



FI\$Cal

Financial Information System for California

FI\$Cal Solution Walkthrough (SWT): Cash Management

July 2016 Departmental Release

Agenda

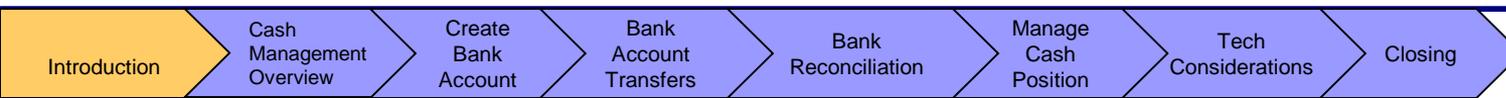
- Solution Walkthrough Objectives
- Cash Management Solution Overview
- Cash Management Processes:
 - Create Bank Account
 - Bank Account Transfer
 - Bank Account Reconciliation
 - Manage Cash Position
- Technology Considerations
- Session Recap
- Q&A Session



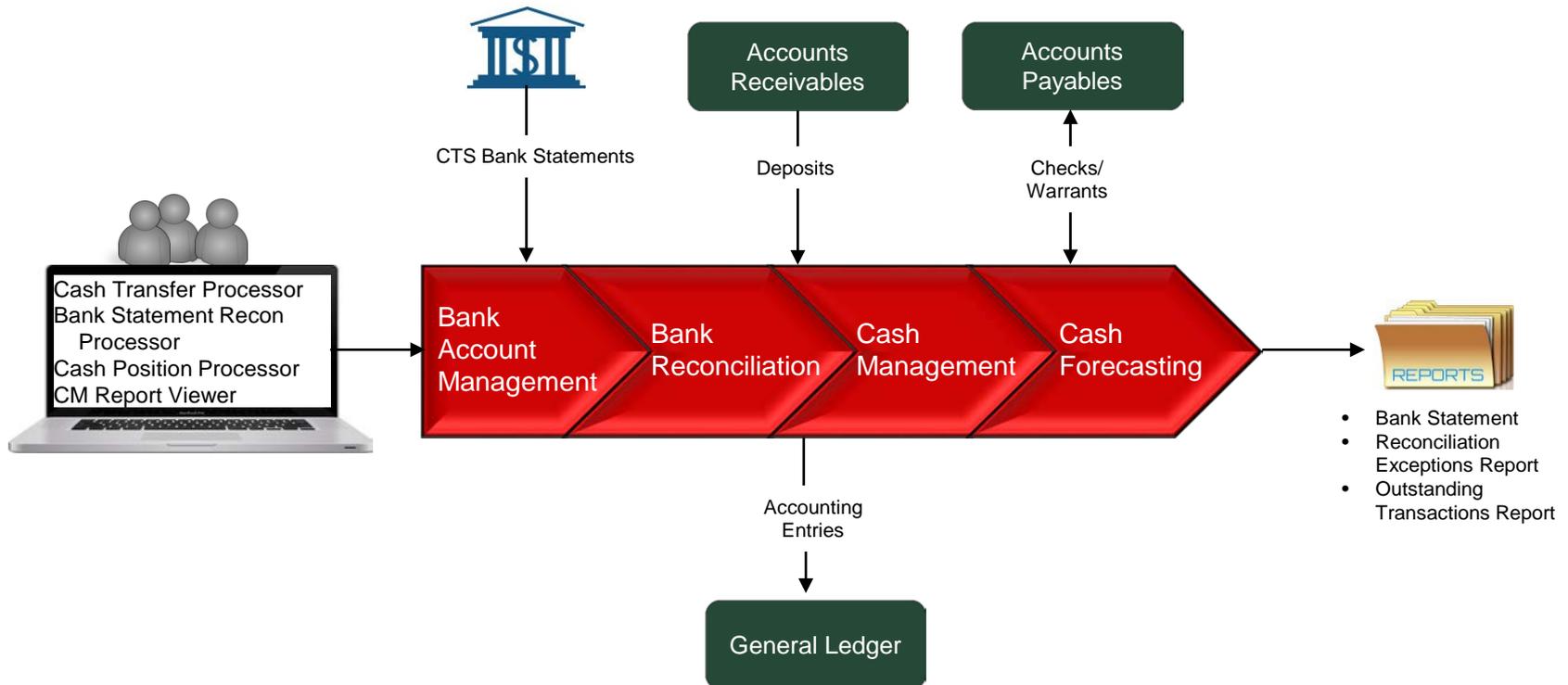
SWT Objectives

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



Cash Management Overview



FI\$Cal's Cash Management Benefits

- Easily tracks movement of funds in Bank accounts and ensures adequate accounting of cash.
- Involves the configuration setup of the FI\$Cal Bank (State Bank), the CTS Accounts, the Warrant Account and the Internal Transaction Account.
- Process that reconciles system transactions to bank statements and gives control agencies and departments the ability to manage reconciliation.
- Enables control agencies and departments to view the position of cash in the appropriate bank account.
- Benefits of web based payment and reporting solutions between Department and banks or external systems.
- Departments can download CTS bank statements.



Cash Management Key Terms

Term	Definition
Warrant Account	SCO Account from which warrants are drawn.
