



FI\$Cal

Financial Information System for California

FI\$Cal Solution Walkthrough (SWT): Accounts Receivable and Billing

2017/2018 Release

Agenda

- Solution Walkthrough Objectives
- Billing/Accounts Receivable Overview
- Billing/Accounts Receivable Processes
 - Create and Maintain Customers Process
 - Generate and Adjust Invoices Process
 - Interagency Billing
 - Enter and Maintain Receivables Process
 - Process and Adjust Payments
 - Collect Receivables Process
- Technology Considerations
- System Demonstration
- 2017-18 Release
- Session Recap and Question Answer session



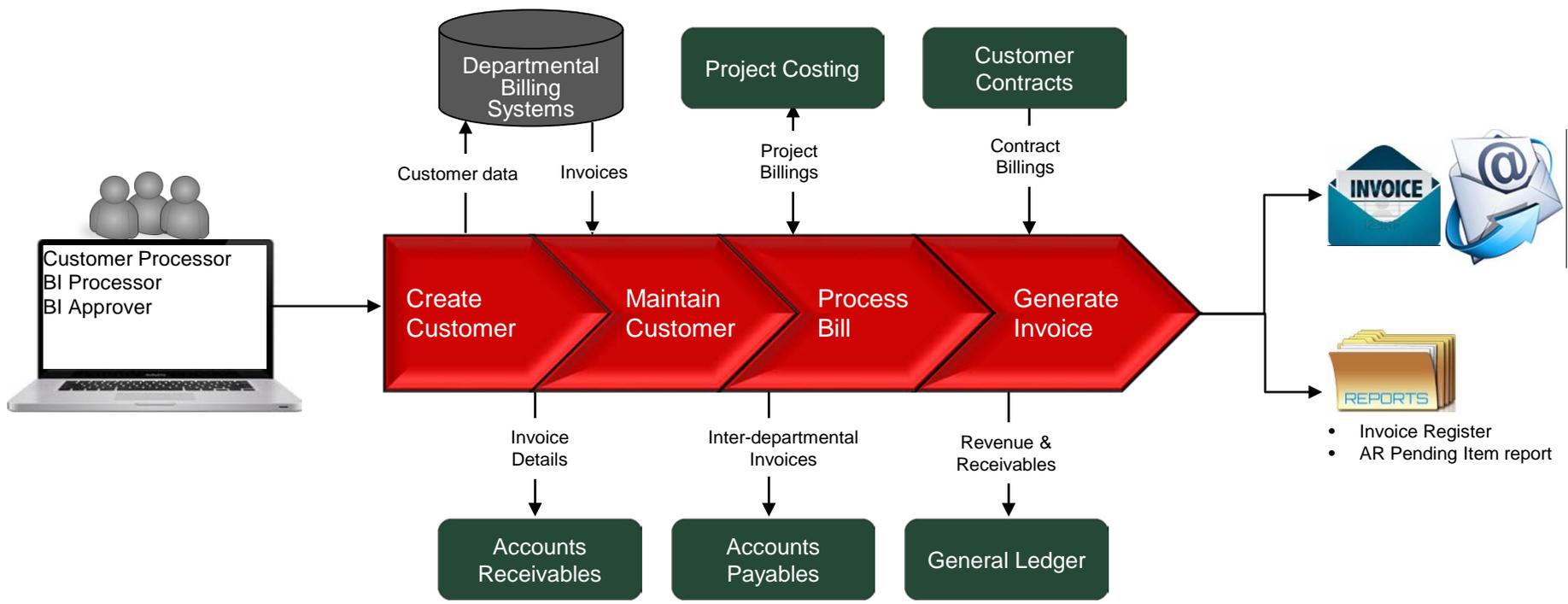
Solution Walkthrough Objectives

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



Billing Solution Overview



FI\$Cal's Billing/Accounts Receivable Benefits

- Customers are maintained by each Department.
- Parent-child relationship may be established in FI\$Cal.
- Customer conversations can be recorded for collection purposes.
- FI\$Cal will track receivables and payments from customer.
- Payments can be automatically applied to open receivables.
- Reminder Letters can be sent to the customers for over-due payments and late payment charges will be applied accordingly.
- FI\$Cal handles write-off approvals electronically in the system when configured.
- Billable charges from Projects and Grants will be integrated with the FI\$Cal Billing module allowing the charges to flow into the Billing module for invoice generation.

Create and Maintain Customers Key Terms

Term	Definition
Customer	An entity which receives goods or services from a department and/or owes money to the State.
Customer Contact	Individual or unit associated with a customer that the department may interact with for Billing and Accounts Receivable purposes.
Customer Hierarchy	A tiered-structure formed from linking customers in one or more levels of parent-child relationships.
Customer ID	A unique value/identifier assigned to a customer for tracking a customer profile in the system.

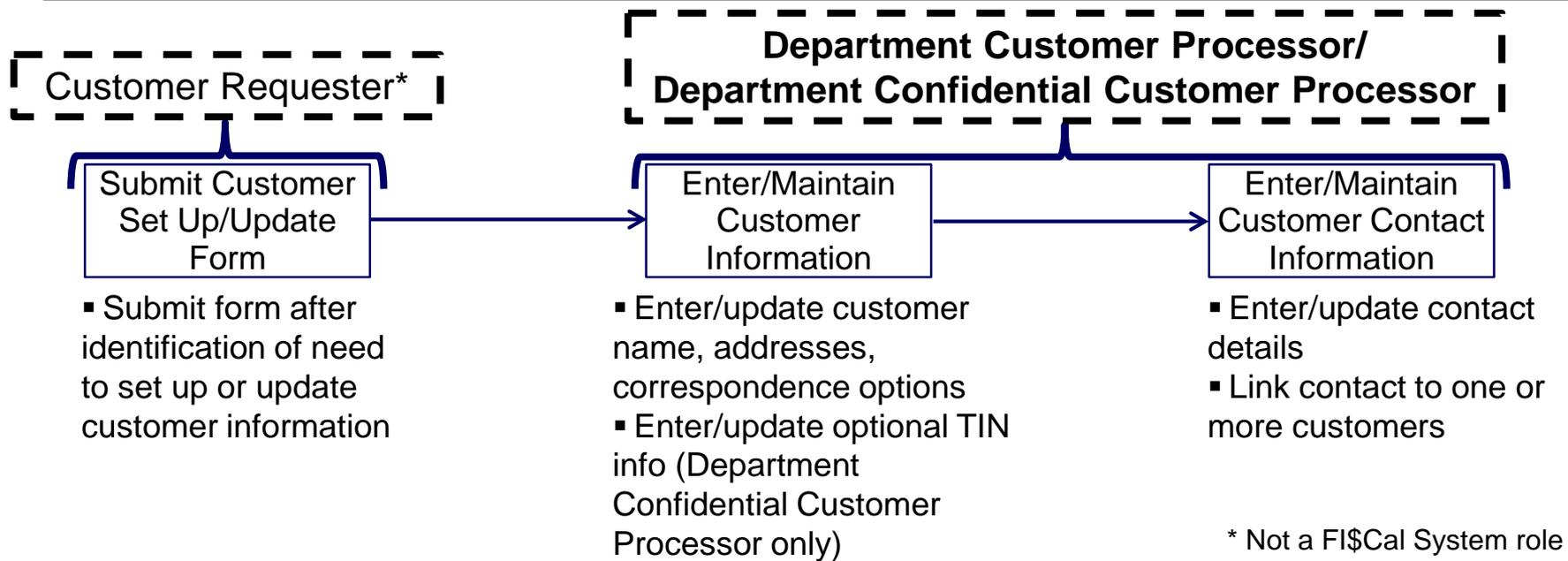
Create and Maintain Customers Overview

- The Set Up and Maintain Customers business process is an integral part of billing and accounts receivable function. It supports key activities, such as creating Bills, invoices, tracking receivables, recording receipts, and collecting on receivables.
- Customer setup is required to generate invoices and track receivables.
- In FI\$Cal, Departments only need to create Customers once. Updates can be made to the customer Information whenever required, e.g. Change in address, status etc.
- Multiple addresses and contacts may be associated with a single customer.

Create and Maintain Customers: Overview

- A department's customer file may contain many types of customers, such as: External entities and individuals, State departments/agencies, Local governments, Federal agencies and State employees.
- Parent-child relationships may be established to link one customer to another customer to form a customer hierarchy for tracking purposes.
- A Taxpayer Identification Number (TIN) for a customer may be stored in FI\$Cal.
 - Confidential Users within the Departments can choose to mask the TIN when entering and updating customer records.

Create and Maintain Customers



Key Impacts

- Standard FI\$Cal form will be used for requesting/updating customer information.
- TIN information will be entered by the Department Confidential Customer Processor Role.
- Employees with outstanding payroll ARs will need to be set up as customers.
- Customer parent-child relationships may be established for reporting purposes.

Generate Invoices Key Terms

Term	Definition
Invoice	A record of goods sold or services provided to a customer.
Pro Forma Invoice	A draft print/output of an in progress invoice. This may be used for reviewing billing charges before finalizing the bill for invoicing.
Credit Invoice	An adjustment or complete reversal of a finalized invoice. A credit invoice is assigned a new invoice number and is linked to the original invoice.
Rebill Invoice	A new invoice generated to adjust a finalized invoice. The rebill is assigned a new invoice number and is linked to the credit and the original invoice.
Voucher	An electronic transaction created for the processing of vendor invoices, apportionments, employee expenses, or adjustments.

Generate and Adjust Invoices Overview

- The Generate and Adjust Invoices business process supports the creation of invoices from billable charges and the subsequent adjustment of finalized invoices within the Billing module.
 - Customers must be established in FI\$Cal prior to creating and adjusting invoices.
 - Billable charges may be manually entered or interfaced into the Billing module.
 - Billable charges from Projects and Grants will be integrated with the FI\$Cal Billing module, allowing the charges to flow into the Billing module for invoice generation.

Generate and Adjust Invoices Overview

- Invoices finalized within the Billing module become outstanding receivables in the Accounts Receivable (AR) module.
 - Payments and collection activities for invoices are tracked within the AR module.

