Wave 1 Solution Walkthrough (SWT): Budgeting for Wave 2 Departments

May 29, 2014
Agenda

- FI$Cal Project Overview
- Wave 1 Solution Walkthrough Objectives and Approach
- FI$Cal Solution Overview
- Initiate Budget Development Process
- Prepare Departmental Budget Submission Process
- Develop Governor’s Budget Process
- Manage Budget Legislation Process
- Administer the Budget Process
- Commitment Control
- Enter & Process Budget Journals Process – Operating Budgets
- Technology Considerations
- Session Recap
FI$Cal Project Overview

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

**FI$Cal: Transparency. Accuracy. Integrity.**

May 29, 2014
SWT Objectives

The Wave 1 Solution Walkthroughs will provide:

- An overview of the business process, including key terms and implemented functionality
- A list of changes with the “To-Be” business process
- An opportunity to begin thinking about updates to internal department processes
- A demonstration of the FI$Cal Wave 1 solution
FI$Cal Design Approach

**Objective**
- Define and validate DRAFT processes to best meet the State’s needs independent of the software details
- Clarify requirements

**Audience**
- Department of General Services (DGS)

**Key Outputs**
- Revised DRAFT To-Be Processes with department input

**Tools / Methods**
- Interactive Working Sessions with department SMEs
- Gather additional input on:
  - As-Is Process
  - Statutes, Reg, Policy
  - To-Be Process, Benefits, Challenges

**Objective**
- Provide departments with an understanding of Wave 1 FI$Cal business processes
- Demonstration of Wave 1 FI$Cal solution
- Identify where Wave 1 solution may not meet the needs of new departments

**Audience**
- Wave 2 Departments absent in Wave 1

**Key Outputs**
- New departments prepared for CRP sessions
- Key Considerations
- Action Items and concerns from departments

**Tools / Methods**
- Solution Walkthroughs
- Wave 1 FI$Cal Solution

**Objective**
- Conduct a systematic review of how FI$Cal requirements and DRAFT To-Be Processes are enabled by the FI$Cal software solution

**Audience**
- Wave 1 and Wave 2 departments

**Key Outputs**
- Revised DRAFT To-Be Processes with department input
- Basis for System Configurations and Functional Designs

**Tools / Methods**
- Interactive CRP Sessions with Department SMEs
- CRP Sandbox

**Objective**
- Validate and document final business process designs
- Confirm how requirements are met

**Audience**
- Project team with department input

**Key Outputs**
- Final Business Process Designs
- Update Requirements Traceability Matrix
- RICEF Inventory

**Tools / Methods**
- Conduct follow-up meetings / validation sessions as necessary
- Resolve open issues / outstanding decisions

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May 29, 2014

Ground Rules & Guiding Principles

- **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** – Better to question, then assume
- **Consider Best Practices** and business process changes
- **Think of the data** and information you require
## Budget Key Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hyperion</td>
<td>The budget and planning system within the FI$Cal solution which the Department of Finance and departments will use to create budget requests</td>
</tr>
<tr>
<td>PeopleSoft</td>
<td>The system within the FI$Cal Wave 1 solution that contains all modules except Budgeting</td>
</tr>
<tr>
<td>Chart of Accounts (COA)</td>
<td>A collection of one or more types of codes used to classify financial and budgetary transactions</td>
</tr>
<tr>
<td>Dimension</td>
<td>A hierarchical representation of business descriptors. A few examples include Entity, Category, Fund, Reference, Year, Scenario, and Version.</td>
</tr>
</tbody>
</table>
Budget To-Be Process Context Diagram (Page 1)

Notes:
- All Budget Development processes are iterative at any point leading to enactment of the Budget Act.
- For the purpose of clarity, this context diagram summarizes complex activities into single processes performed by the “process owner.” Detailed interactions among roles are described in lower-level diagrams.
Budget To-Be Process Context Diagram (Page 2)

Budget Development

15 Brief Administration and Incorporate Decisions
16 Publish Budget (Governor’s Budget, May Revision)
17 Record Legislative Actions
18 Support Reconciliation
19 Support Governor’s Veto Process
16 Publish Budget (Enacted)
20 Transfer Budget to Accounting System

Budget Administration

21 Adjust Appropriations
22 Manage Positions
21 Adjust Appropriations
23 Develop and Apply Budget Allotments
24 Review and Adjust Budget Allotments
21 Adjust Appropriations
22 Manage Positions

End

Notes:
- All Budget Development processes are iterative at any point leading to enactment of the Budget Act.
- All Budget Administration processes are iterative at any point after enactment of the Budget Act.
- For the purpose of clarity, this context diagram summarizes complex activities into single processes performed by the “process owner.” Detailed interactions among roles are described in lower-level diagrams.
Initiate Budget Development

