



One state. One system.

Loan Accounting Business Process Workshop (BPW)

2017 Departmental Release



Agenda

- BPW Objectives
- What You Should Take Away
- Accounts Payable Overview
- User Roles Summary
- Key Terms
- Business Processes
- Identifying Change Impacts
- Next Steps
- Appendix

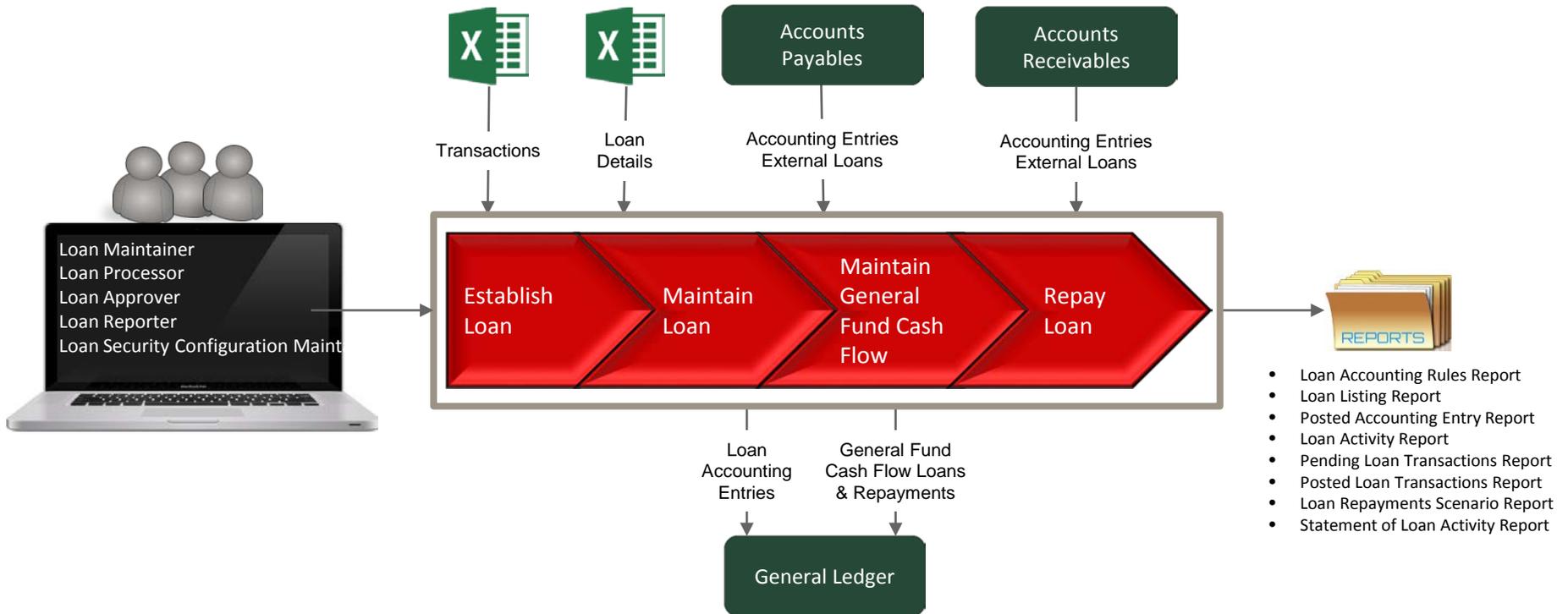
BPW Objectives

- 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
Loan Participant	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.
Loan Transaction	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.
Interest Accrual	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
Repayment Schedule	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.
Scenario	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.
Loan Balance	The total outstanding amount of the loan including principal, interest, fees, penalties, etc.