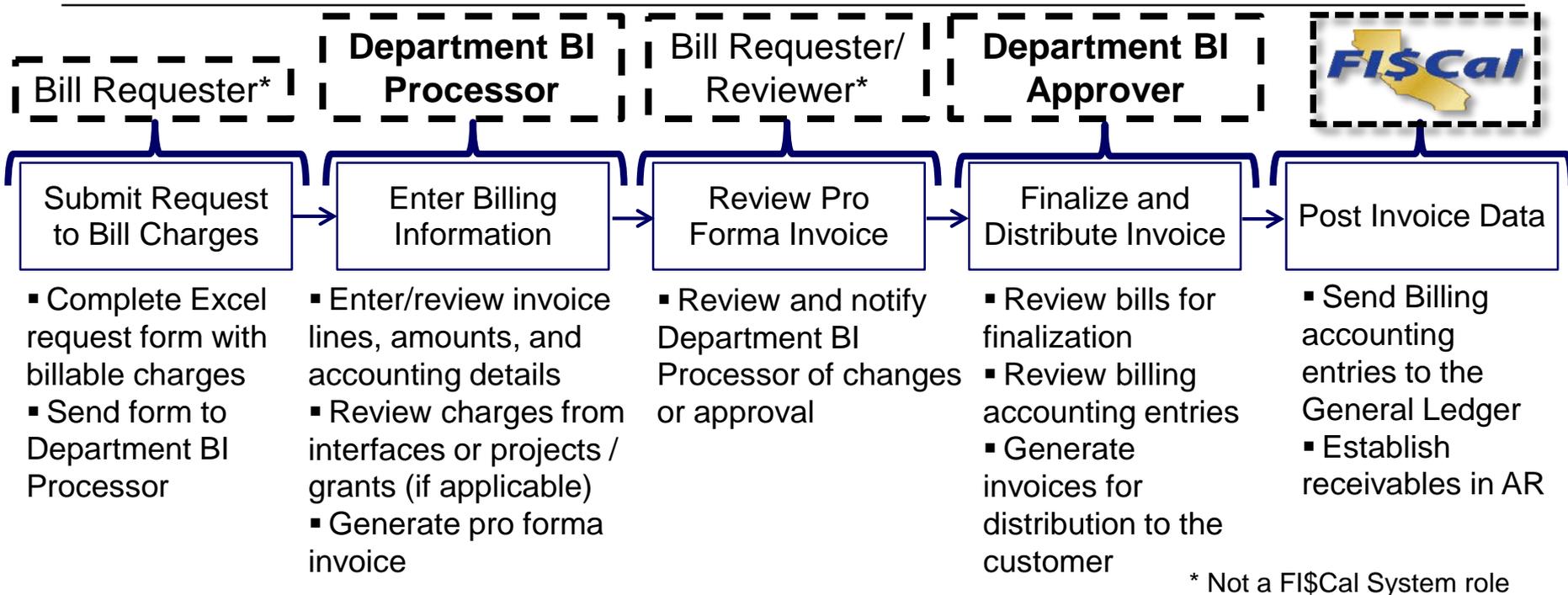
What **IS NOT** Changing in FI\$Cal

- Departments with external systems for collecting billable charges may continue to use those systems and interface the billing data into FI\$Cal for generation of invoices.
- Departments can direct charge other departments by sending direct transfer details to SCO per the existing process.

What is Included in FI\$Cal

- Departments can generate invoices out of the FI\$Cal Billing module for charges that are entered in or interfaced into FI\$Cal.
- System-generated vouchers can be created for interagency invoices from FI\$Cal departments.
- Three standard invoice layouts will be available for generating invoice outputs. The layouts will include a standard bar code with customer ID, invoice number, and amount information. Departments may leverage the bar code information with their scanning devices for processing remittances.
- Departments will have one centralized remittance address that will print on invoices generated in FI\$Cal for the department.

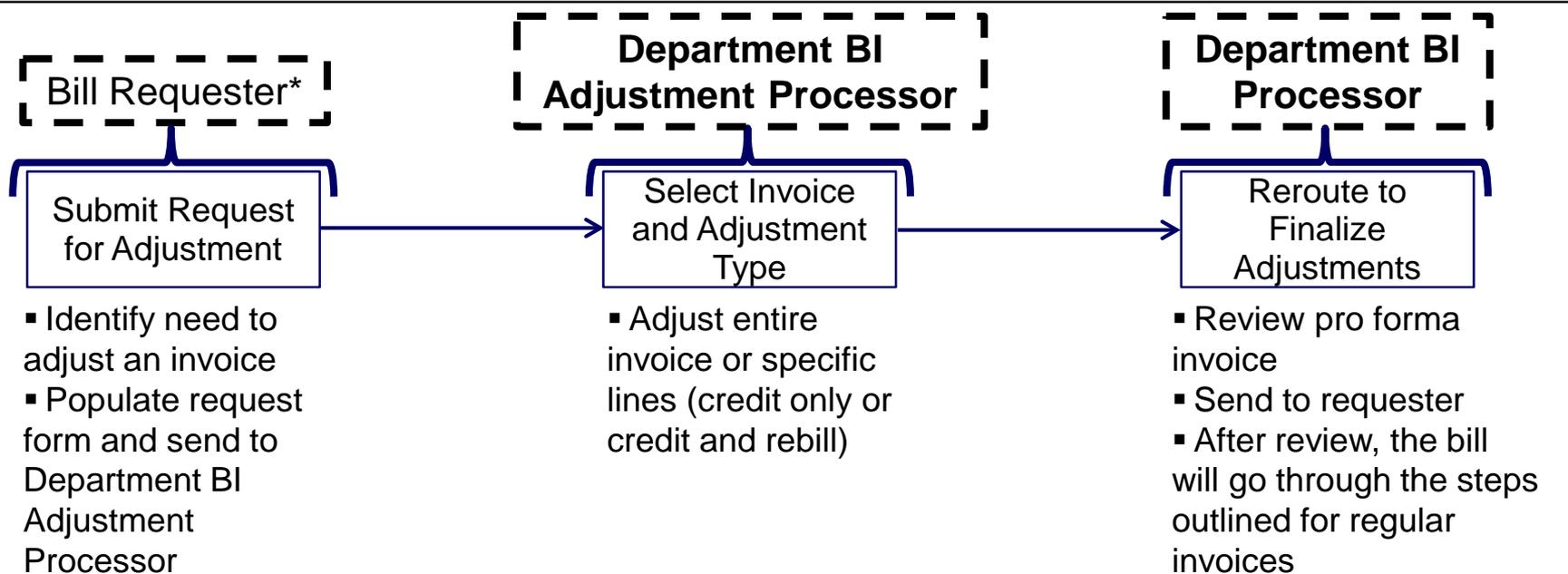
Generate Invoices Flow



Key Impacts

- Standard FI\$Cal Excel form will be used for requesting invoices.
- Billable charges may be entered or interfaced into FI\$Cal.
- Invoices generated from FI\$Cal will send accounting information to the General Ledger and establish receivables in AR.

Adjust Invoices Flow



* Not a FI\$Cal System role

Key Impacts

- Standard FI\$Cal form will be used for requesting invoice adjustments.
- Department BI Adjustment Processor role is needed to initiate adjustment of finalized invoices.
- Adjusted invoices are linked to original invoices in the system for tracking purposes.

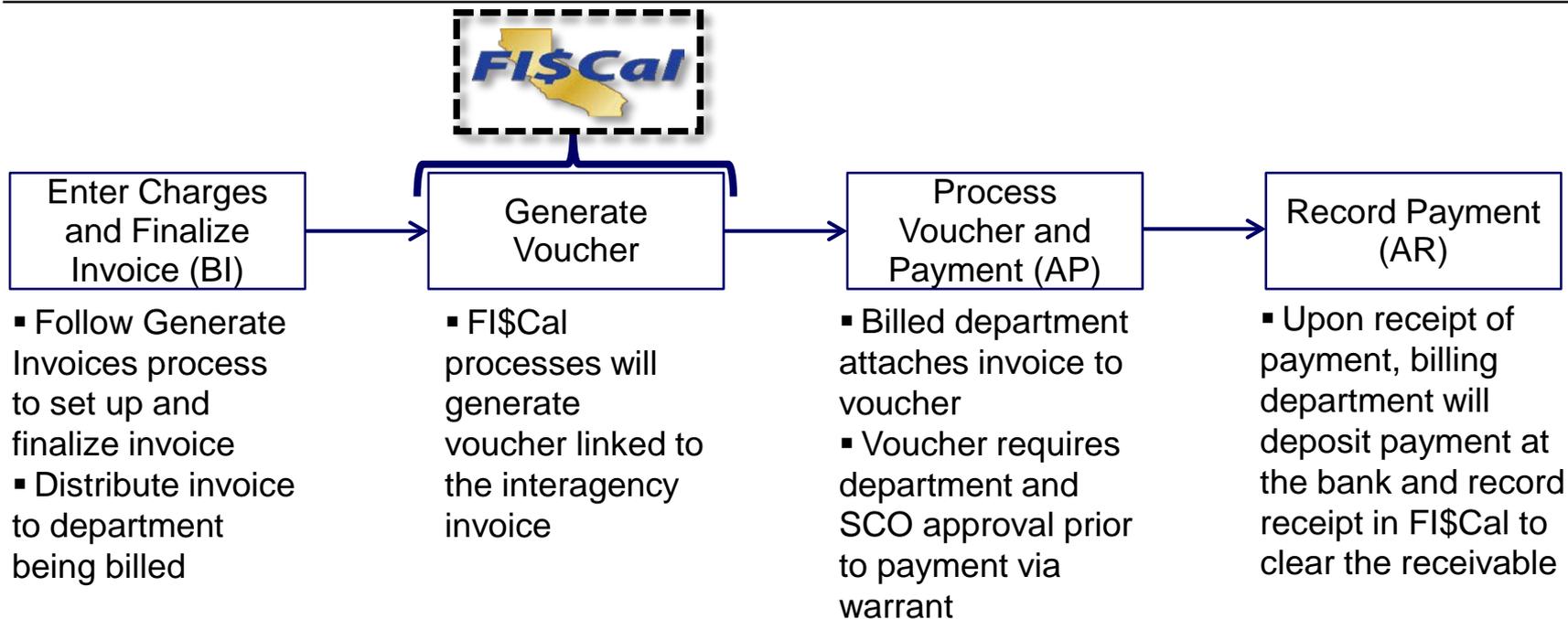
Interagency Billing Overview

- Interagency bills will be recorded and generated in FI\$Cal for departments that are in FI\$Cal.
 - Billing departments:
 - Billing departments in FI\$Cal will set up billed departments as customers. If the billed department is also in FI\$Cal, then the billed department customer will be flagged for interagency billing processing.
 - Billing a FI\$Cal department from FI\$Cal Billing will result in the creation of a voucher in FI\$Cal Accounts Payable for the billed department.
 - Billed departments:
 - Departments will process system-generated vouchers for interagency invoices from FI\$Cal departments.