Process Overview

- The **Business Process** covers all activities related to preparing the budget system for the upcoming budget cycle.
- This includes the following sub-processes:
  - Maintaining cost drivers (DOF)
  - Pre-populating the budget system (DOF)
  - Preparing budget instructions (DOF)
  - Reconciling authorized positions
- At the conclusion of this process, the budget system contains the base dollars and positions for Past Year, Current Year, and Budget Year.
### Initiate Budget Development Process Key Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Budget</strong></td>
<td>A department’s starting point for developing its budget. For Current Year, it is the enacted budget. For Budget Year through Budget Year +4, it is the ending point of the prior budget cycle for that year. A department’s base budget consists of one or more items of appropriation.</td>
</tr>
</tbody>
</table>
| **Item of Appropriation**   | A department’s authorized level of expenditure from a specific fund for a specific program. An item of appropriation is expressed as a combination of the following:  
  • Business Unit/Entity  
  • Reference  
  • Fund  
  • Program                                                      |
## Initiate Budget Development

### Process Key Terms

<table>
<thead>
<tr>
<th>Term</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Limited Term</td>
<td>An authorized or budgeted amount that is only included in the department’s budget for a specified timeframe.</td>
</tr>
<tr>
<td>Ongoing</td>
<td>An authorized or budgeted amount that is assumed to be included in the department’s budget in subsequent years.</td>
</tr>
</tbody>
</table>
## Initiate Budget Development

### Process Key Terms

<table>
<thead>
<tr>
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<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Position</td>
<td>A position that has been authorized in the Budget Act or other authorizing document. The authorizing document states that the department may have a position with a specified job classification.</td>
</tr>
<tr>
<td>Established Position</td>
<td>An authorized position that has been input into the SCO payroll systems. The established position may or may not be associated with an employee (i.e., it may be vacant). Authorized positions and established positions are different due to the manual process required to record positions in the payroll systems.</td>
</tr>
</tbody>
</table>
What is included in Wave 1

- Initiating the budget development process includes the activities necessary to prepare FI$Cal for the new budget development cycle
- Initializing departmental baseline budgets
- Starting base budget year (BY) budget amounts will not solely be the enacted current year (CY) amount (i.e., limited term amounts will be automatically removed)
- For Wave 1 only, new starting figures will reflect the enacted budget, and need to be adjusted by approved one-time costs, full-year annualization, and other approved out-year impacts (such as Budget Change Proposal (BCP) inflators or other pluses or minuses)
What is included in Wave 1

- Bottom line FTE’s of your Schedule 7A will be entered into Hyperion
- Past year actual expenditures and revenues are collected for reporting and analysis
- Schedule 10 past-year data may be loaded from FI$Cal accounting records (via interface) after conversion or uploaded from templates
What is not included in Wave 1

- FI$Cal will not receive or send position data (Schedule 8) from/to the SCO’s legacy payroll systems
- Detailed Salaries and Wages Publication (Schedule 7A) will not be published from FI$Cal
- Automated 607 process is not included in Wave 1; Departments will continue to submit position changes using the existing STD 607 form
- FI$Cal and SCO are considering integration between the two systems in future waves in order to implement position control
Summary Flow

Departments will reconcile authorized positions, similar to current process

DOF reviews and approves

Admin will pull actual financial data from FI$Cal General Ledger into budget system
Admin will load data from templates

Pre-populate budget system

Reconcile authorized positions

Departments will reconcile authorized positions, similar to current process
DOF reviews and approves

Enter bottom line FTE’s into budget system

Department enters bottom line FTE’s

Key Impacts

- Schedule 10 past-year data may be loaded from FI$Cal accounting records (via interface) or uploaded from templates
- Bottom line FTE’s of your Schedule 7A will be entered into Hyperion

Initiate Budget Development Process (DOF)

- Add bargaining codes
- Add new class codes/ranges
- Past year actual financial expenditures and revenues

<table>
<thead>
<tr>
<th>F$i$Cal System Administrator</th>
<th>Department of Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Pre-populate budget system</td>
<td>3 Develop budget letter that describes budget cycle and macro variables applied</td>
</tr>
<tr>
<td>2 Establish, enter, and apply macro variables in the budget system, as appropriate</td>
<td>4 Develop budget letter that describes policy guidance</td>
</tr>
<tr>
<td>Beginning of Budget Cycle is based on Calendar</td>
<td>5 Route budget letters for approvals</td>
</tr>
<tr>
<td></td>
<td>6 Add budget letters to departments’ task lists</td>
</tr>
<tr>
<td></td>
<td>7 Open budget system to departments</td>
</tr>
<tr>
<td></td>
<td>Prepare Departmental Budget Submission</td>
</tr>
</tbody>
</table>

- Enter Macro Variables, for example:
  - Pricing letter standards
  - Set up Fi$Cal with new budget dates
Prepare Departmental Budget Submission

Process Overview

- The **Business Process** covers all activities related to preparing departments’ incremental budget changes.
- Departments complete budgeting activities in Hyperion:
  - Review baseline budgets
  - Enter baseline adjustments
  - Enter current year adjustments (e.g. Section 28.00)
  - Enter budget change proposals (BCPs)
  - Submit enrollment/caseload/population (ECP) budget changes
  - Create capital outlay budget change proposals (COBCPs)
  - Generate supplemental schedules
Prepare Departmental Budget Submission