Bank Statement Reconciliation	The process used to reconcile FI\$Cal transactions to imported bank statement transactions.
Item Processing Section (IPS)	The STO section whose system generates the Paid Items file.
Centralized Treasury Trust System (CTTS)	SCO's system that records department bank statement transactions and provides monthly department bank statements.

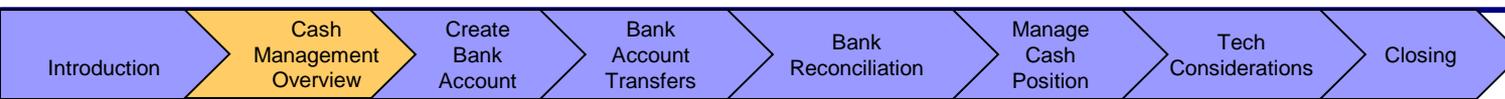
What **IS NOT** Changing for FI\$Cal

- The following bank types will continue to be captured outside FI\$Cal:
 - Depository and Presenting banks
 - SCO bank contracts
 - STO bank agreements

- The following process will continue as they are today:
 - Requests for new bank accounts
 - Zero Balance Account (ZBA) management and reconciliation will remain the same as it is today

What is Included in FI\$Cal

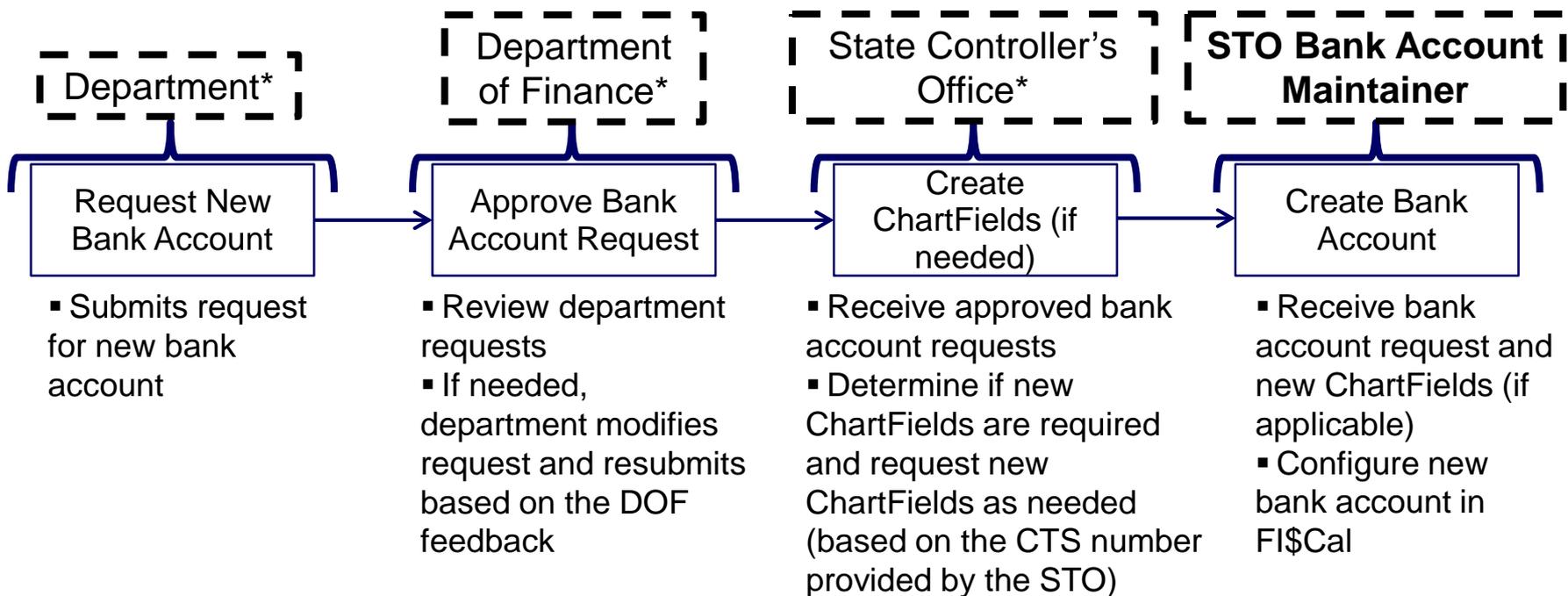
- Department-level cash data will be contained in the FI\$Cal General Ledger (GL) and transaction-level modules (for example, Accounts Receivable and Accounts Payable).
- FI\$Cal includes CTS Bank Account conversion and transaction reconciliation.
- Banks and bank account configuration will be maintained by STO.
- ChartFields associated with bank accounts will be determined by SCO.
- Reconciliation will be performed by FI\$Cal overnight on a daily schedule.
- Departments will analyze reconciliation exceptions within FI\$Cal.



