



FI\$Cal

Financial Information System for California

FI\$Cal Solution Walkthrough (SWT): Accounts Payable

July 2016 Departmental Release

Agenda

- Solution Walkthrough Objectives
- Accounts Payable Solution Overview
- Accounts Payable Processes
 - Create Vendor
 - Create Voucher
 - Process Voucher
 - Process Payments
 - Process 1099 Withholdings
- Technology Considerations
- Session Recap
- Q&A Session

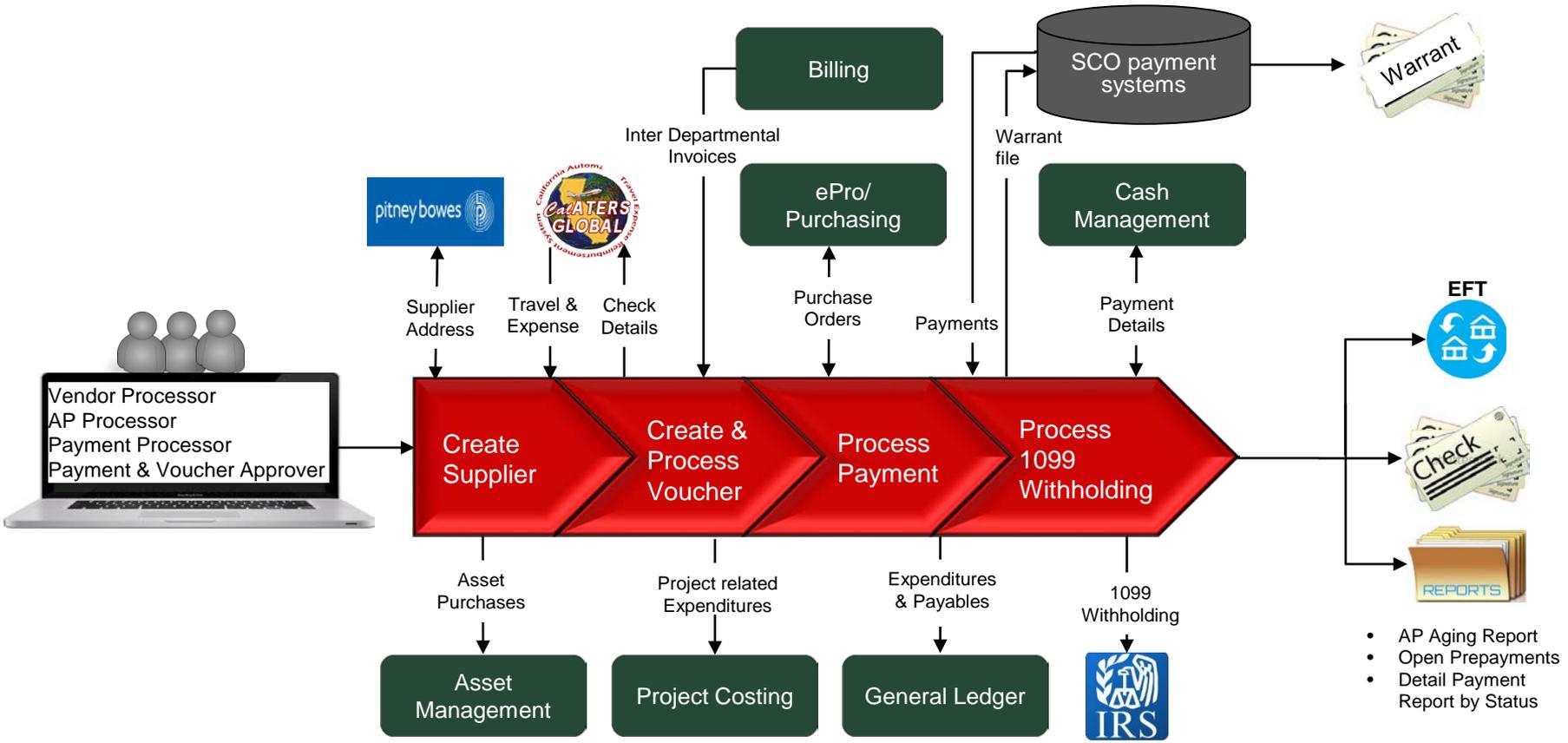


SWT Objectives

The Solution Walkthroughs will provide:

- An overview of the business processes, including key terms and functionalities
- A demonstration of the FI\$Cal solution
- “To-Be” business processes

Accounts Payable Overview



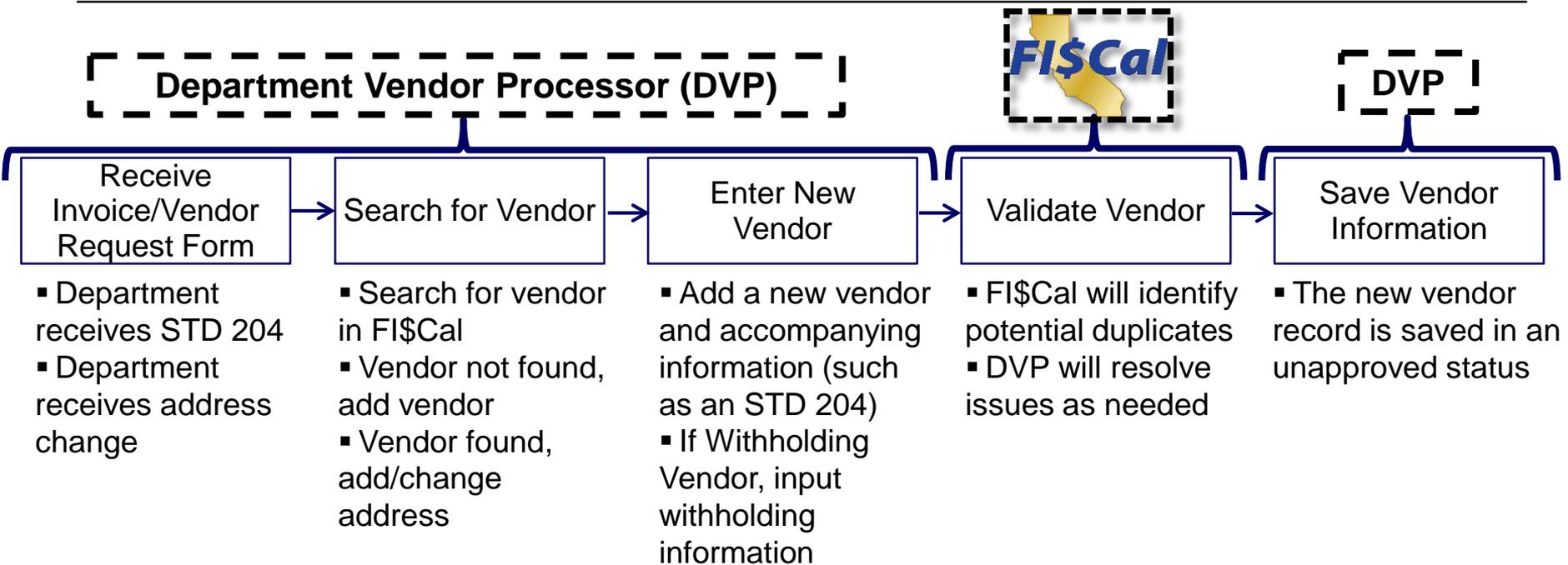
FI\$Cal's Accounts Payable Benefits

- Paper Claims Replaced
- Statewide Vendor File
- Vendor File will contain employees receiving payments within FI\$Cal
- Travel Advances and Expenses from CalATERS will be interfaced to FI\$Cal
- 1 Invoice = 1 Voucher
- Online Approval Workflow
- Department Check Printing
- User-friendly reports
- Real-time search online (payment status/voucher history)

Create Vendor Overview

- The following functionality will be provided to departments:
 - Departments can access the Vendor Management File (VMF) to add or view vendor information.
 - Unique vendor IDs will be created within FI\$Cal for each vendor and shared across departments.
 - Each vendor will be validated and approved by the Vendor Management Group (VMG) before it can be used to source a requisition, create a Purchase Order (PO), or create a voucher.
- Departments submit changes to the vendor record using the online Vendor Update Form (VUF) in FI\$Cal.
- 1099 reportable vendors will be identified in FI\$Cal.
- The Vendor File will also contain Employees receiving payments within FI\$Cal.
- Vendor and employee SSNs will be masked in FI\$Cal.

