Retention: Average 7 Years. (No data disposal planned for FI\$Cal currently).

Public

Confidential

PII

Sensitive

**Loan Accounting classified as Sensitive with the exception of the fields highlighted to be Public**

# Session Recap

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- Key Considerations
- Future Action Items
- Action Items
- Concerns

# Question and Answer

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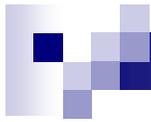


FI\$Cal Project Information:

<http://www.fiscal.ca.gov/>

or e-mail the FI\$Cal Project Team at:

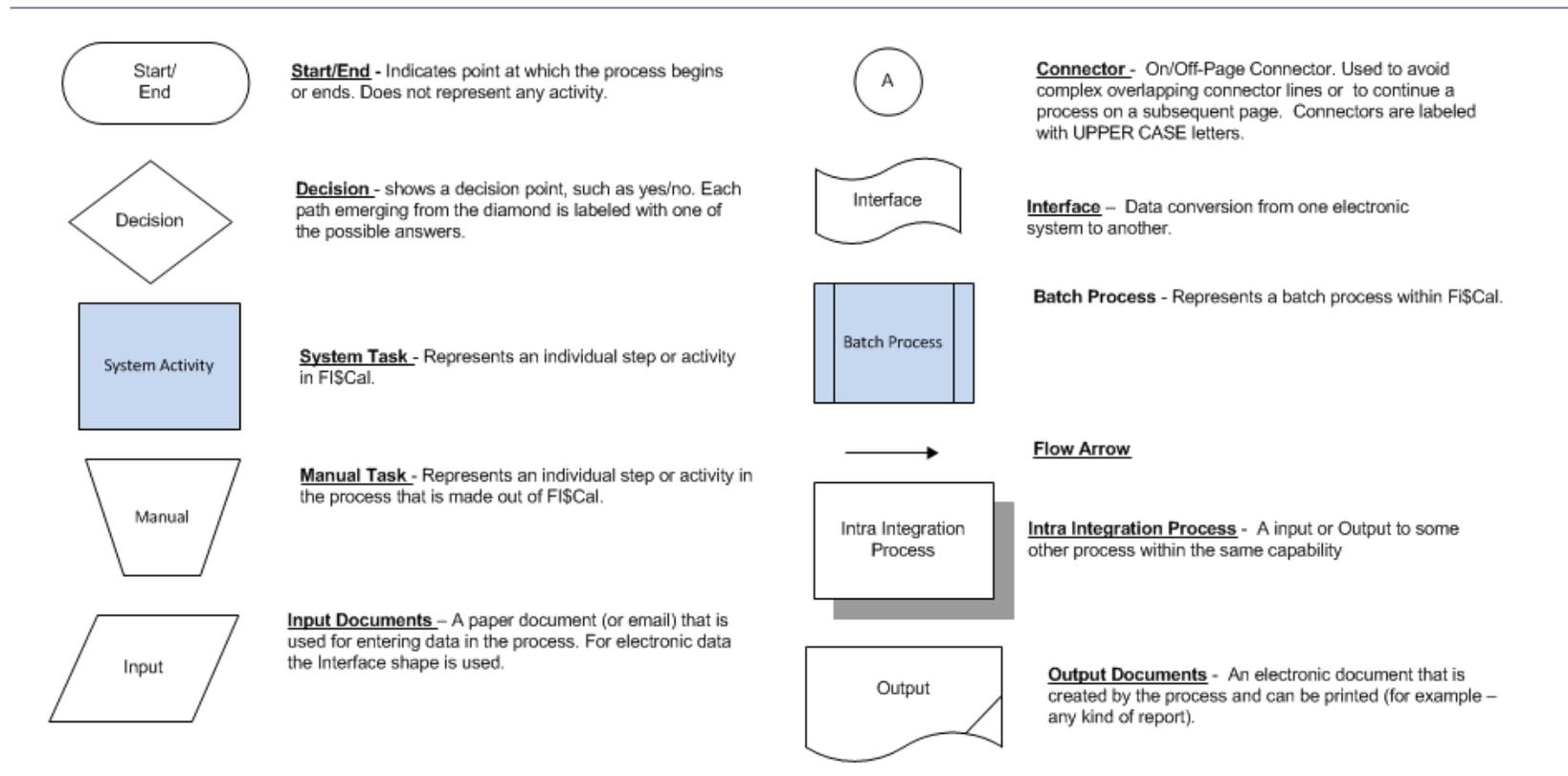
[fiscal.cmo@fiscal.ca.gov](mailto:fiscal.cmo@fiscal.ca.gov)



# Appendix

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# Guide to Symbols in Flows



# ChartField Cross Reference