Create Bank Account

- Banks and Bank Accounts must be defined.
- Two-Tiered Banking is followed.
 - The State of California operates a two-tiered banking structure:
 - Tier 1: (Future release) Demand Accounts (Physical Bank Accounts) – Cash is not accounted for by Fund.
 - Demand Deposit Accounts at external financial institutions – Treasury BU ownership
 - Tier 2: CTS and Warrant Accounts (Virtual Bank Accounts) – Cash is accounted for by Fund.
 - CTS Accounts – Departmental BU ownership
 - General Cash, ORF Cash, Agency Trust Cash
 - Warrant Account – Statewide BU ownership
 - Cash in State Treasury

Create Bank Account



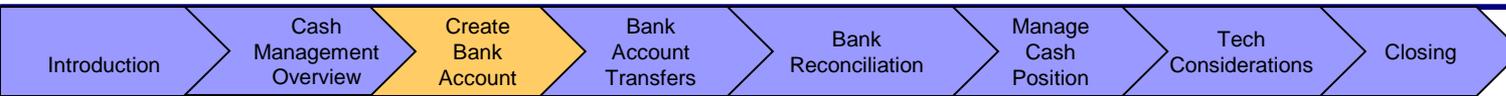
* Not a FI\$Cal System role

Bank Information

- The Bank Information page will be used to define Bank information for the Banks with which State of California has banking relationship.
- The Address Information Page may be used to enter Bank contact information.
- The Bank Contact Notes page may be used to enter general notes, but will only be viewable by the STO.

Bank Branch Information

- A branch, banking center, or financial center is a retail location where a bank, credit union, or other financial institution (and by extension, brokerage firms) offers a wide array of face-to-face and automated services to its customers.
- For Centralized Treasury accounts, each department will be configured as a bank branch so their “remit to” address can be printed on the invoices they send out.



External Accounts

- External accounts in PeopleSoft normally represent accounts at physical ("brick and mortar") financial institutions.
- The State will be using PeopleSoft External accounts to configure departmental CTS accounts which can be used across modules (AR, AP, etc.).