Create and Maintain Vendor



Key Impacts

- FI\$Cal flags duplicate vendors, assigns a unique vendor ID, and accommodates multiple vendor addresses and contacts.
- Statewide tracking of purchasing by vendor.
- Duplicate entry of vendors across departments is reduced.

Voucher Key Terms

Term	Definition
Voucher	An electronic transaction created for the processing of vendor invoices, apportionments, employee expenses
Regular Voucher Style	Used for entering non-PO vouchers, PO vouchers, salary advances, and travel expense related vouchers
Prepaid Voucher Style	Used for entering prepayments such as vendor prepayments and travel advances
Single Payment Voucher Style	Used for entering a voucher for a vendor without a vendor record in the vendor table

Voucher Key Terms

Term	Definition
Invoice	An itemized bill for goods sold or services provided, containing individual prices, the total charge, and the payment terms
Purchase Order (PO)	A commitment from an organization (business unit) to vendors to purchase goods or services from that vendor; creates an encumbrance in FI\$Cal
Adjustment Voucher Style	Used for entering credit memos and will have a dollar value attached to it
Journal Voucher Style	Used for correcting the accounting entries on a posted or paid voucher and will not affect the dollar value on the original voucher

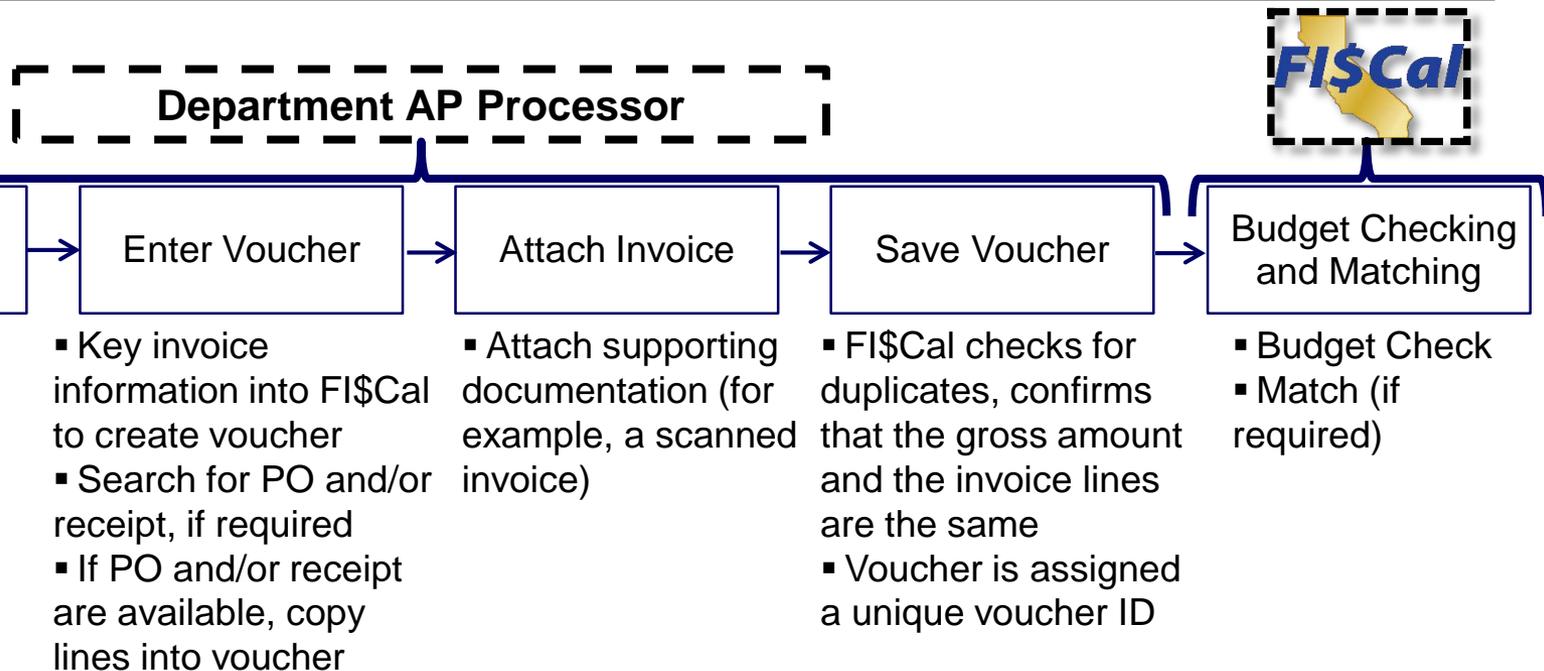
Voucher Key Terms

Term	Definition
Matching	Compares a voucher with the PO and/or receiving and inspection document confirming that payments are only made for goods and services that have been ordered, received, and inspected
Budget Checking	The process of comparing expenditure or revenue transactions against a defined budget
Voucher Posting	The process of creating accounting entries for vouchers, such as expenses and accounts payable liabilities
Workflow Approval	Used for voucher approval routing

Create Voucher

- Voucher processing encompasses all activities that are required to capture invoice data, generate a voucher, attach related documents, perform approvals, budget check, and post the voucher.
- Vouchers can be created either by:
 - Entering data online
 - Using a spreadsheet upload
 - Using the inbound voucher interface
- Agencies will have the ability to classify vouchers through Cash Types to create payments for:
 - Checks
 - Agency Trust
 - General Cash
 - ORF
 - Warrants
 - SCO-issued

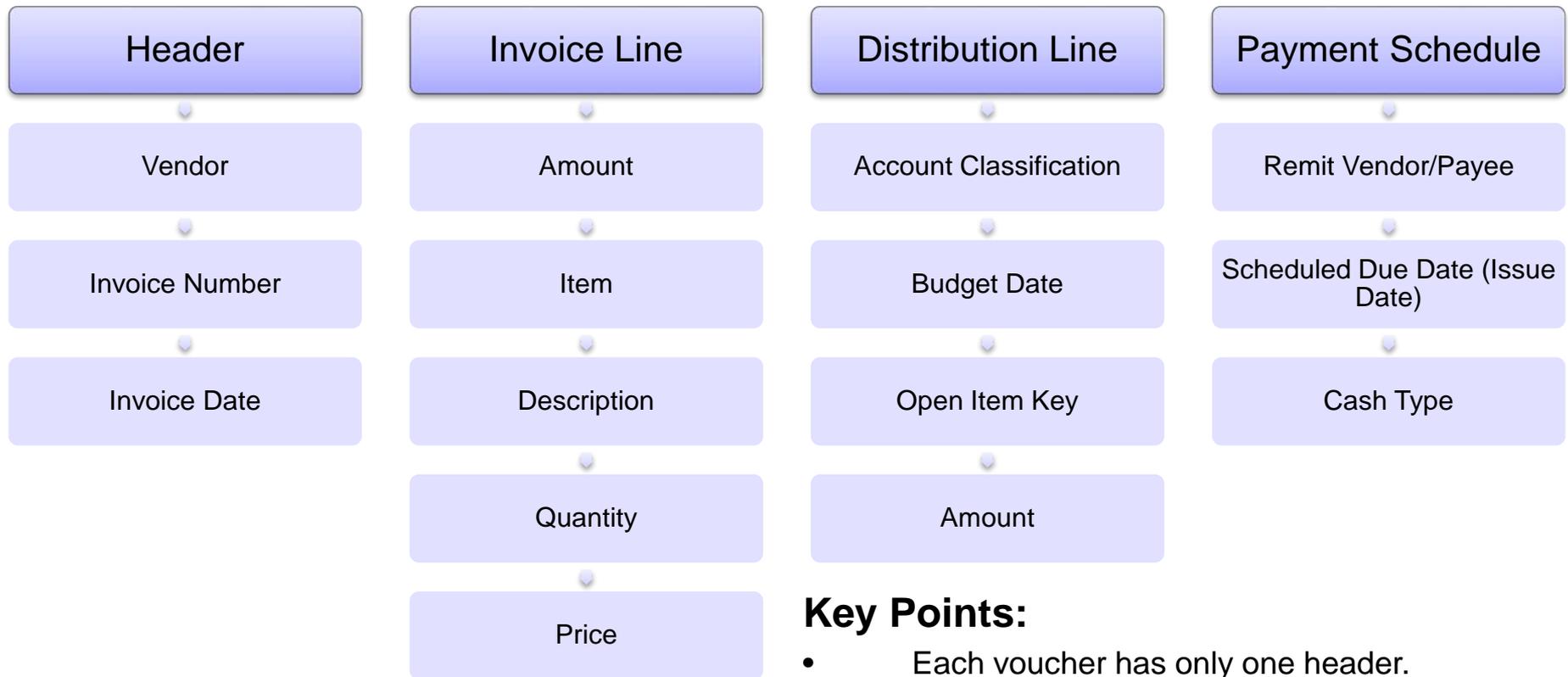
Create Voucher



Key Impacts

- FI\$Cal replaces paper claims.
- Electronic approvals replace wet signatures on the claim schedule.
- Multiple funds/appropriations can be associated with one voucher and multiple distribution lines.