Interagency Billing Scenarios Summary

- Scenario 1: FI\$Cal department billing another FI\$Cal department
 - 1A: Non-Direct Transfer Charges
 - 1B: Direct Transfer Charges
- Scenario 2: FI\$Cal department billing a non-FI\$Cal department for Direct Transfers or non-Direct Transfers

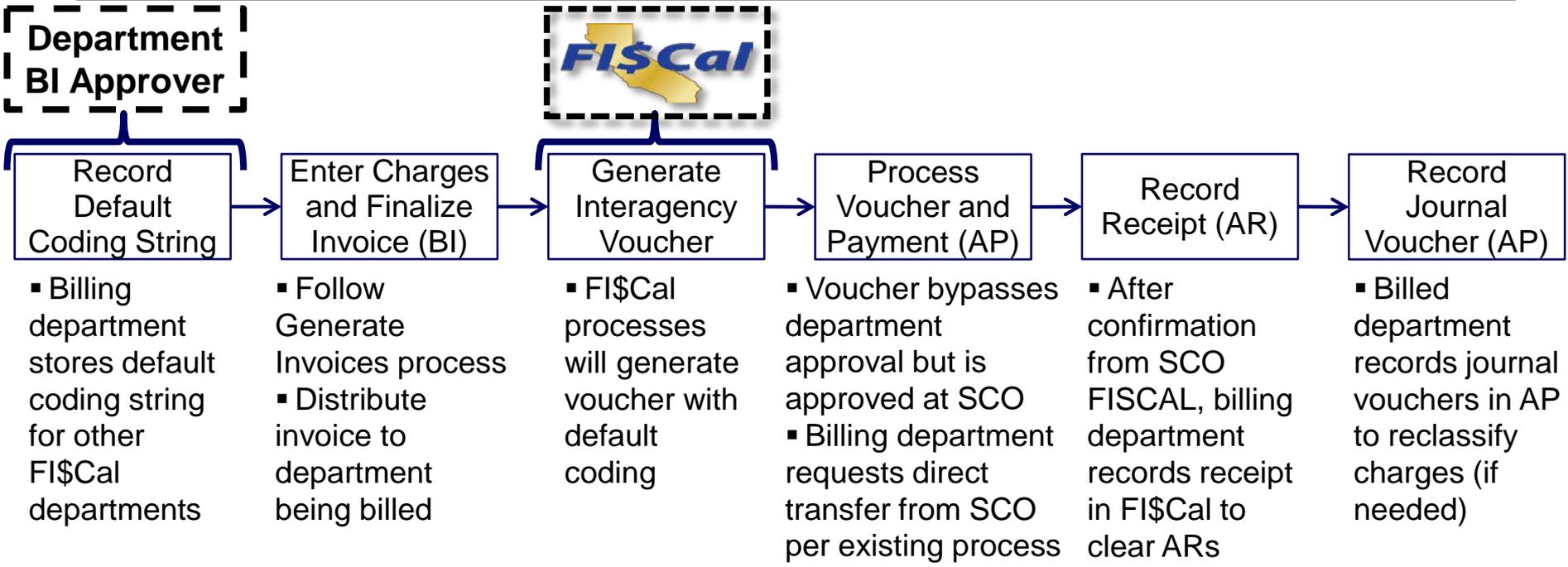
Interagency Scenario 1A: FI\$Cal Dept. Billing FI\$Cal Dept. – Non-Direct Transfers



Key Impacts

- Interagency customers of FI\$Cal departments which are also FI\$Cal departments will be flagged for FI\$Cal interagency billing processing.
- Vouchers for interagency billing reference the interagency invoice number.
- Voucher is routed through appropriate departmental and SCO approvals.

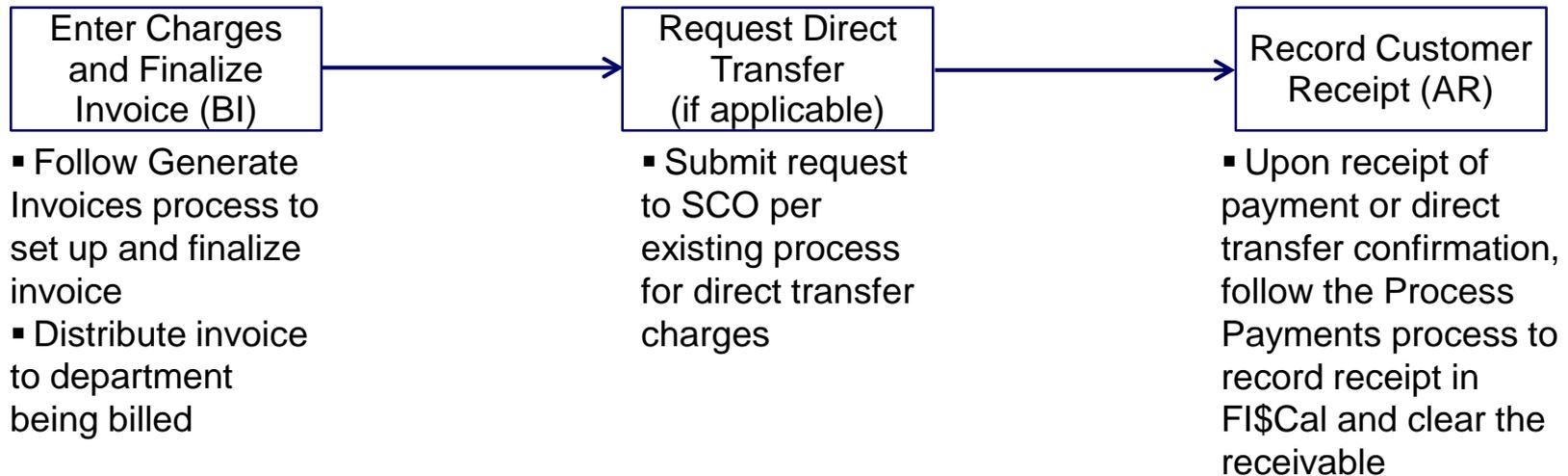
Interagency Scenario 1B: FI\$Cal Dept. Billing FI\$Cal Dept. – Direct Transfers



Key Impacts

- Default coding for FI\$Cal department customers stored in FI\$Cal by billing department.
- Direct transfer vouchers bypass departmental approval but are approved by SCO.
- Billed departments can view direct transfer vouchers on inquiry screens in FI\$Cal.
- Billing department requests direct transfer in SCO Fiscal per existing process.

Interagency Scenario 2: FI\$Cal Dept. Billing Non-FI\$Cal Dept.



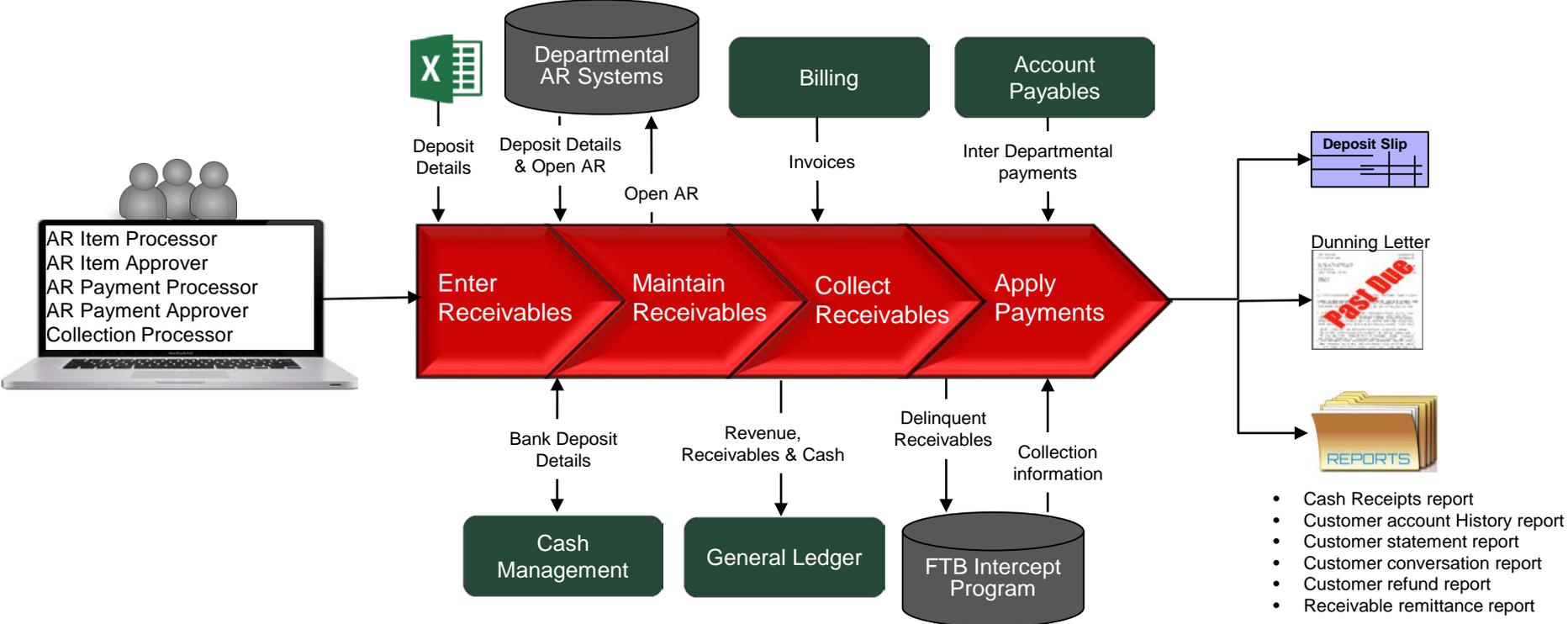
Key Impacts

- Interagency customers which are not using FI\$Cal (i.e. non-FI\$Cal departments) will not be flagged for FI\$Cal interagency billing processing.
- Billing department requests direct transfer in SCO Fiscal per existing process.

Break!!!