External Accounts

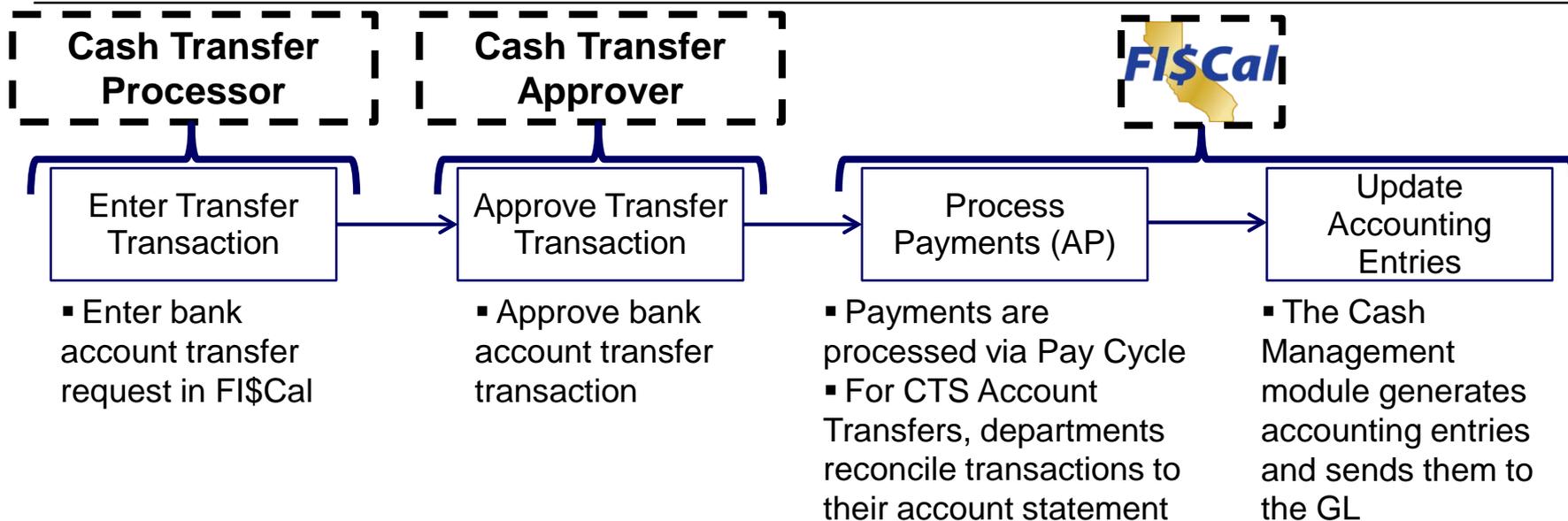
Why are we using external accounts?

- Departments need to make system deposits into and issue department checks from their CTS account.
- SCO needs to make disbursements out of the State Treasury with warrants.
- All of the account activity needs to be reconciled in the CM module.
- Allows for internal transactions such as replenishing a department Office Revolving Fund (ORF), remitting cash to the appropriate Fund in Cash in State Treasury or transferring cash between CTS accounts.

Types of External Accounts

- Two types of External Bank Accounts:
 - Depository Bank (future release)
 - Demand Bank Accounts
 - Zero Balance Accounts
 - SCO EFT Account
 - State Bank
 - Department CTS
 - SCO Warrant
 - Inter-Agency Direct Transfer Account