Key Terms

Term	Definition
Loan Type	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.
Principal	The base loan amount from borrowing transactions that does not include interest, fees, penalties, etc.
Transaction Amount	The total amount of a transaction being applied to a loan's balance.
Status	The current state of the loan sequence. Statuses include Active, Inactive, Closed and Closed by Rollover

Key Terms

Term	Definition
Managing Business Unit	Business Unit of the Department who is managing the loan. Some departments will have the ability to manage loans on behalf of other departments.
Loan Sequence	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

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

Control Roles Summary

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

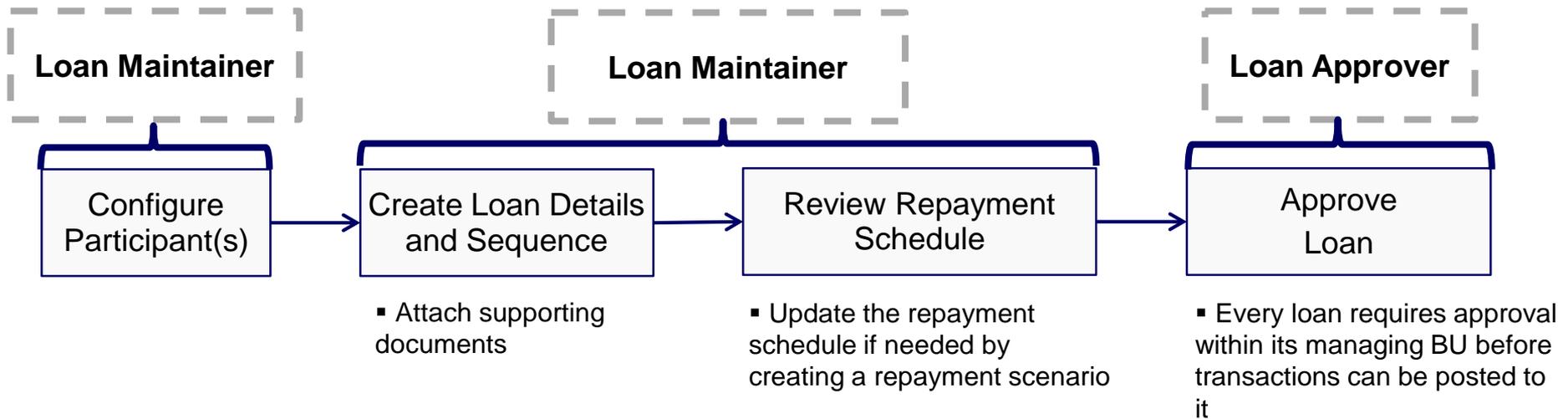
Establishing Loans

- 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.