Accounts Receivable Overview

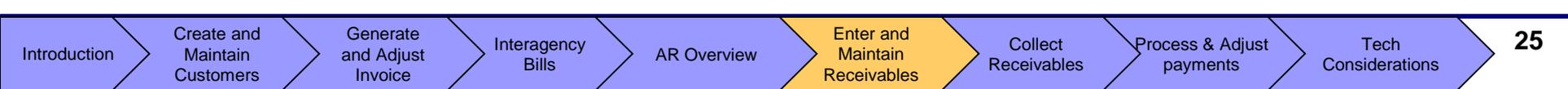


Enter and Maintain Receivables Key Terms

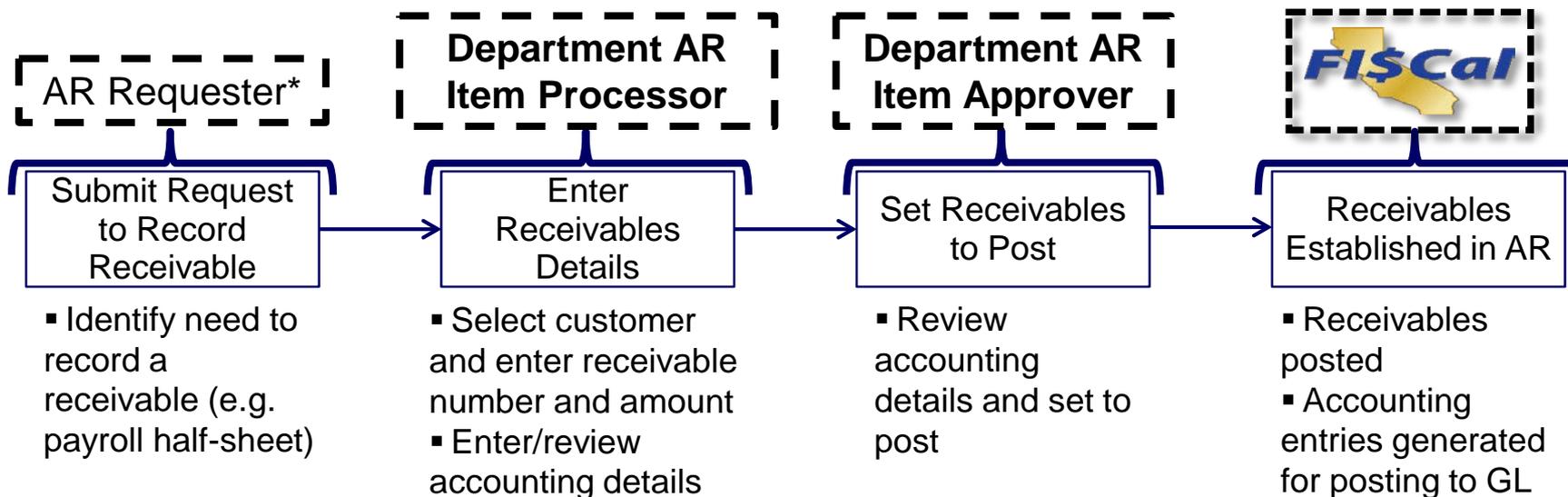
Term	Definition
Receivable	A claim against a debtor, such as a person, business, or governmental entity for money owed to the State.

Enter and Maintain Receivables Overview

- The Enter and Maintain Receivables business process supports the creation and tracking of receivables within the FI\$Cal Accounts Receivable module.
 - Receivables are created by the system for customer invoices generated in FI\$Cal.
 - Receivables can be established directly in the FI\$Cal AR module if an invoice does not need to be generated.



Enter Receivables



* Not a FI\$Cal System role

Key Impacts

- Invoices from the Billing Module are automatically created as receivables in the FI\$Cal AR Module.
- A customer must be set up in FI\$Cal before a receivable can be entered for that customer (including employees).

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

- Departments will still receive employee payroll overpayment information from SCO to set up payroll receivables.

What is Included in FI\$Cal

- Invoices generated in the FI\$Cal Billing module will establish receivables within the FI\$Cal AR module.
- Employee payroll receivables will be entered and maintained within the FI\$Cal AR module.

Collect Receivables Key Terms

Term	Definition
Dunning Letters	Collection letters sent to a customer, on a defined schedule, to collect for overdue receivables.
Overdue Charges	An additional charge to a customer for not paying a receivable prior to the receivable's due date.
Disputes	A customer disagreement regarding an invoice charge from a department. Receivables in FI\$Cal can be marked as in dispute.
Write-off	Process of clearing bad debt/discharging accounts receivable based on a set of approvals.
Refunds	A credit balance that is paid back to a customer.

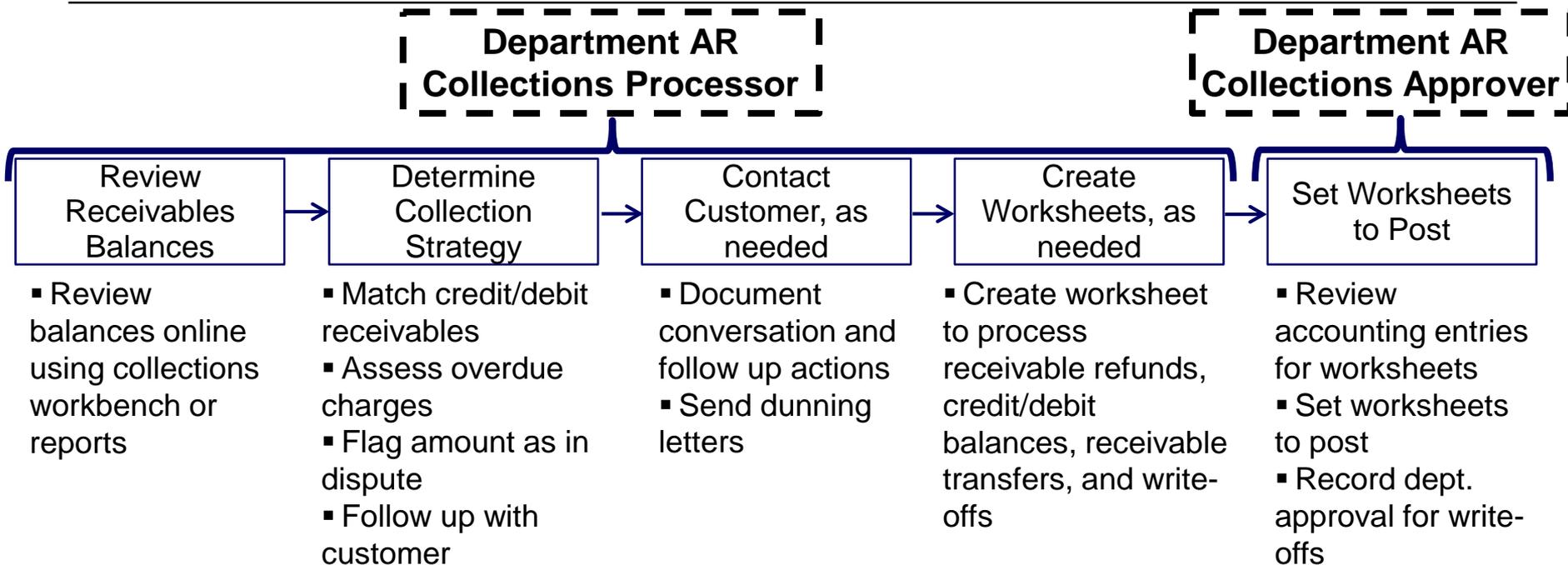
Collect Receivables Key Terms

Term	Definition
Receivables Maintenance and Transfer Worksheets	System functionality used to apply credit and debit receivables against each other, transfer receivables from one customer to another, initiate receivable refunds, and process write-offs.
Customer Conversation	Documentation of an interaction with a customer or a collection activity. A Customer Conversation may include details on payments and/or receivable collection activities.

Collect Receivables Overview

- The Collect Receivables process supports collections of receivables from customers (including departments, private entities, and employees) in the FI\$Cal AR module, including:
 - Reviewing customer account and balance information
 - Aging and reporting on receivables
 - Documenting customer conversations and notes
 - Tracking receivables as being in dispute/sent to collections
 - Generating dunning letters
 - Assessing overdue charges
 - Processing refunds to customers
 - Writing off uncollectable receivables

Collect Receivables – General

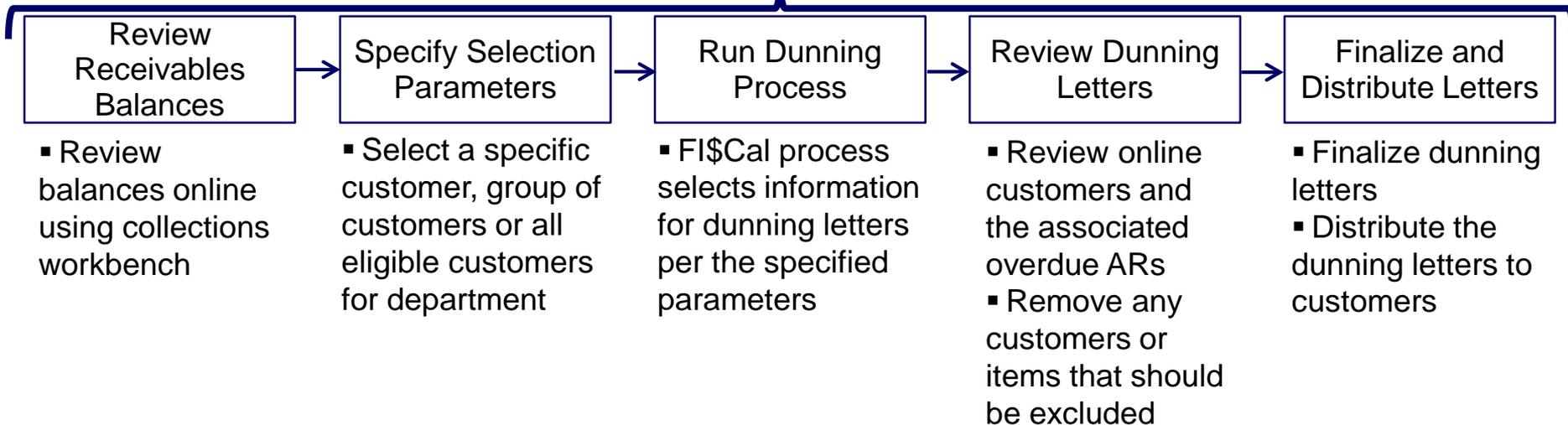


Key Impacts

- Department AR Collection Approver role is needed to set transactions with accounting entries to post.
- Proper approvals need to be obtained outside of FI\$Cal, as applicable, for write-offs and refunds.