Voucher Structure

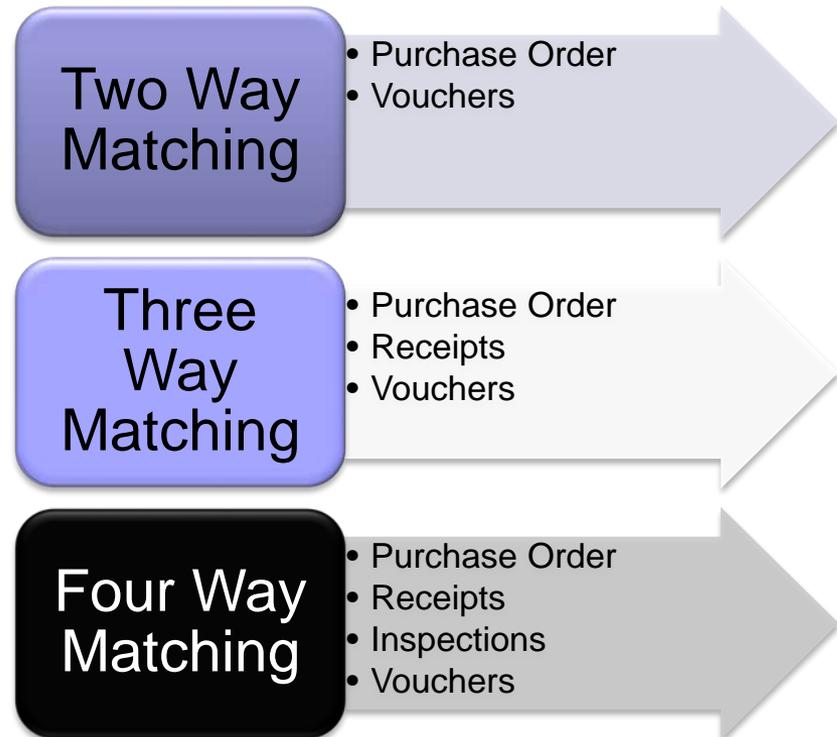


Key Points:

- Each voucher has only one header.
- Each voucher can have multiple invoice lines.
- Each invoice line can have multiple distribution lines.

What is Matching?

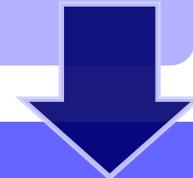
- The Matching process compares a voucher with the purchase order and/or receiving and inspection documents confirming that payments are only made for goods and services that have been ordered, received and inspected.
- Matching functionality is not utilized for non-PO invoices.
- FI\$Cal requires purchase orders for goods and services provided.
- The system will automatically perform matching based on the purchase order.
- Match Exceptions can be overridden with proper authorization, when applicable.



Voucher Approval Hierarchy

Departmental Approver Level 1

- Review and approve within agency
- First line review and approval



Departmental Approver Level 2

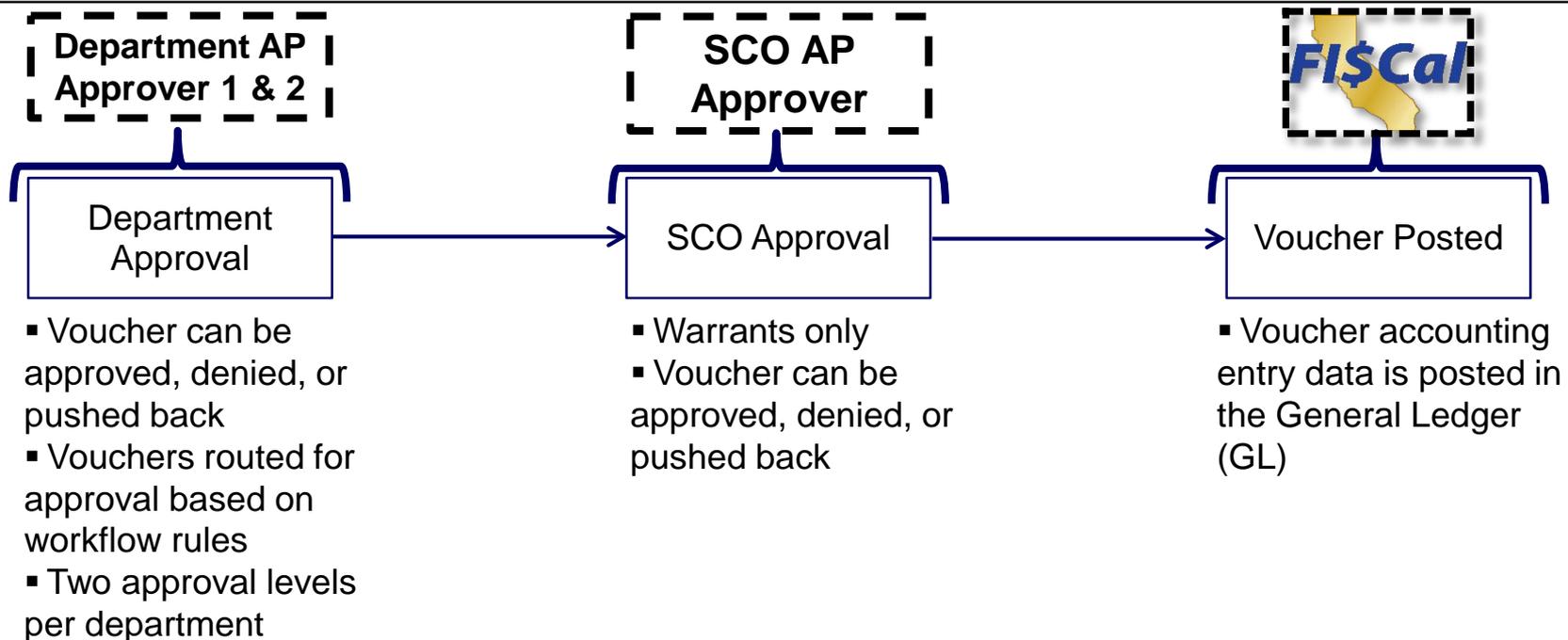
- 2nd-Level department approver
- Accounting Officer/Director – Person with signature card on file at State Controller's Office