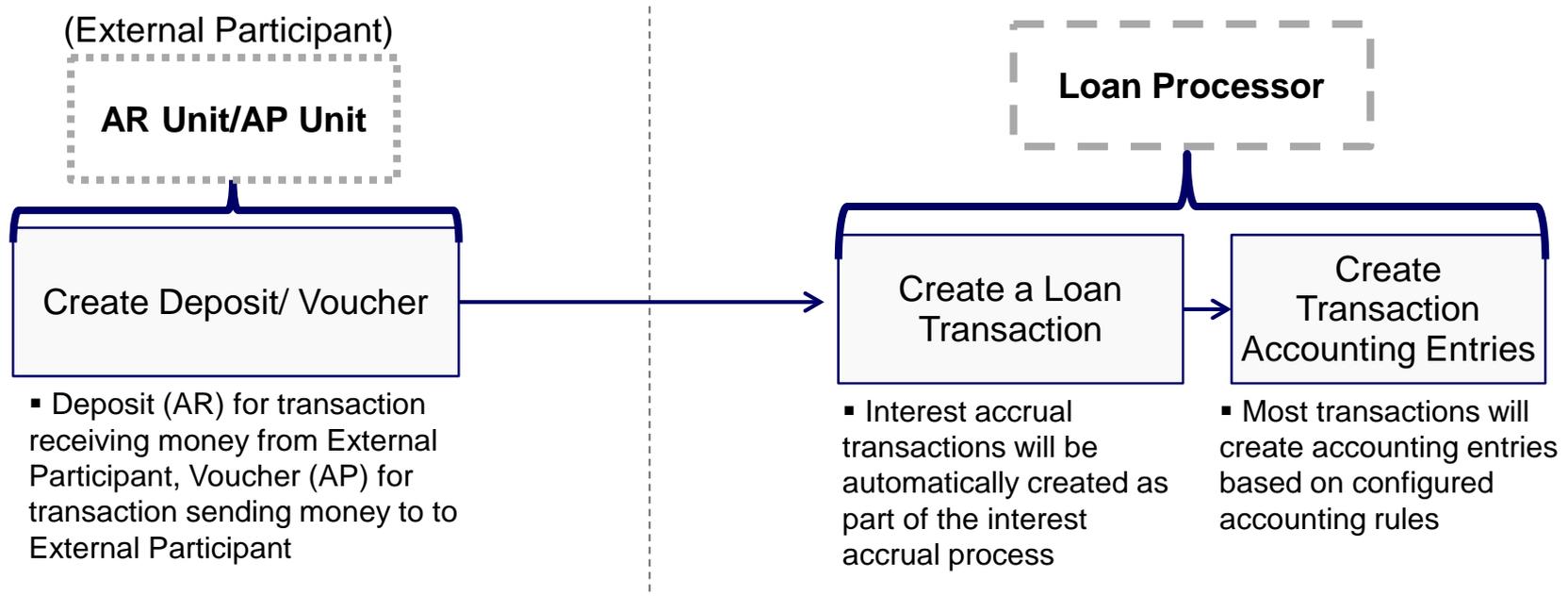
Demonstration



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.

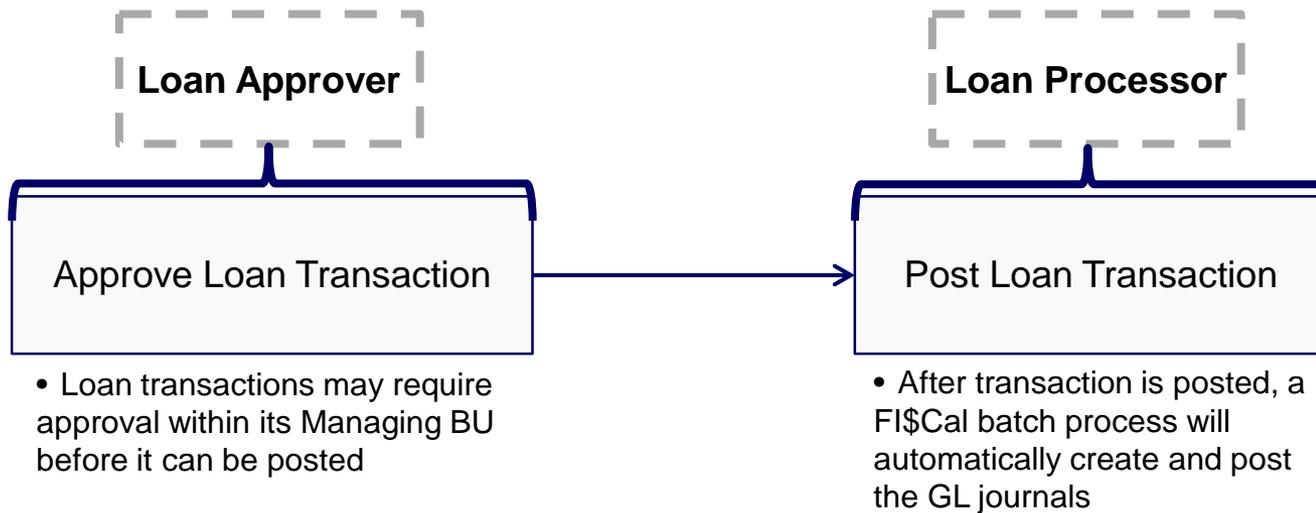
Process Loan Transactions



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 & 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