Generate Dunning Letters

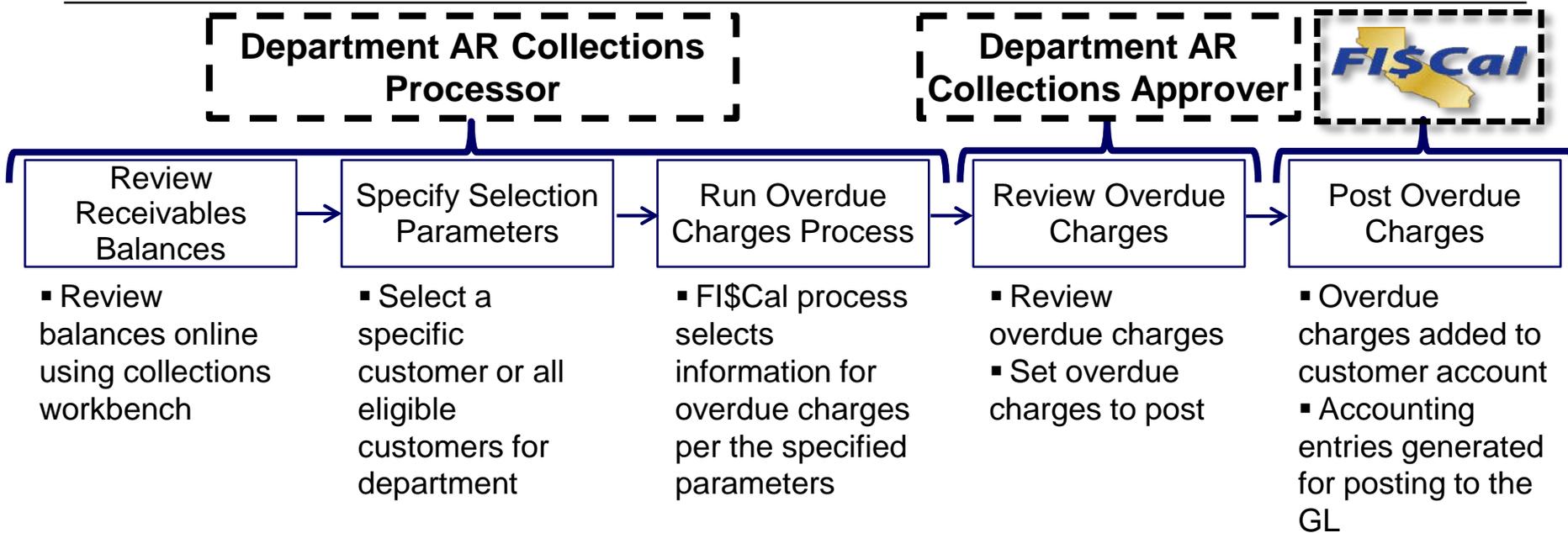
Department AR Collections Processor



Key Impacts

- Dunning letters are created at the customer level, with one letter per customer for all their overdue receivables for a particular cycle.
- Dunning letters can be created on configurable intervals (30 days, 60 days, etc.).
- Specific customers can be excluded from receiving dunning letters.

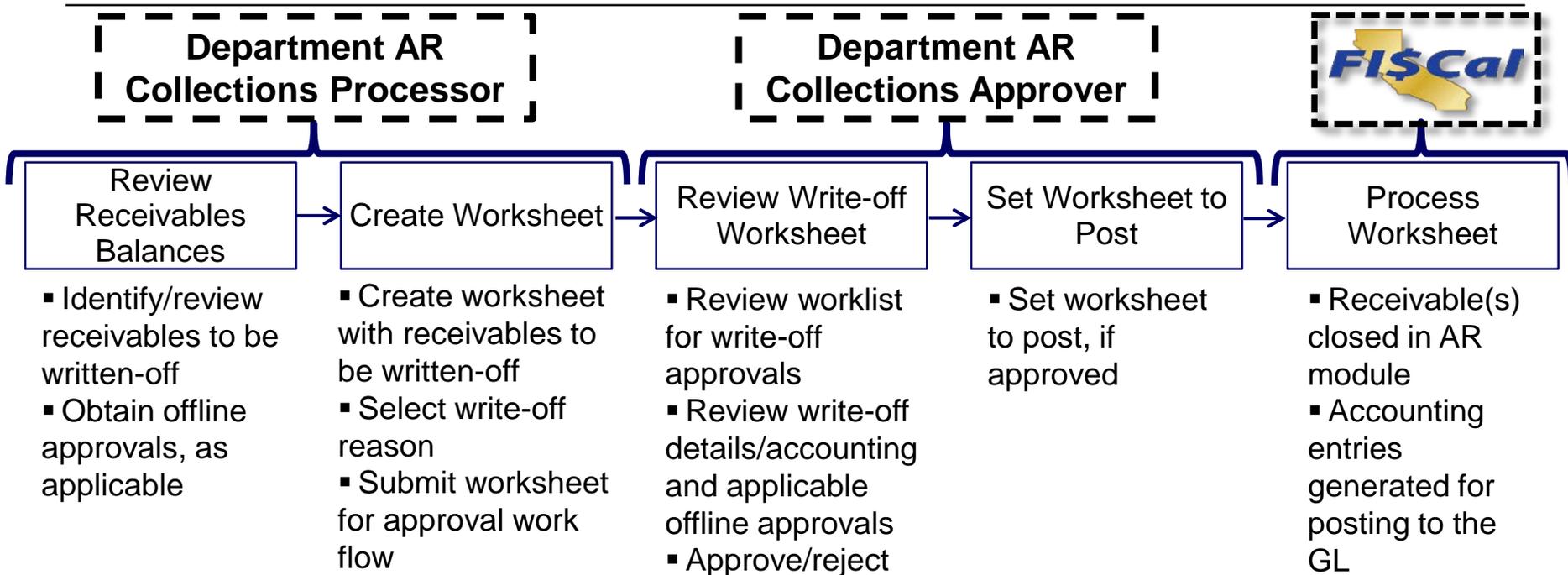
Assess Overdue Charges



Key Impacts

- Overdue charges generated per configured overdue charge rates.
- Overdue charges are included on dunning letters.
- Specific customers can be excluded from being assessed overdue charges.

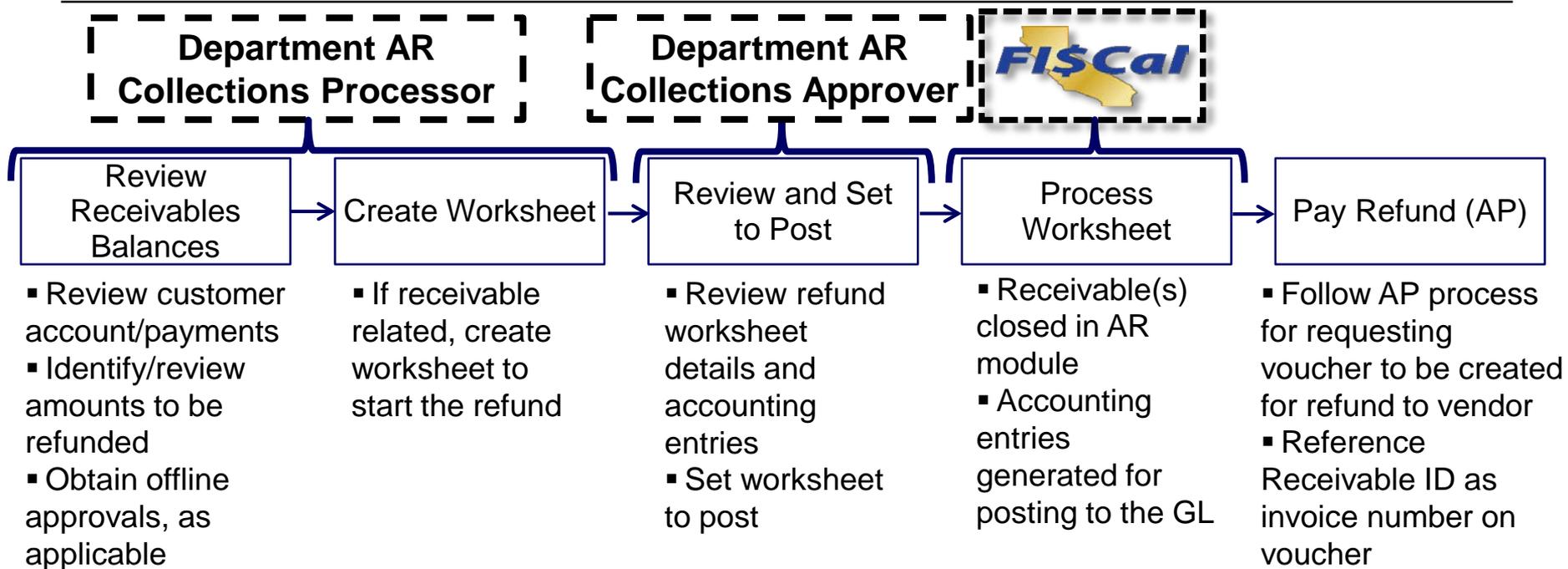
Process Write-Offs



Key Impacts

- All write-off transaction are routed to the Department AR Collections Approver. Additional approvals, as needed, must be obtained offline per the existing process.

Process Refunds – Credit ARs



Key Impacts

- Refunds for credit receivables are recorded in the FI\$Cal AR module.
- Refund payments to customers must be processed via the FI\$Cal AP module.

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

- Departments will continue to send write-off information to SCO per the existing process and policies.
- Departments will continue to use existing offset programs outside of FI\$Cal (for example, the FTB offset process).
- Departments will continue to report receivable balances (including the Statewide Receivable Report) to SCO at fiscal year end.

What is Included in FI\$Cal

- Departments will use the FI\$Cal AR module to track receivables and associated collections activities.
- Departments will generate dunning letters out of FI\$Cal using a standard layout with department-specific text.
 - Overdue receivables will be grouped onto a single dunning letter per customer, indicating the number of days overdue and number of letters previously sent for each receivable.
- Write-offs will be routed through a departmental approval workflow.
- After a refund has been processed in the AR module, a voucher for the refund will need to be created in the Accounts Payable module to generate an agency check or warrant.

Process Payments Key Terms

Term	Definition
Bank Deposit	Monies received by the departments and placed into the Treasurer's account at an approved depository bank within the Centralized Treasury System.
System Deposit	A system transaction consisting of one or more customer payments used for balancing and processing purposes.
Receivable Payment	A receipt that is meant to be applied to a customer's open receivable balance.
Miscellaneous Receipt	A customer payment that is not related to an open receivable. Referred to as a Direct Journal Payment in FI\$Cal.