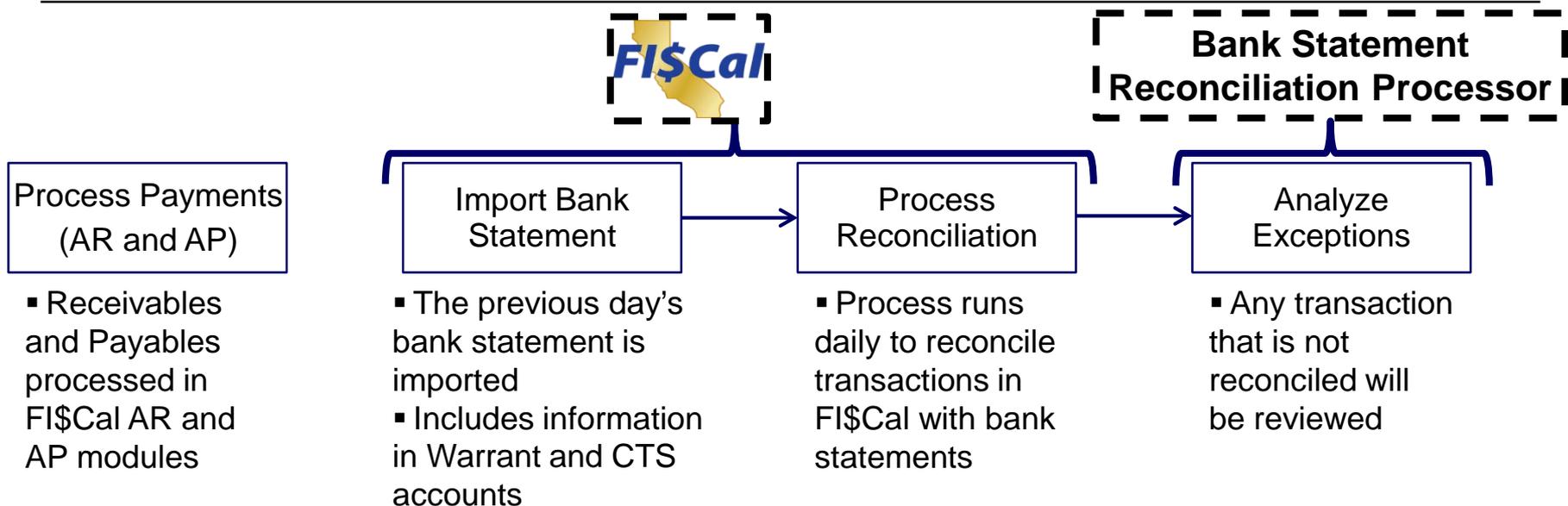
Bank Account Transfers



Key Impacts

- Bank account transfers are used to correct mistakes made in the wrong bank account when recording bank deposits or payments and will move cash between the accounts.
- SCO Approved Cross Business Unit transactions will be keyed by SCO employees in a future release.

Bank Reconciliation



Key Impacts

- SCO analyzes exceptions for Warrant Account.
- Departments analyze exceptions for CTS Accounts.
- Exceptions may be reviewed daily and must be resolved monthly.

Bank Account Reconciliation

- CTS bank account reconciliation matches transactions on the CTS bank tables (bank side) with those on the system (book side) in CM, AR and AP.
- Warrant account reconciliation matches the STO paid warrants (bank side) with the outstanding warrants in AP (book side).
- Internal Transaction Account is a pass-through account for the direct and non-direct transfers.

Automatic Reconciliation

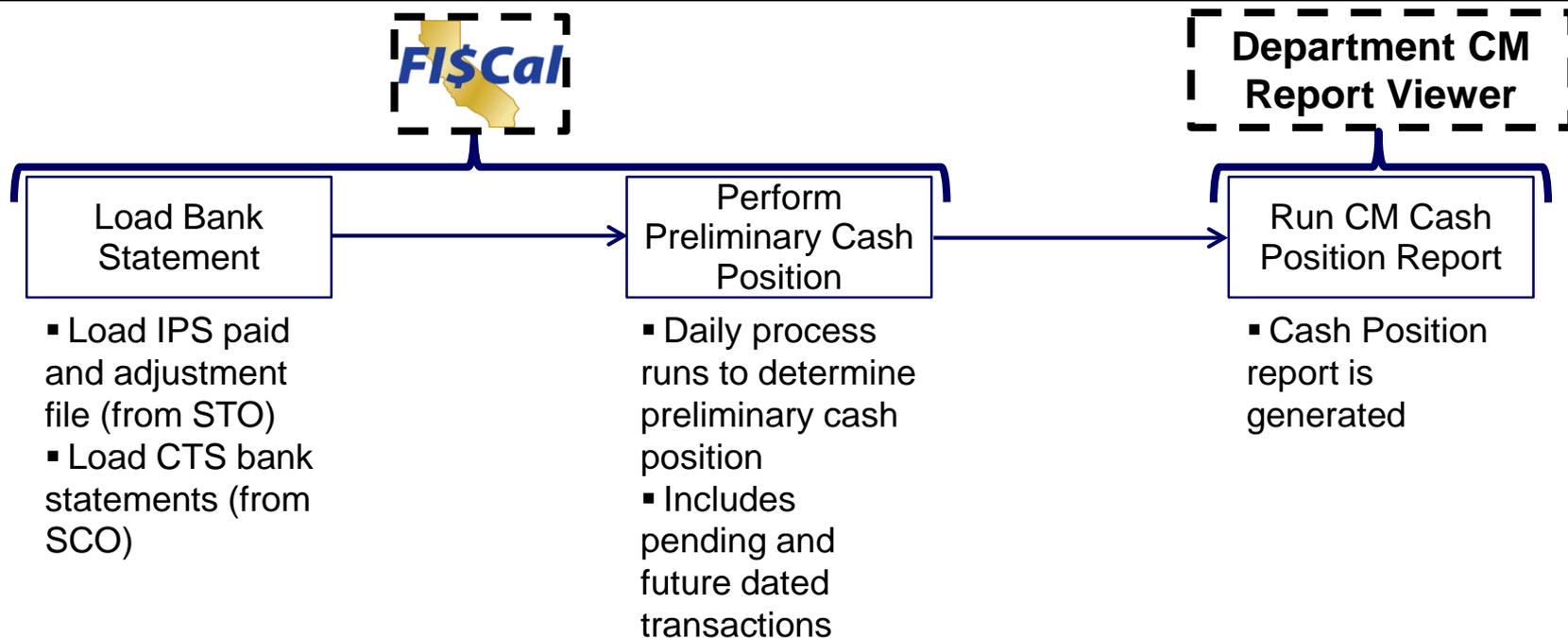
- Automatic Reconciliation
 - System reconciles FI\$Cal transactions to imported bank statement transactions.
 - Items can be matched across dates.
 - Reduce manual reconciliation through the use of an automated matching process and integrated data management.