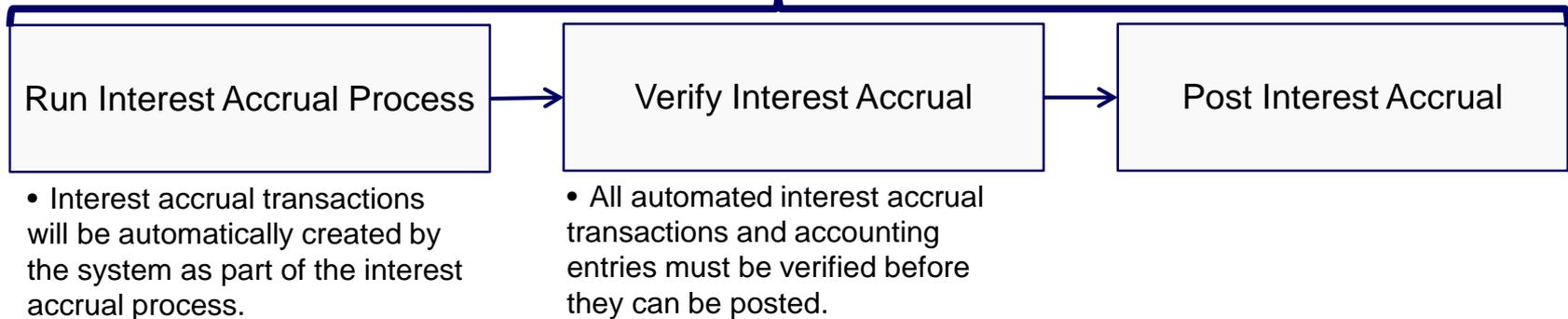


Repaying Loans

- 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

Loan Maintainer

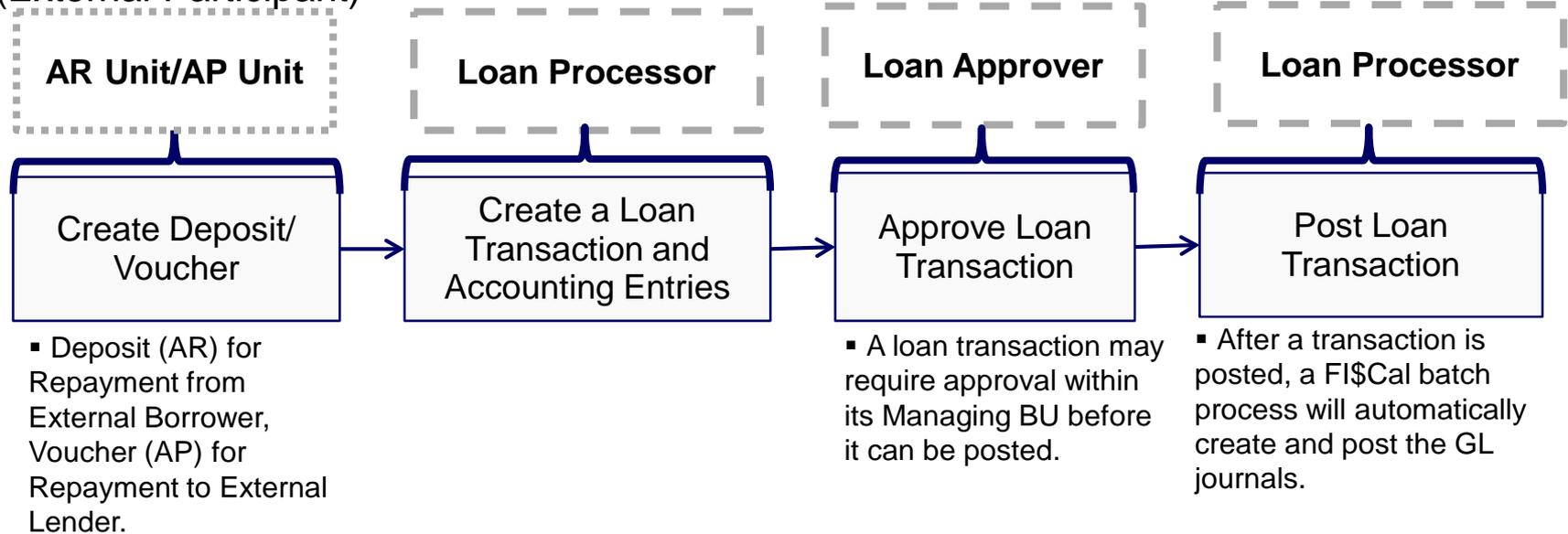


Key Impacts

- 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

(External Participant)



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 inactivate/close the loan if no further borrowings are planned.

Demonstration



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.