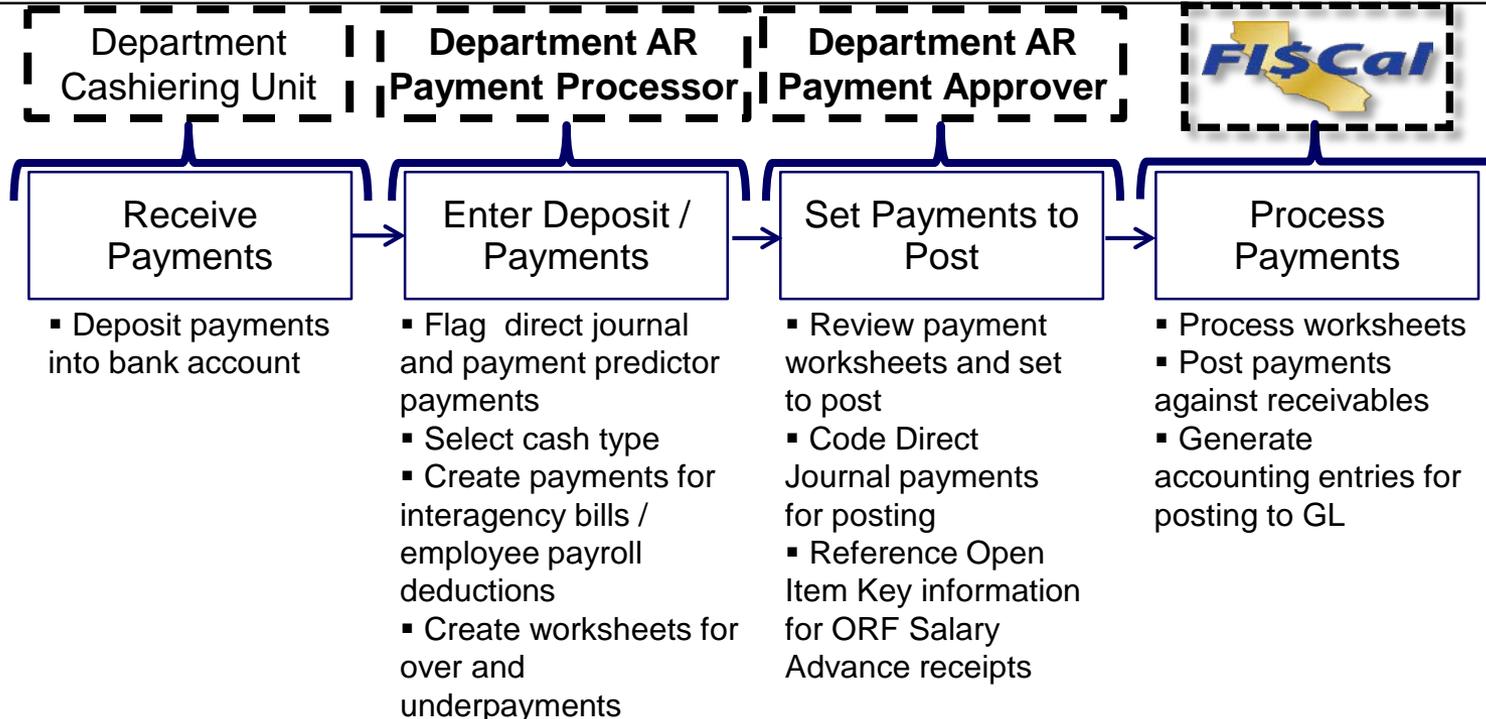
Process Payments Key Terms

Term	Definition
Customer Conversation	Documentation of an interaction with a customer or a collection activity. A Customer Conversation may include details on payments and/or receivable collection activities.
Payment Predictor	System process that automatically applies payments against receivables based on configured rules and reference information associated with the payment (for example, Invoice ID).
Payment Worksheet	Method for applying a customer payment to a customer's open receivable balance.
Non-Sufficient Fund (NSF) Payment	Customer check payment that failed to clear the deposit into a bank account. Also may be referred to as a dishonored check.

Process Payments Overview

- The Process Payments business process for Accounts Receivable supports the recording and application of customer payments in the FI\$Cal Accounts Receivable module.
- Departments will apply customer payments against invoices or code payments to specific accounting classifications for non-receivable-related payments.
- Payments can be entered directly in FI\$Cal or they can originate from an external system and be interfaced into FI\$Cal.
- Deposits recorded in the Accounts Receivable module will be integrated with the Cash Management module for the Bank Reconciliation process.

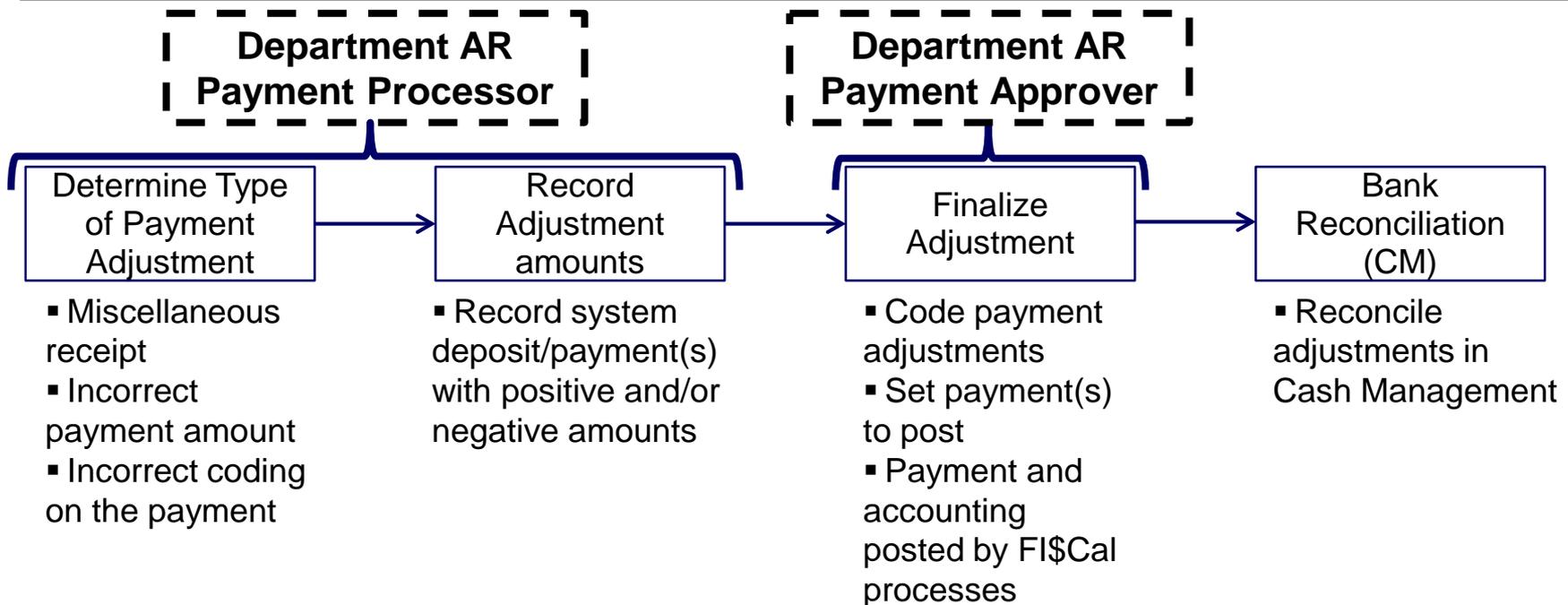
Process Payments



Key Impacts

- Dept. AR Payment Approver role is needed to post and code miscellaneous payments. This includes referencing Open Item Keys for Office Revolving Fund (ORF) Salary Advance Receipts.

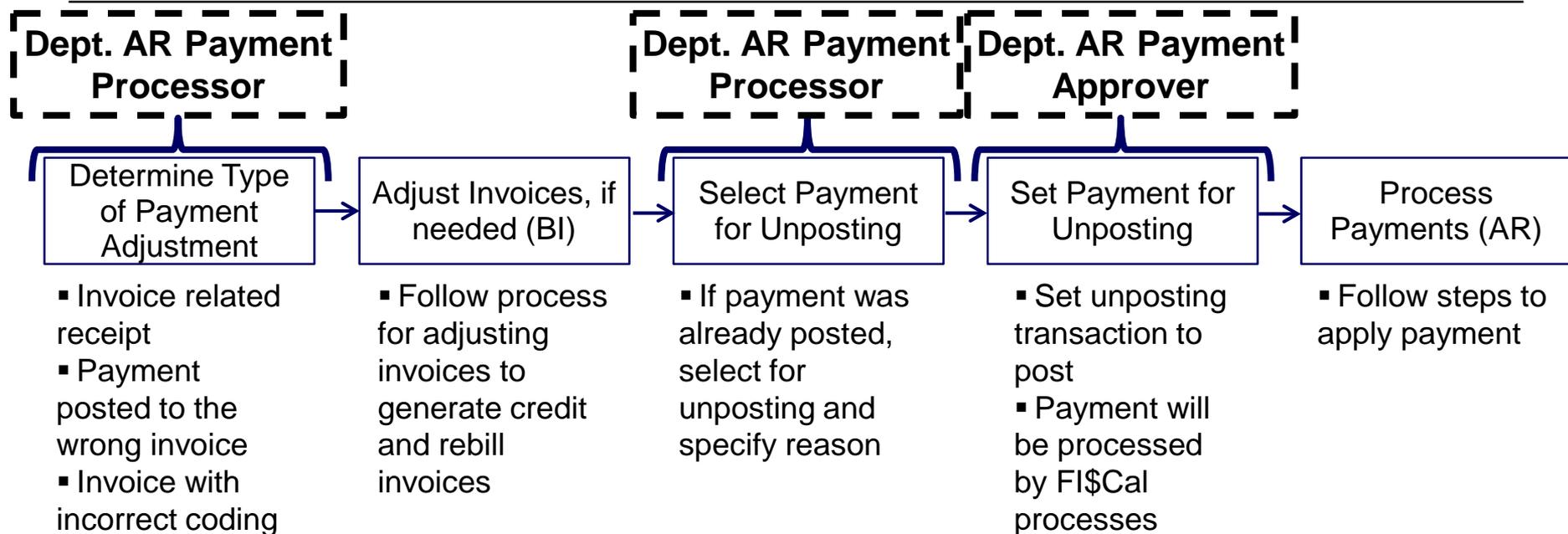
Payment Adjustments – Misc. Receipts



Key Impacts

- Customer payments recorded in the Accounts Receivable module are integrated with the Cash Management module for the bank reconciliation process in FI\$Cal.
- Any adjustments requiring updates to transactions at STO or SCO will need to follow the existing processes.