SCO AP Approvers

- Final Approval

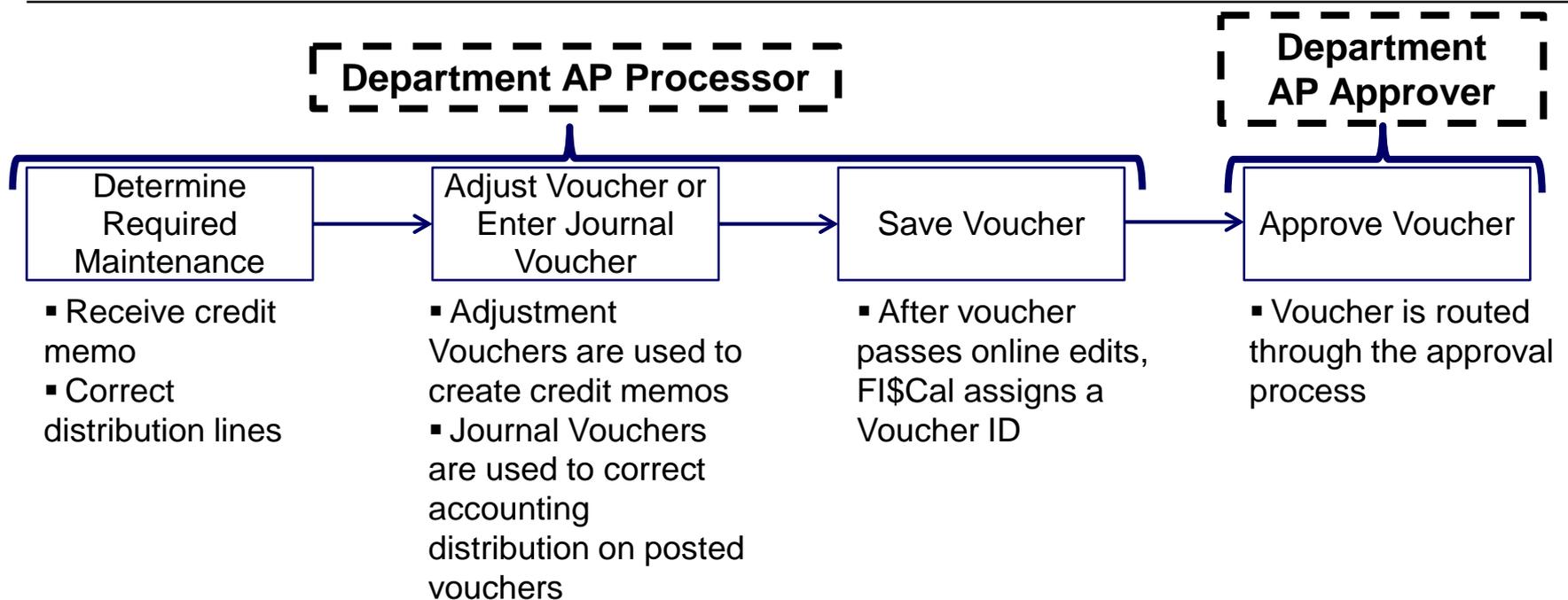
Approve and Process Voucher



Key Impacts

- Approvals are electronic and based on workflow configured in FI\$Cal.
- The Accounting Entries to Debit the Expenditure and Credit the AP Liability are automatically recorded in the GL after voucher is approved and posted.

Maintain Voucher – Adjust/Journal



Key Impacts

- The Maintain Voucher process is completed in FI\$Cal.
- FI\$Cal routes vouchers for approval.

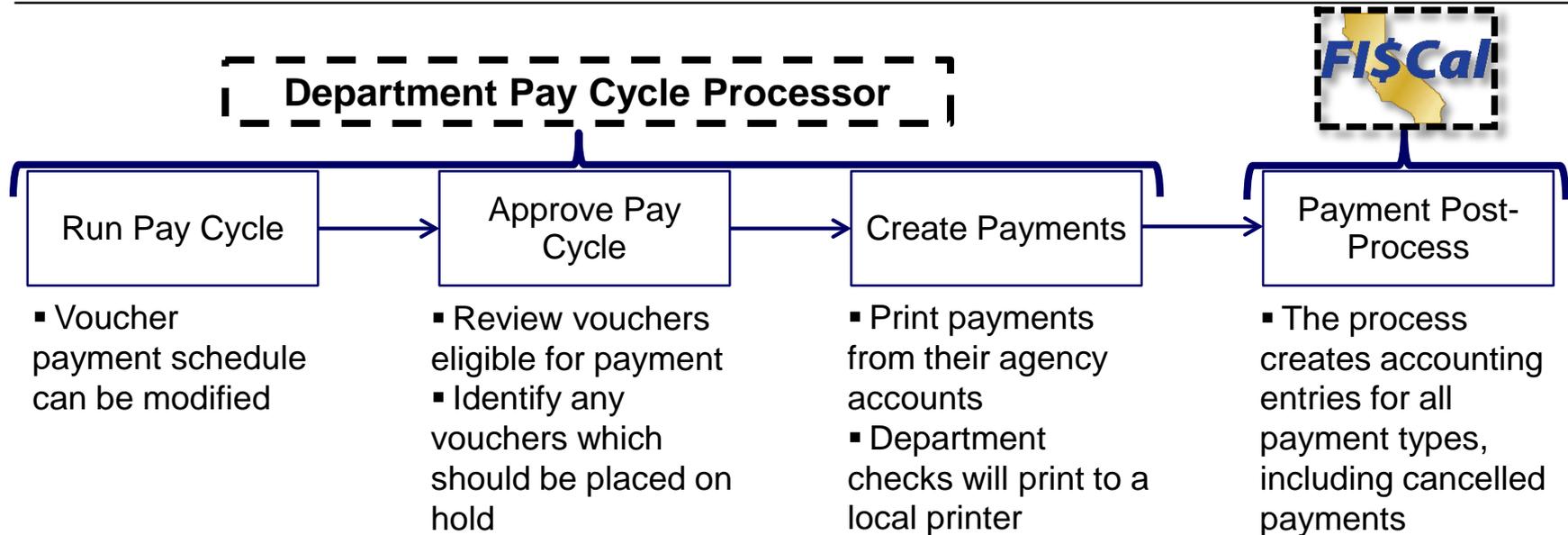
Break!!!



Payment Key Terms

Term	Definition
Warrant	An instrument drawn by the SCO directing the State Treasurer to pay a specified amount, from a specified fund, to the person or entity named.
Check	An instrument issued by State departments from their Office Revolving Fund (ORF), General Cash, or Agency Trust checking accounts
Departmental Bank Reconciliation	Involves comparing and matching recorded business transactions with the bank's corresponding transactions
Pay Cycle	Generates a payment output file for departmental printing. Each payment is assigned a unique payment reference ID number searchable in FI\$Cal

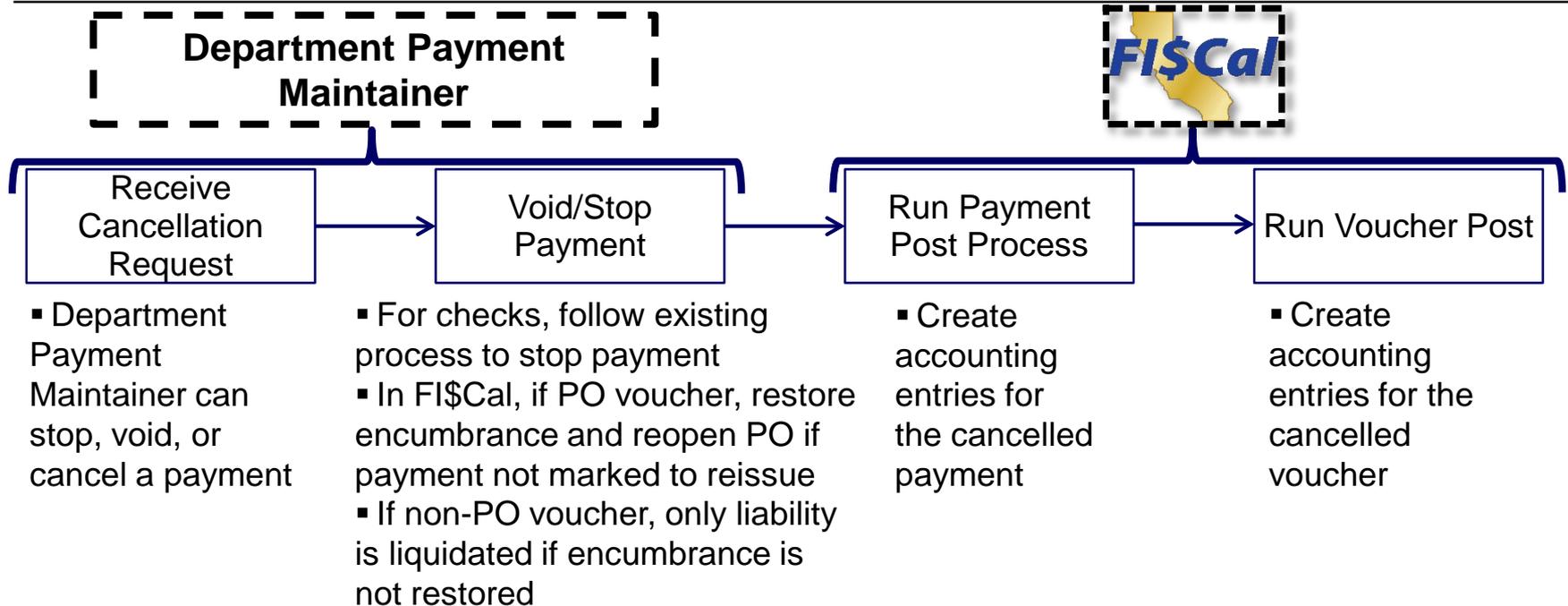
Run Pay Cycle



Key Impacts

- FI\$Cal departments will have the ability to run pay cycle for departmental checks.
- Payments from ORF are made within FI\$Cal.