Change Impact Activity(Continued)

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 – Excel document for departments to identify and 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
- Complete the BPW Change Impact Tool
 - BUSN625: Identify Department-Specific Change Impacts
- Review with your FI\$Cal CMO Department Readiness Coordinator
 - Identify and work on updating internal department policies, processes, and documentation.
- Prepare for:
 - Role Mapping Workshop (TECH727) –January
 - Change Workshop (READ720) –February/March
 - End-User Training (TRNG706) –May through June
 - User Support Labs (TRNG713) –July

Next Steps

- **Role Mapping Workshop** – Workshop to review the FI\$Cal Role Mapping Template, answer any questions about the roles presented in BPWs, and begin assigning end-user roles.
- **Change Workshop** – Workshop to help prepare managers and supervisors for conversations with department end users on the new FI\$Cal business processes and their FI\$Cal end-user roles.
- **End-User Training** – Training for department end users that will need to use the System in their assigned FI\$Cal end-user roles.
- **User Support Labs** – Sessions for end-users to bring real life examples to FI\$Cal for transaction assistance from FI\$Cal Subject Matter Experts.

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

- 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 

Loan Details

Loan ID DEMO1 *Managed By 0000 🔍

Creation Date 09/12/2016

*Description

Long Description

*Loan Type 🔍 Interfund *SubType ▾

Source ▾ Category ▾

Borrower 0000000027 **Managing Business Unit** 0820

Lender INTERFUND **Managing Business Unit** 0000

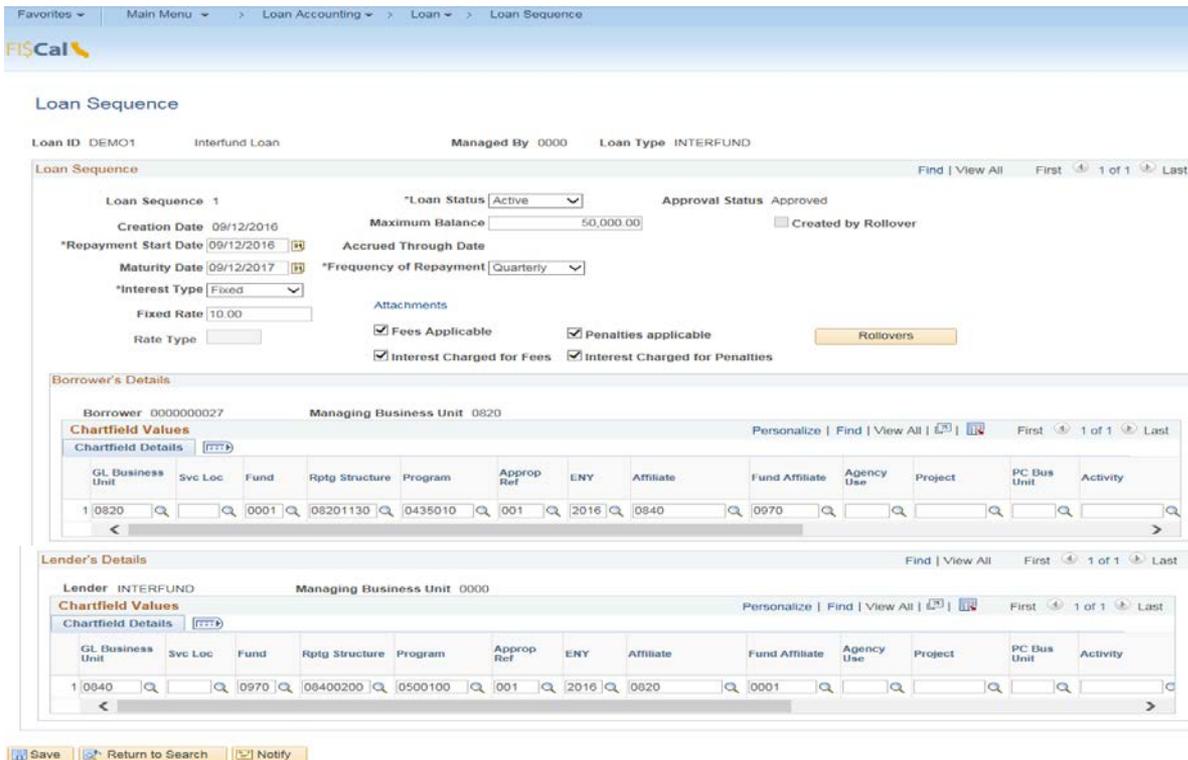
Comments 

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



The screenshot displays the 'Loan Sequence' page in the FI\$Cal system. The breadcrumb trail at the top reads: 'Main Menu > Loan Accounting > Loan > Loan Sequence'. The page title is 'Loan Sequence'.