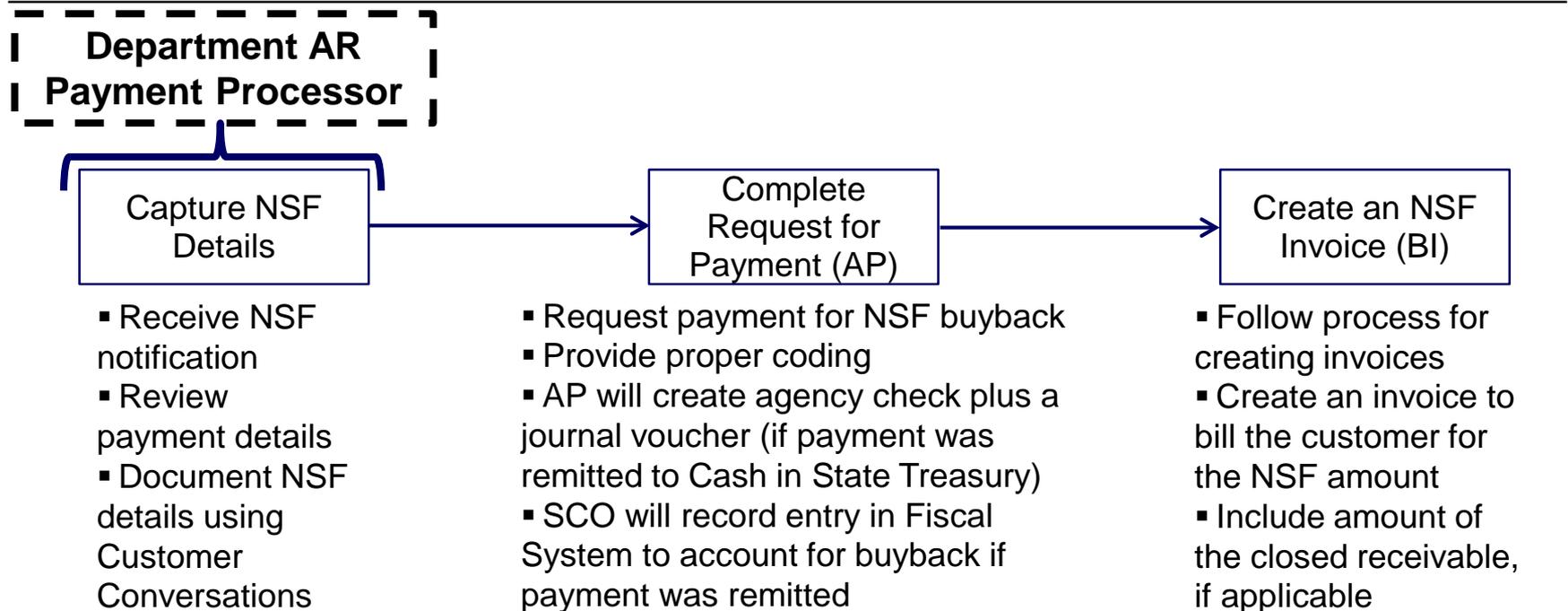
Payment Adjustments – Receivables



Key Impacts

- Payments posted to the wrong invoice can be unposted and reposted.
- Adjustment invoices are linked to the original invoice.
- Any adjustments requiring updates to transactions at STO or SCO will need to follow the existing processes.

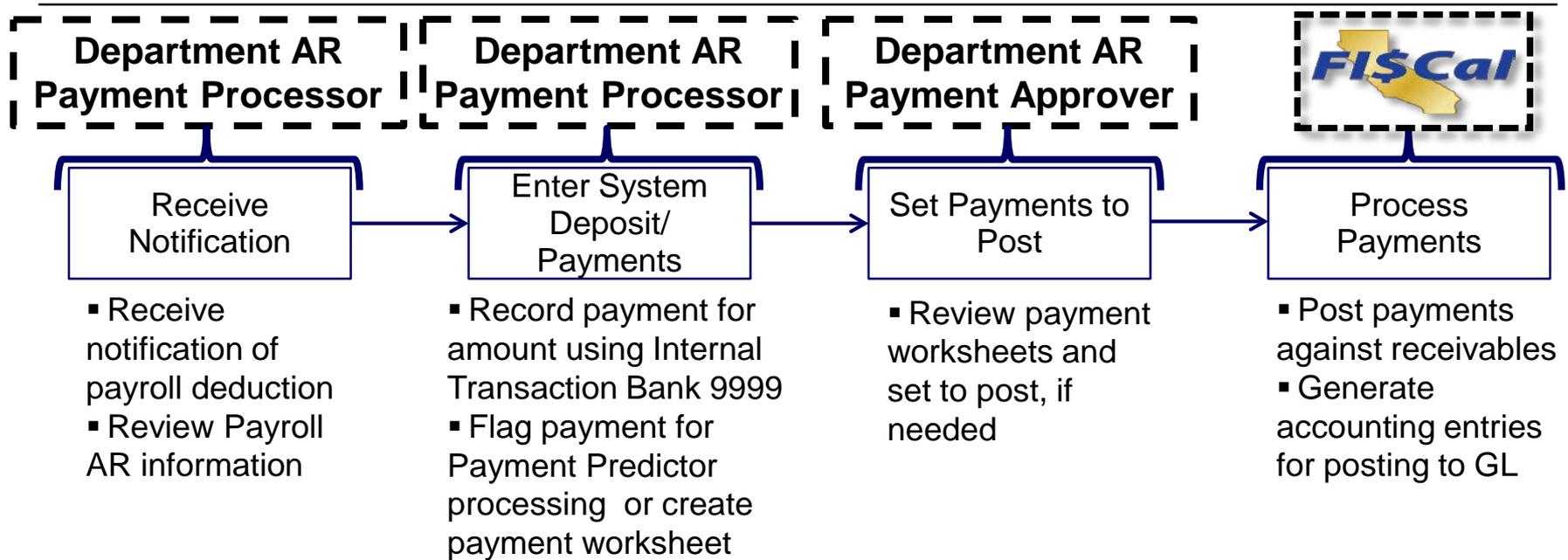
Process NSF Payments



Key Impacts

- NSF details recorded in Customer Conversations for tracking and reporting purposes.
- Departments buyback NSFs through agency checks created by using the AP module.
- SCO will record entry in Fiscal System to account for buyback if payment was remitted.

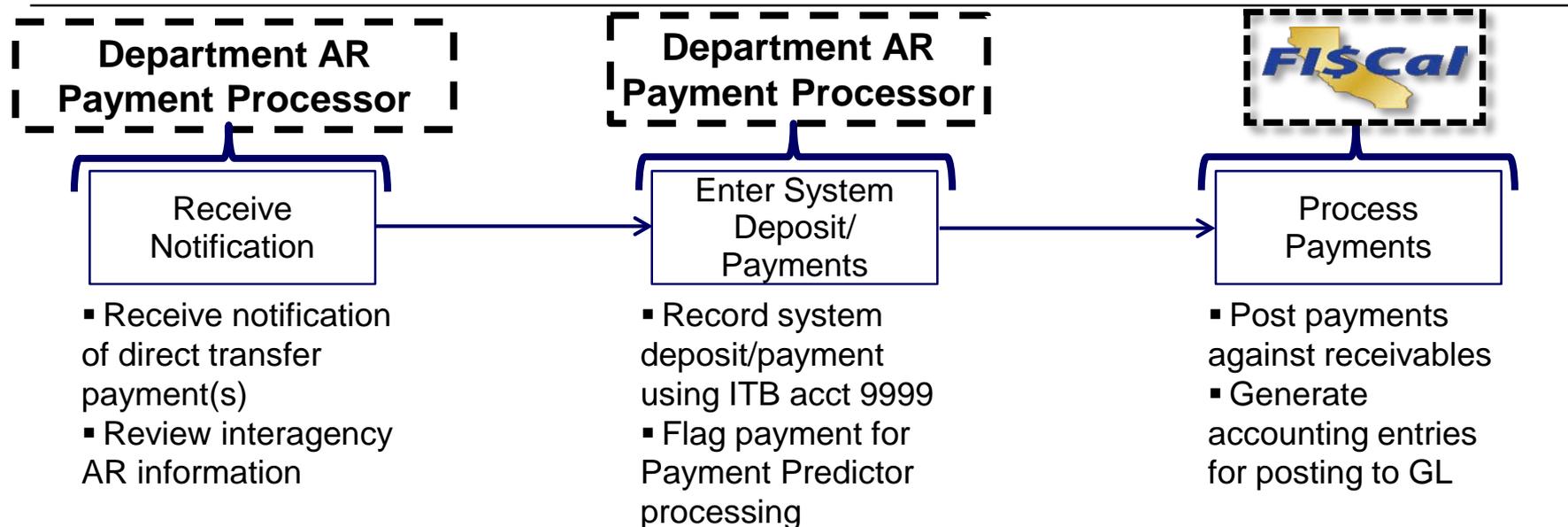
Process Payroll Deduction Payments



Key Impacts

- Departments use existing process for receiving payroll deduction notifications.
- Payroll deduction receipts will be recorded in FI\$Cal AR to clear out outstanding Payroll receivables using the Internal Transactions Bank, (ITB) 9999.
- FI\$Cal AR Payment Predictor functionality streamlines payment application by using receivable reference(s) on the payment to clear corresponding outstanding receivable(s).

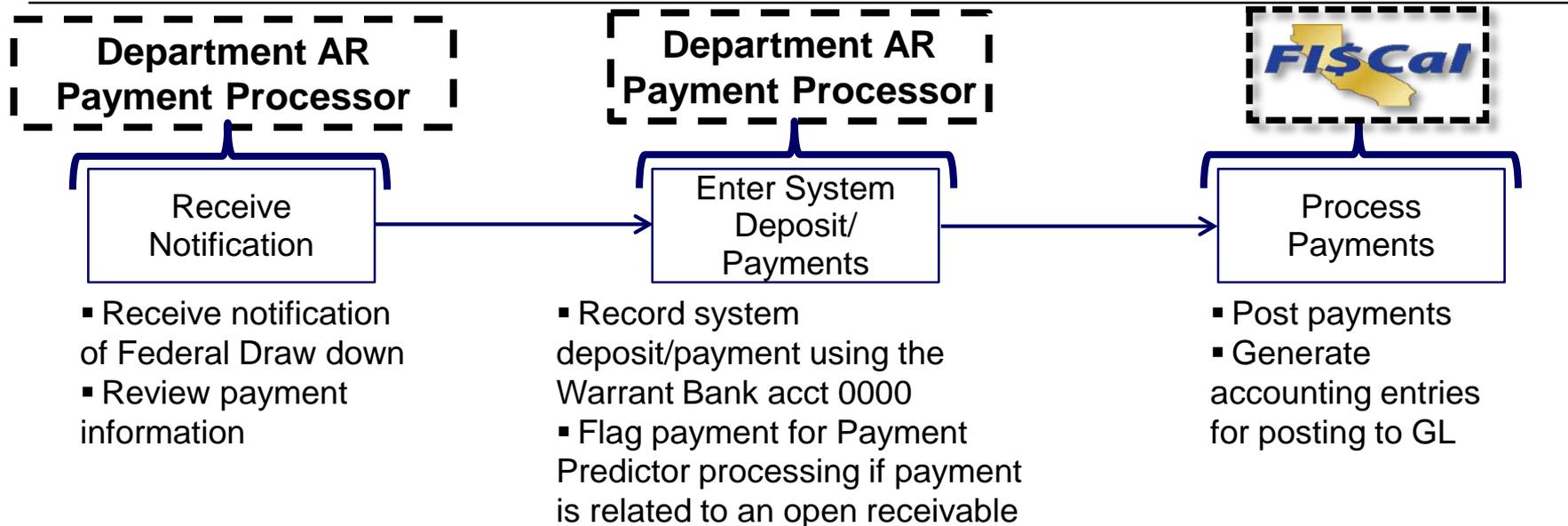
Process Direct Transfer Payments



Key Impacts

- Departments use existing process for receiving direct transfer notifications.
- Direct transfer receipts will be recorded in FI\$Cal AR to clear out outstanding interagency receivables using the Internal Transactions Bank, (ITB) account 9999.
- FI\$Cal AR Payment Predictor functionality streamlines payment application by using receivable reference(s) on the payment to clear corresponding outstanding receivable(s).