Void/Stop Payments



Key Impacts

- Department checks can be stopped, cancelled, or voided in FI\$Cal.
- FI\$Cal restores encumbrance (if applicable) and updates accounting entries in the GL.

Reportable Payments Overview

- Understanding 1099 Withholding:
 - Only applicable to United States-based vendors
 - 1099 files are created at the end of each calendar year
- Vendors are marked as withholding applicable in the VMF in FI\$Cal.
- Voucher lines in FI\$Cal are marked as subject to withholding.
- FI\$Cal will capture 1099 information and generate a file that is sent to the Franchise Tax Board (FTB). FTB will report to the Internal Revenue Service and print/mail 1099s.

Withholding Key Terms

Term	Definition
Types of withholding vendors	<ul style="list-style-type: none"> ▪ Attorney ▪ Corporation (Medical) ▪ Estate or Trust ▪ Individual/Sole Proprietor ▪ Partnership
Withholding Type	<ul style="list-style-type: none"> ▪ 1099-G (government payments) report ▪ 1099-I (interest income) report ▪ 1099-MISC (miscellaneous) report
Backup Withholding	<p>FTB and IRS Regulations require agencies to initiate backup withholding of income taxes for payments made to vendors that have not provided TIN information</p>

Technology Considerations – Interfaces

Interface	Definition
Outbound Claim Schedule Interface to SCO	An outbound interface that sends an electronic claim to SCO containing payment information for processing within their Legacy Systems. The interface will include payee and remittance advice information along with a unique identifier. All Payments submitted to SCO via this FI\$Cal interface will be paid only by Warrants
Inbound DEX Interface from SCO	This inbound interface receives warrant information from SCO in the form of a DEX file and imports the data into FI\$Cal. The corresponding vouchers are updated with the payment information

Technology Considerations – Interfaces

Interface	Definition
Inbound CalATERS Travel Advance Detail	This inbound interface processes travel advances and loads the travel advances data into FI\$Cal staging tables. The voucher build process takes the data and creates Approved pre-paid vouchers for payment processing in FI\$Cal. The ORF checks will be generated in FI\$Cal and delivered to employees
Outbound CalATERS Check Detail	This outbound interface captures payment information to maintain ORF data in the CalATERS system. The file contains check information issued from department ORF funds that map to CalATERS travel advances
Inbound CalATERS Expenditure and Payment Detail	Inbound interface that sends CalATERS expenditure data, recovered travel advance data, and payment information for uploading and reconciliation in FI\$Cal

Technology Considerations – Interfaces

Interface	Definition
Positive Pay Checks Interface to STO (Outstanding Checks/Stops)	This outbound interface provides STO with a file that lists the payments that are authorized for processing by STO. At the end of the day, payment information containing all outstanding checks and stop payments is generated and transmitted to STO
Franchise Tax Board (FTB) 1099	An outbound interface to send the FTB 1099-MISC, 1099-I, and 1099-G information based on an IRS-provided layout. 1099 balances will be sent to the FTB from FI\$Cal

Technology Considerations – Conversions

Conversion	Definition
Unreconciled AP Payments	Unreconciled Accounts Payable Agency Payment data will be converted from Legacy Systems into PeopleSoft database. Only the payments which are paid but unreconciled with the bank at the time of conversion should be sent for conversion; all other payments should not be converted. This conversion will only apply to Unreconciled checks (i.e. ORF, General Cash, Agency Revolving) and not claims/warrants
1099 Balances	The Reportable Payment detail from January - June of the 2015 calendar year will be converted into FI\$Cal's database for year end 1099 processing
Outstanding Items	Any outstanding Travel Advances and Salary Advances as of year-end will be manually entered into FI\$Cal via vouchers and GL journals

Session Recap

- Key Considerations
- Action Items
- Open Questions

More Information Can be Found at...



FI\$Cal Project Information:

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

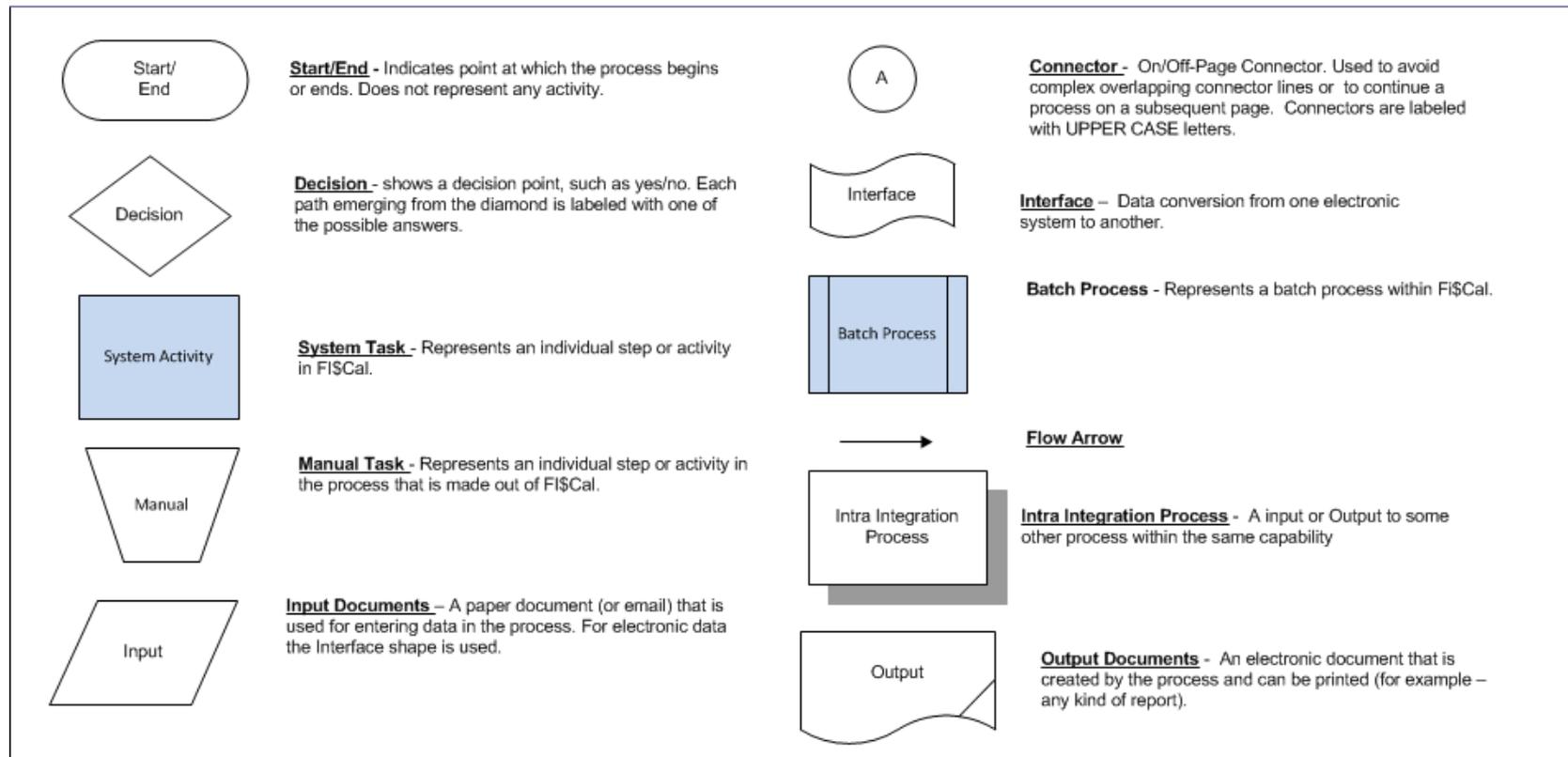
or e-mail the FI\$Cal Project Team at:

fiscal.cmo@fiscal.ca.gov

Appendix

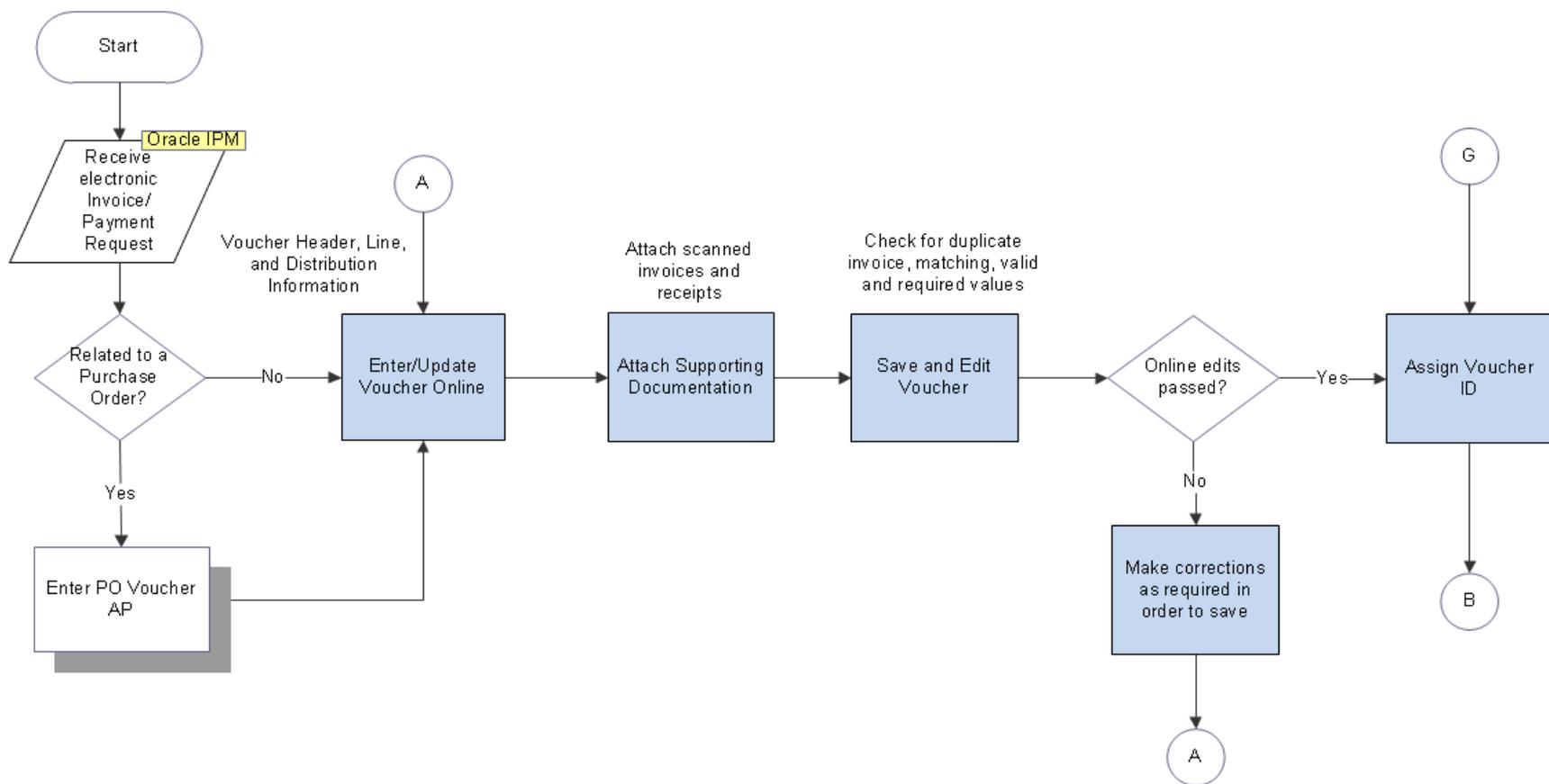
Additional information and screenshots for reference