Loan Sequence 1
 Loan ID: DEMO1 | Interfund Loan | Managed By: 0000 | Loan Type: INTERFUND

Loan Details:
 *Loan Status: Active | Approval Status: Approved
 Creation Date: 09/12/2016 | Maximum Balance: 50,000.00
 *Repayment Start Date: 09/12/2016 | Accrued Through Date: | Created by Rollover:
 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

Borrower's Details
 Borrower: 000000027 | Managing Business Unit: 0820

GL Business Unit	Svc Loc	Fund	Rptg Structure	Program	Approp Ref	ENY	Affiliate	Fund Affiliate	Agency Use	Project	PC Bus Unit	Activity
1 0820		0001	08201130	0435010	001	2016	0840	0970				

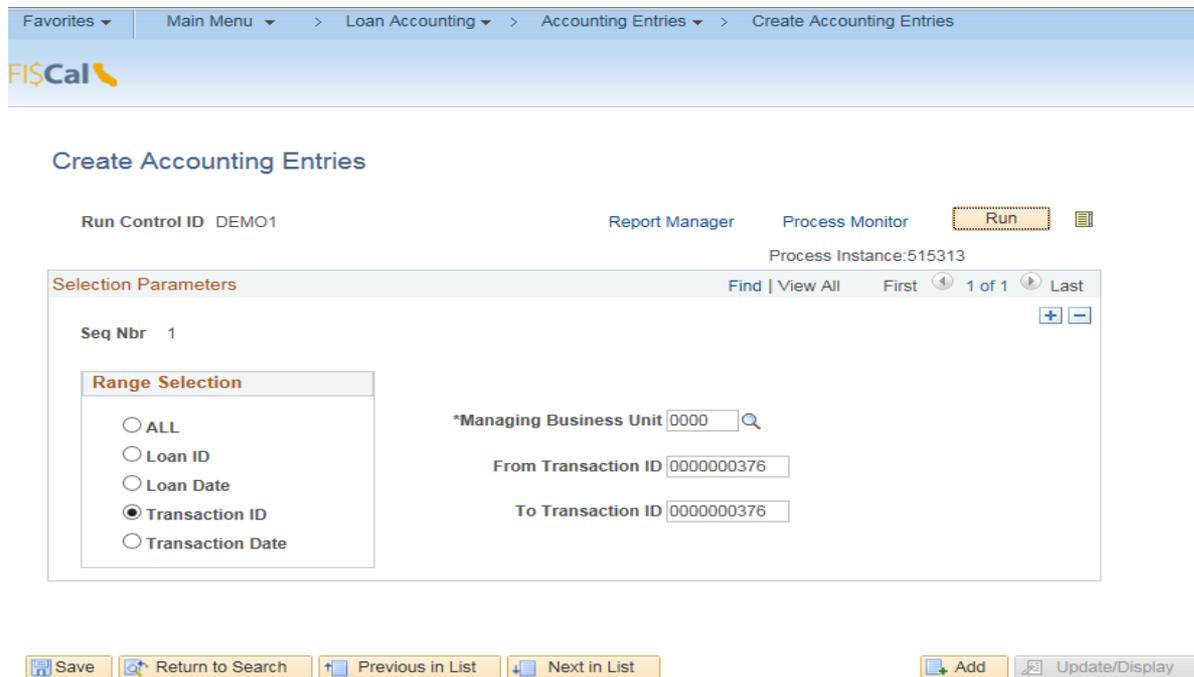
Lender's Details
 Lender: INTERFUND | Managing Business Unit: 0000

GL Business Unit	Svc Loc	Fund	Rptg Structure	Program	Approp Ref	ENY	Affiliate	Fund Affiliate	Agency Use	Project	PC Bus Unit	Activity
1 0940		0970	09400200	0500100	001	2016	0620	0001				

Buttons at the bottom: Save, Return to Search, Notify.