Process Federal Wires



Key Impacts

- Departments use existing process for receiving Federal Payment notifications.
- Federal receipts will be recorded in FI\$Cal AR to clear out outstanding receivables if applicable using the Warrant Bank account 0000.
- FI\$Cal AR Payment Predictor functionality streamlines payment application by using receivable reference(s) on the payment to clear corresponding outstanding receivable(s).

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

- Departments will continue to send transaction requests to SCO to correct balances/funds at SCO.
- Federal wires and payments from counties will continue to be recorded per the existing process.
- Departments will continue to use their eFITS process.

What is Included in FI\$Cal

- Departments will use the FI\$Cal AR module to record and apply customer payments.
- Accounting for customer payments will be recorded as follows:
 - When a customer payment is applied to a receivable or coded to a fund, FI\$Cal will record accounting entries into the appropriate cash account (General Cash, Agency Trust, ORF, Cash in State Treasury).

Technology Considerations – Interfaces

Interface	Definition
Inbound Billable Charges	<p>This inbound interface allows departments to send billing information from their systems into FI\$Cal Billing. Invoices may then be printed in FI\$Cal and sent to the customer. Any errors identified during interface error processing need to be corrected via resubmission of corrected file (e.g. incorrect control totals) or transaction being sent in subsequent interface file processing (e.g. incorrect transactions).</p>

Technology Considerations – Interfaces

Interface	Definition
Customer Receipts	<p>This inbound interface will create deposits and customer payments by importing receipt information from interface files provided by Departments into FI\$Cal.</p> <p>Any interface errors identified during error processing need to be corrected via resubmission of corrected file (e.g. incorrect control totals) or transaction being sent in subsequent interface file processing (e.g. incorrect transactions).</p> <p>Types of Transactions</p> <ol style="list-style-type: none"> 1. Receipts for outstanding receivables 2. Miscellaneous Receipts

Technology Considerations – Conversions

Conversion	Definition
Customers	Only active customers, addresses, and contacts will be converted into FI\$Cal. This should include customers that have outstanding receivables or customers that are expected to be billed shortly after go-live.
Open Receivables	Open/outstanding Receivables that have a date prior to June 30th within their legacy systems.
Unapplied Receipts	Unapplied receipt data includes receipts that have been recorded as deposits and payments in the Department's accounting system but must be reviewed to determine whether they are to be accepted for a fund in the State Treasury or refunded to payers. If the payment has been applied to an open receivable or classified as revenue in the department's accounting system, the payment should not be converted as part of the Unapplied Receipts Conversion.

Break!!!



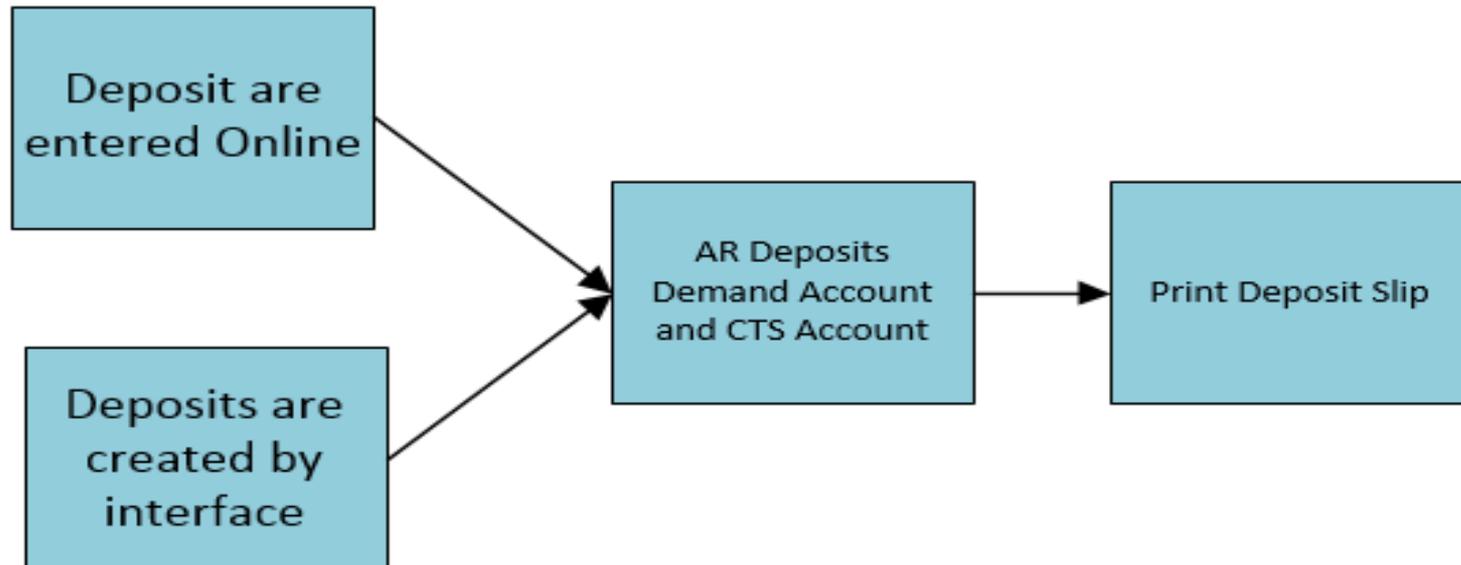
System Demonstration

- Customer Samples (Employee)
- Billing – Create and finalize invoice
- Payroll Accounts Receivable (PAR)
- Deposit – Enter with payment predictor and journal direct
- Reports - Outstanding Invoices by Chartfields

2017 Release - Deposit Slip Functionality

- Deposit Slip Functionality**

FI\$Cal departments will enter/print deposit slips from FI\$Cal AR



2017 Release - Deposit Slip Functionality

- Custom Pages will be created so STO can configure the deposit page information setup that is associated with the CTS accounts:
 - Depository Bank Setup
 - Demand Bank Account Setup
 - Department Deposit Location
 - Deposit Slip STO Approval Setup
 - Deposit Slip Entry Page
 - Deposit Slip Mass Approval Page
- Additional custom configuration pages will be created to maintain custom fields utilized to generate Deposit Slips
- Accounting entries for the deposits will be generated in the GL for SCO and STO

Contd...

2017 Release - Deposit Slip Functionality

- Departments will still have the ability to determine their location codes
- Departments will still be able to enter 'Agency only' information on the deposit slip
- Deposit Slip still contains the detail that STO needs for statistics and to compute banking fees

2017 Release - Deposit Slip Functionality

- Deposit Slip Process Flow:
 - User enters all the required Information on Deposit Slip Entry Page Deposit Slip number is generated when deposit is saved
 - The Print Deposit Slip Button is enabled for user to Print the Deposit Slip

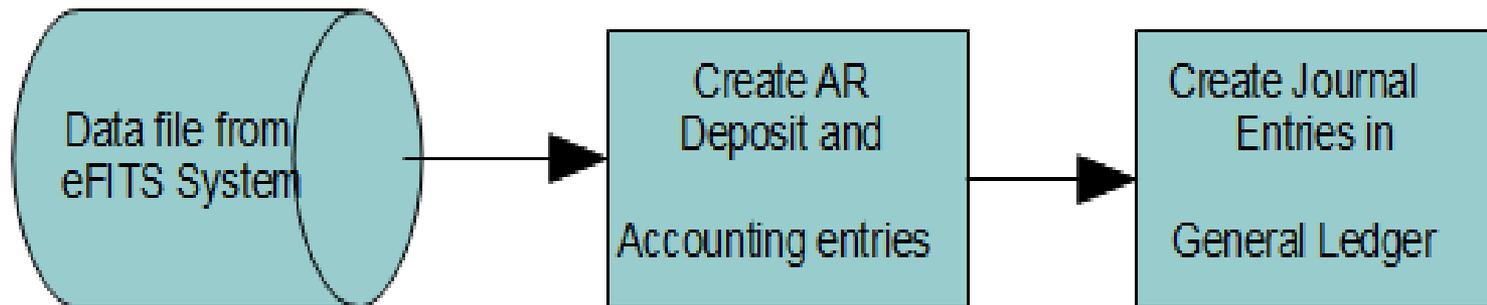
2017 Release - Deposit Slip Functionality

- **Deposit Timeliness Report** - The AR Regular Deposits go through various processes (i.e. Deposit creation, Payment application, Accounting of Deposits, Demand Deposit process, GL posting etc.). There are various dates associated with Deposits corresponding to life cycle of the Deposits
- A custom report will be created for the Departments, containing all the dates associated with Deposit to monitor timeliness of the Deposit processing

Contd...



2017 Release - SCO AR Remittances (eFITS)



- Non-FI\$Cal Departments will use the Electronic Fiscal Input Transaction System (eFITS) to remit customer receipts deposited in a CTS account to the appropriate fund/appropriation
- Interface will create Regular Zero Dollar AR Deposits for these transactions in FI\$Cal and accounting entries in GL

Contd...

2017 Release - eFITS Interface

- Non-FI\$CAL departments will send the deposit accounting entries (remittance) to FI\$Cal through inbound Transaction code interface into PeopleSoft General Ledger staging table
- Transaction code interface validates these deposit accounting entries and create balanced accounting entries for it
- eFITS interface will pick these accounting entries from PeopleSoft General Ledger staging table and create deposits for these transactions so that reference transaction of these accounting entries is captured in FI\$Cal.
- Non-FI\$Cal Departments will continue to enter remittance information into the SCO Electronic Fiscal Input Transaction System (eFITS) or use a paper-based form per the existing process

Contd...

2017 Release - Automated Deposit Creation Interface

- Interagency transactions will get automatically settled between the Departments. Departments can create direct transfer bills in order to bill other FI\$Cal and non-FI\$Cal Departments.
- In case bills are created for FI\$Cal Department, bills gets finalized in billing module. This generates AP voucher for billed Department and voucher generates payment for direct transfer bill.
- However, in case bills are created for non-FI\$Cal Department. Billed Department records the expense in their system outside of FI\$Cal.

Key Impact

- FI\$Cal will create a deposit in AR and relieve all standing receivables within FI\$Cal.
- Bills created within FI\$Cal Departments will settle automatically.

2018 Release - Electronic Deposit Form (EDF)

- Non FI\$Cal Departments will enter deposit information into the STO Electronic Deposit Form (EDF) System to generate a deposit slip, or use a paper-based bank deposit slip per the existing process
- Departments using the EDF and not in FI\$Cal will have their deposits interfaced into AR
- STO staff will enter deposit slip information in AR for departments that aren't in FI\$Cal and aren't using the EDF

Session Recap

- Key Considerations
- Action Items
- Open Questions

More Information Can be Found at...



FI\$Cal Project Information:

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

http://www.dof.ca.gov/FISCal_resources/

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

fiscal.cmo@fiscal.ca.gov