Guide to Symbols in Flows

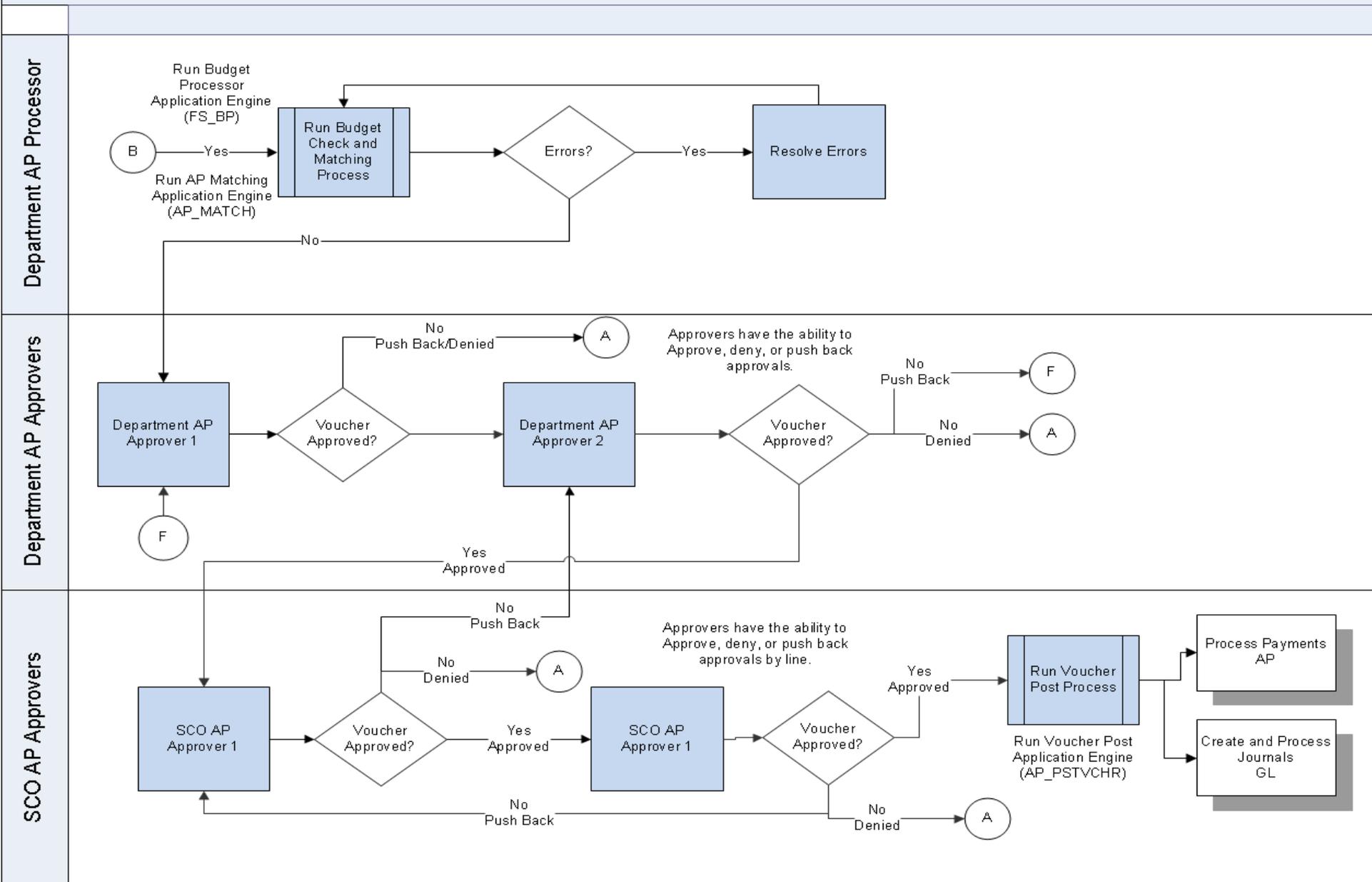


AP Enter and Process Vouchers – Enter Voucher

Department AP Processor

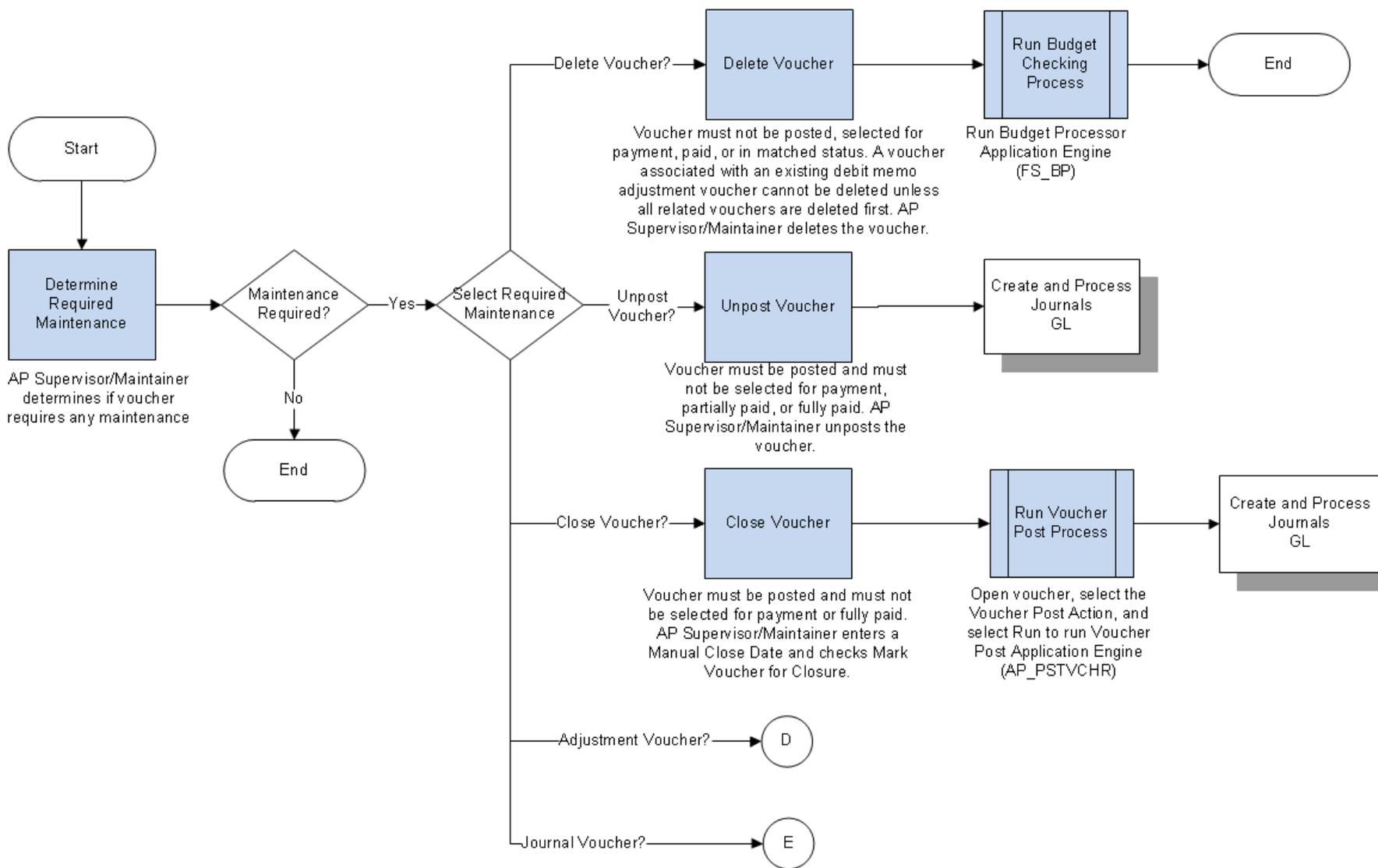


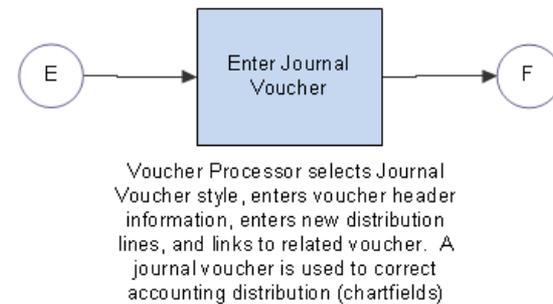
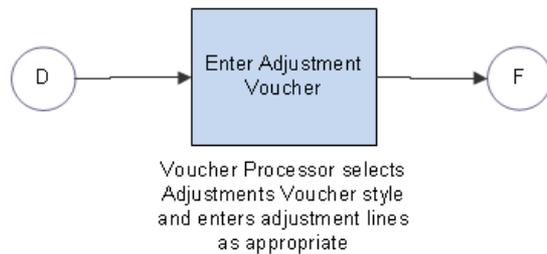
AP Enter and Process Voucher – Process Voucher