Screenshot

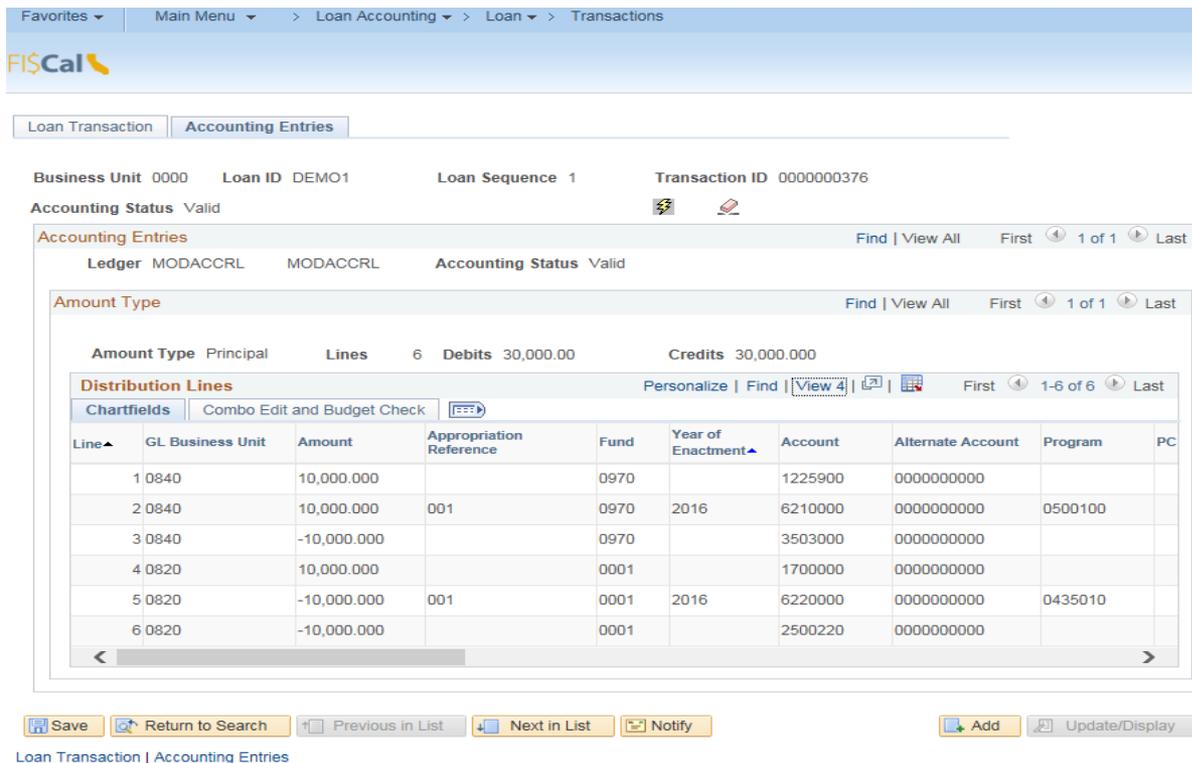
- Loan Transaction Page
 - Main Menu > Loan Accounting > Accounting Entries > Create Accounting Entries



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 are several controls: 'Run Control ID DEMO1', 'Report Manager', 'Process Monitor', and a 'Run' button. The 'Process Instance' is 515313. The main area is titled 'Selection Parameters' and includes a search bar with 'Find | View All' and navigation buttons for 'First', '1 of 1', and 'Last'. A 'Seq Nbr' field is set to '1'. A 'Range Selection' box contains radio buttons for 'ALL', 'Loan ID', 'Loan Date', 'Transaction ID' (which is selected), and 'Transaction Date'. To the right of this box are input fields for '*Managing Business Unit' (0000), 'From Transaction ID' (0000000376), and 'To Transaction ID' (0000000376). 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 a loan with 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 lists six entries with their respective GL codes, amounts, and account numbers.

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		