- Automatic Reconciliation Exception Screen
 - Items that do not match according to the reconciliation rules show up in Automatic Reconciliation Exceptions page.
 - Exceptions should be researched in the module of origin (AP for checks).

Non-Automated Reconciliation

- **Semi Manual Reconciliation:** When items do not match 100% according to the automated reconciliation criteria, semi manual reconciliation page can be used to match items.
 - Items can be matched manually.
 - Total amount of bank transactions must equal to total amount of system transactions.
- **Manual Reconciliation:** This is used to change the reconciliation status of system side transactions that can't be reconciled automatically or on the semi manual reconciliation page.

Manage Cash Position



Key Impacts

- State staff view, monitor, and forecast the balances in any bank account in FI\$Cal associated with their Business Unit.
- FI\$Cal provides visibility into pending and future transactions to support Cash Positioning and Cash Balance Forecasting.

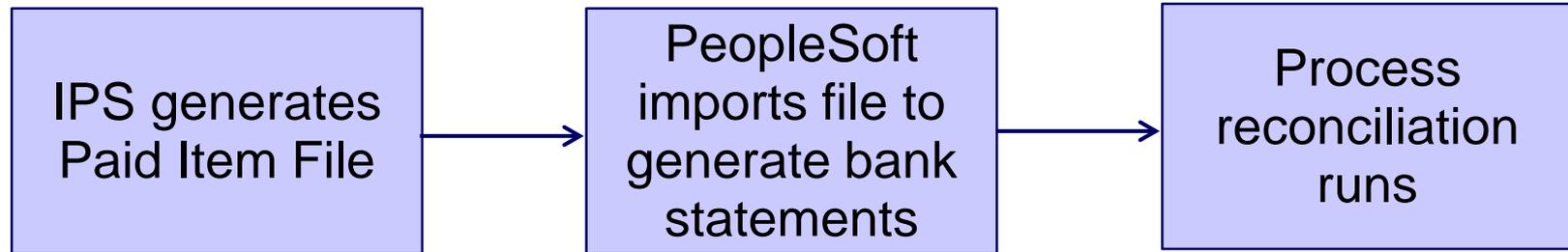
Technology Considerations – Interfaces

Interface	Definition
1. Positive Pay Checks (Outstanding Checks/Stops)	Daily outbound outstanding items and stopped payments file from AP to IPS.
2. Paid Items File (AIAA) from IPS	Daily inbound IPS interface to import Paid Items.
3. Bank Statements File (Treasury Trust) from SCO	Daily inbound CTTS interface to import CTS bank statements

Key Impacts

- These are already existing interfaces that will require limited information from your department.
- To qualify for the STO positive pay checks interface a department needs to be current in their issued checks and check reconciliations.
- All departments will be automatically enrolled in the paid items file interface based on FI\$Cal configuration.

Technology Considerations - Interfaces



IPS Paid Item Interface

- FI\$Cal receives a daily inbound file from STO - IPS of the warrants and checks.
- FI\$Cal processes only certain types of warrants and checks for FI\$Cal departments and ignores the rest of the transactions.
- The system reconciles bank statement transactions to system side transactions after the file is loaded.

Session Recap

- Key Considerations
- Action Items
- Open Questions



More Information Can be Found at...



FI\$Cal Project Information:

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