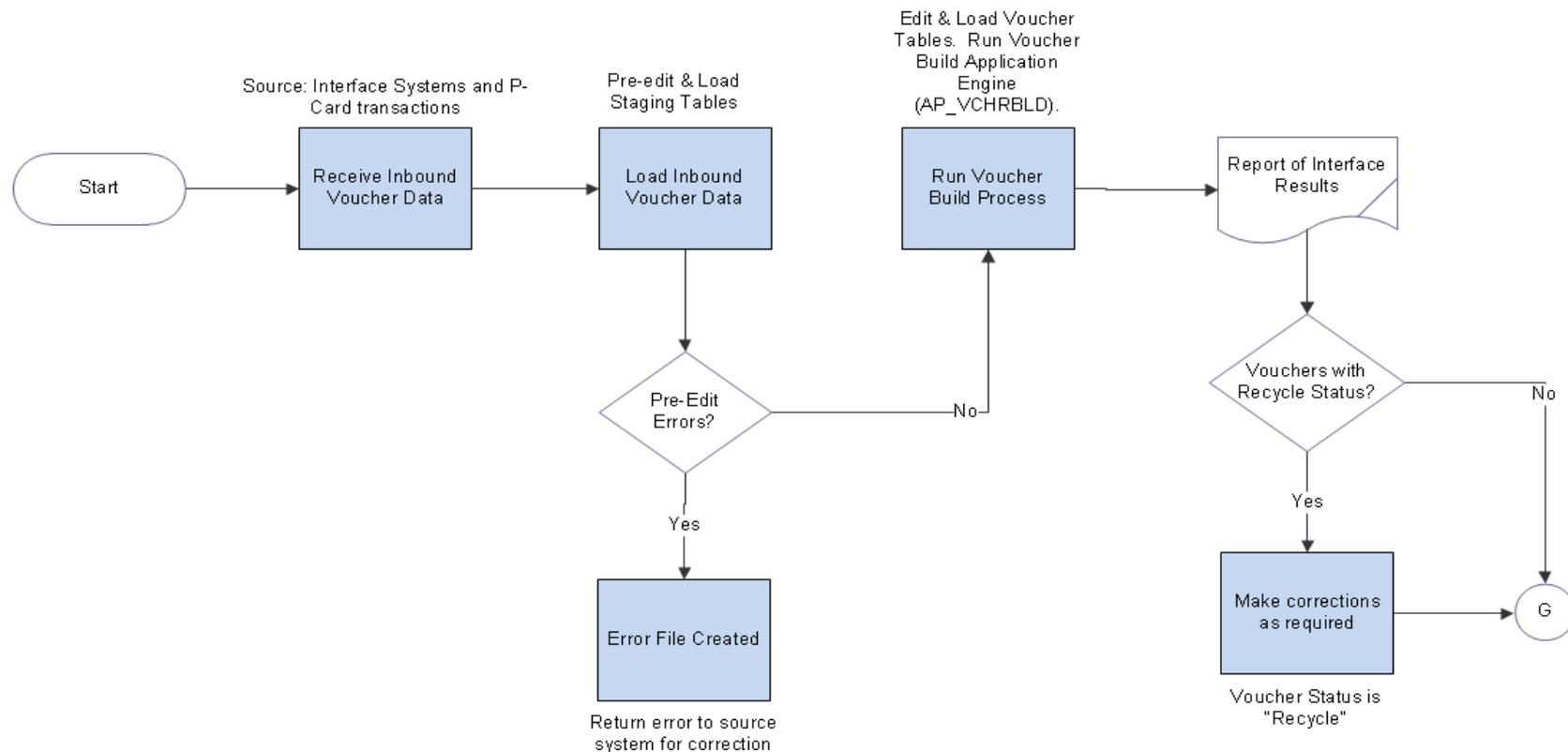


AP Enter and Process Voucher – Maintain Voucher

Department AP Supervisor/Maintainer
SCO AP Maintainer

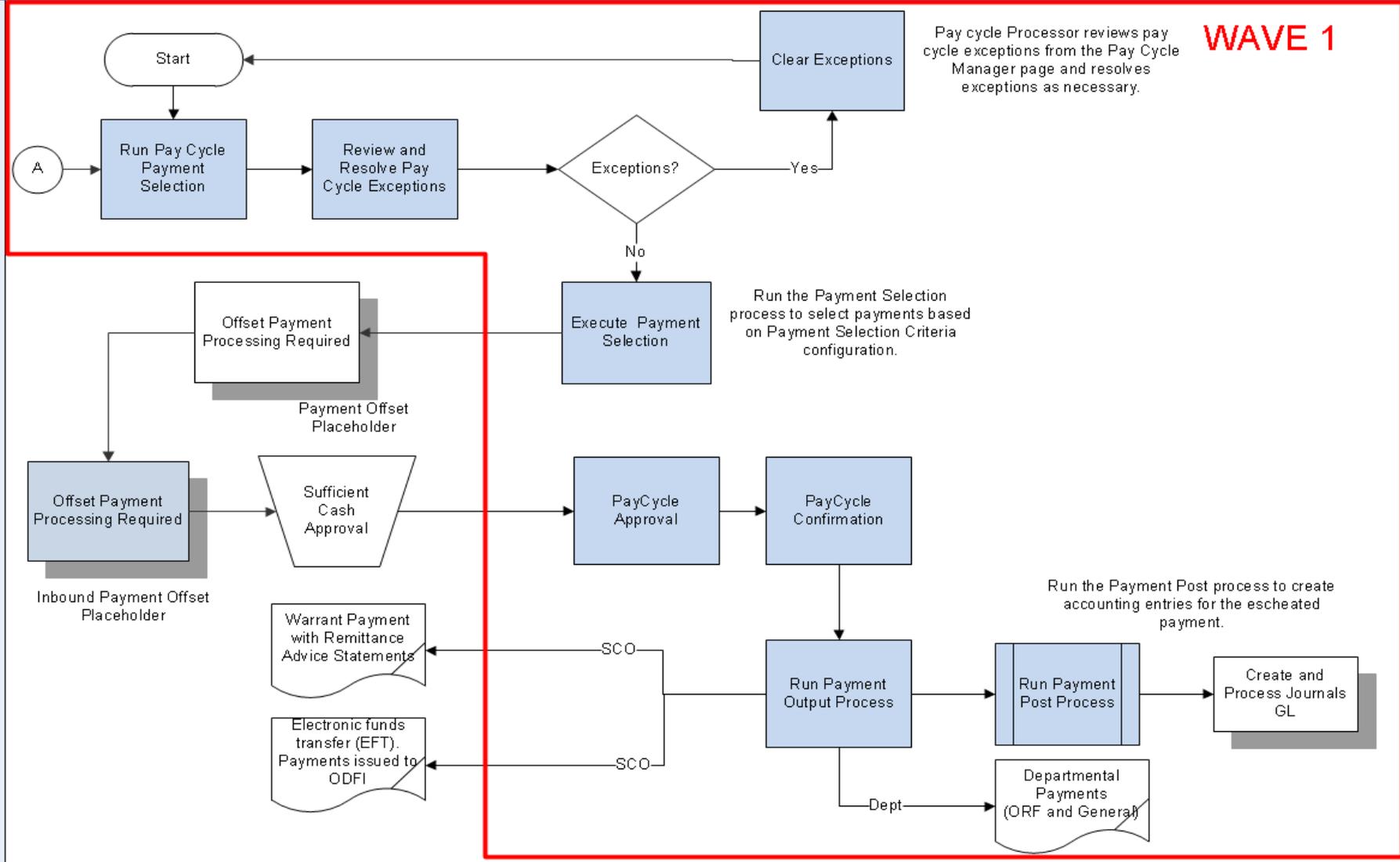






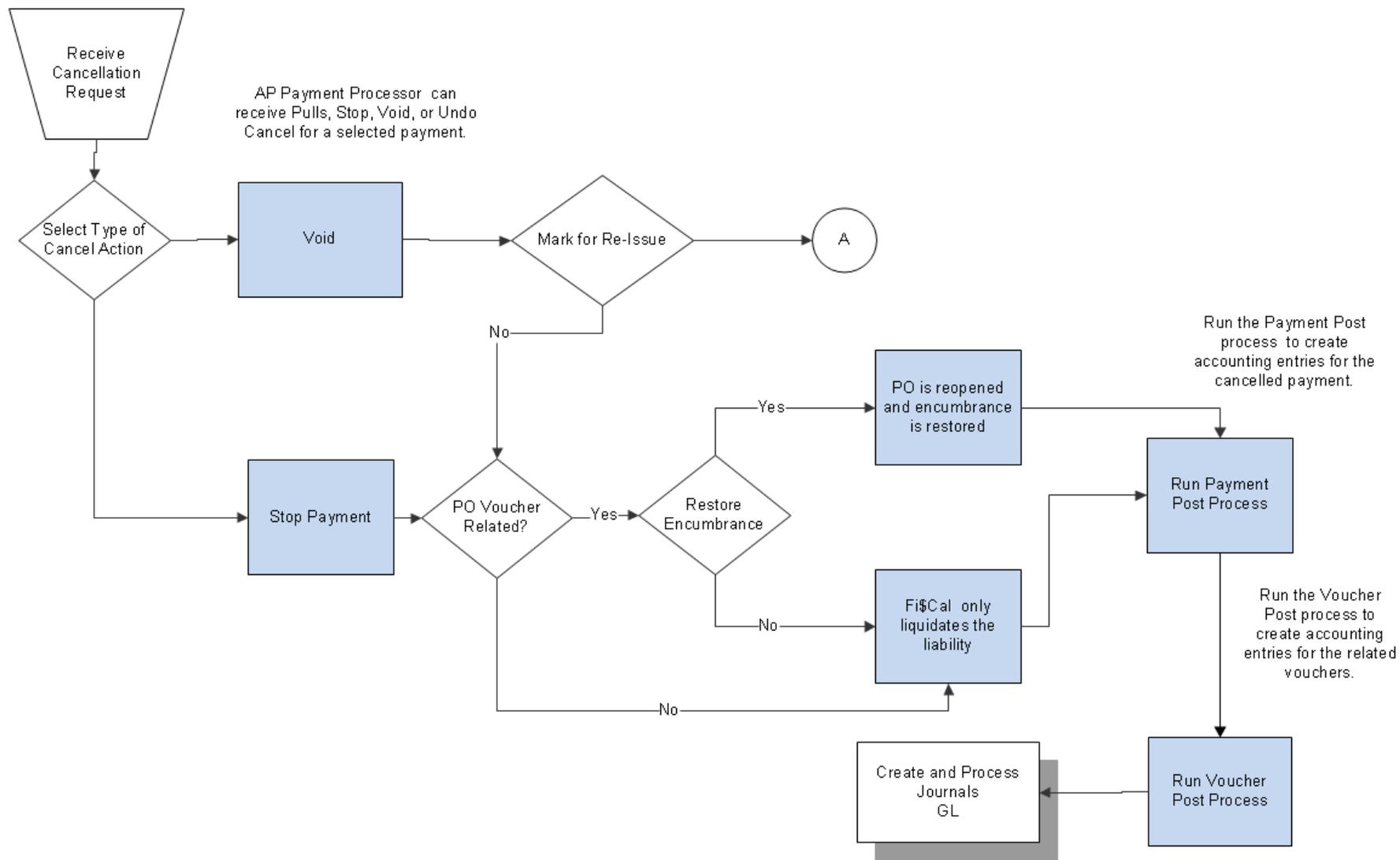
AP Process Payments – Run PayCycle

Department Pay cycle Processor
Central Pay cycle Processor (Wave 2)



AP Process Payments – Maintain Payments

Department Payment Maintainer



AP/PO- Vendor Management – Enter 1099 Withholding Vendor

Department/Central Vendor Processor