Process Key Terms

<table>
<thead>
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<tbody>
<tr>
<td>Decision Package</td>
<td>Represents proposals for existing, new, or changes to services, programs, or business objectives. Decision packages contain budget requests that identify and justify the costs involved in implementing the decision package. A decision package may contain multiple budget requests.</td>
</tr>
<tr>
<td>Budget Request</td>
<td>Individual line item or budget, requesting a change in funding, in a Decision Package</td>
</tr>
</tbody>
</table>

Decision Package Types

- Baseline Budget Adjustment
- Baseline Revenue, Transfer, & Loan
- Budget Change Proposal
- Enrollment, Caseload, Population
- Capital Outlay Budget Change Proposal
- Baseline Administration Adjustment
**Policy Decision Package Example:**

- **Description:** Extend statewide emergency response system (ERS)
- **$3,000,000**
  - □ Justification
  - □ Personnel resources
  - □ Materials and other cost implications

<table>
<thead>
<tr>
<th>Extend ERS</th>
<th>Justification narrative</th>
<th>2014</th>
<th>Items of appropriation</th>
<th>$3,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DECISION PACKAGE**

**Attach Supporting Documentation**

**Detailed Notes**
## FI$Cal Decision Package Approval Concept

<table>
<thead>
<tr>
<th>Extend ERS</th>
<th>Justification narrative</th>
<th>2014</th>
<th>Items of appropriation</th>
<th>$3,000,000</th>
</tr>
</thead>
</table>

- **Route for Approvals**
  - **Yes - Include**
  - **No - Exclude** (Confidential)

**Proposed Budget**

May 29, 2014

FI$Cal Budget Preparation Concept

Base Budget

Revenues, Transfers, and Loans

Capital Outlay

Budget Change Proposals

Baseline Budget Adjustments

Many Decision Packages

Extend ERS Justification narrative 2014 COA $3,000,000

One of many decision packages

Many Decision Packages

Ongoing Iterations

$ Dollars

May 29, 2014
FI$Cal Budget Enactment Cycle

- Base Budget
- Baseline Budget Adjustments
- Budget Change Proposals
- Capital Outlay
- Revenues, Transfers, and Loans

Legislative Actions

- Base Budget
- Baseline Budget Adjustments
- Budget Change Proposals
- Capital Outlay
- Revenues, Transfers, and Loans

$ Dollars

Start

Gov Budget

May Revision

Budget Enact

May 29, 2014

**Prepare Departmental Budget Submission**

**Process Key Terms**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Baseline Budget Adjustment</td>
<td>Budget changes that are in line with current policy. These may be technical adjustments to a budget or adjustments required by current law (e.g., ProRata, SWCAP).</td>
</tr>
<tr>
<td>Budget Change Proposal (BCP)</td>
<td>Requests for changes and the funds necessary to implement those changes. These are requests to change existing law, such as creating a new program, a change in an existing program, or funding a new activity such as an information technology project.</td>
</tr>
<tr>
<td>Enrollment Caseload Population (ECP)</td>
<td>Adjustments that occur due to increases/decreases in enrollment for the educational segments, caseload adjustments for programs such as Medi-Cal and welfare programs, and population adjustments for state hospitals and youth and correctional facilities.</td>
</tr>
</tbody>
</table>
Prepare Departmental Budget Submission

Process Key Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Revenue, Transfer, &amp; Loan</td>
<td>Changes to revenue estimates, transfers, and loans that have been authorized in prior years. Requests for new revenues, transfers, and loans are requested in the BCP decision package.</td>
</tr>
<tr>
<td>Capital Outlay Budget Change Proposal (COBCP)</td>
<td>Requests for authority and funding for new or continuing capital outlay project work. Capital outlay projects span several years and are usually budgeted in multiple, iterative phases corresponding to the design-bid-build process methodology.</td>
</tr>
<tr>
<td>Budget Administration Adjustment</td>
<td>Requests to change a department’s existing appropriations, such as budget revisions and executive orders.</td>
</tr>
</tbody>
</table>
## Prepare Departmental Budget Submission

### Process Key Terms

<table>
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<tr>
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<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scenario</strong></td>
<td>An instance of data. It describes the type of data we are working with such as Governor's Budget, April Revision, May Revision, Enactment, Budget Administration.</td>
</tr>
<tr>
<td><strong>Version</strong></td>
<td>A subset of a Scenario to allow snapshots of multiple iterations of a budget cycle and provide modeling or what-if analysis. As such, the version dimension describes the possible stages or outcomes within the context of a Scenario. Examples include Department Working, Department What-If, Department Submitted. DOF has its separate versions for its use, as does the SCO.</td>
</tr>
</tbody>
</table>
What is included in Wave 1

- Departments prepare their incremental budget changes using decision packages
- Budget changes are reviewed and approved within the department and agency before being submitted to DOF
- Budget is prepared in whole dollars
- All items of appropriation must have a Program
- Reimbursements must be scheduled to a Program
- All items of appropriation will be Scheduled (elimination of Payables)
- Budget changes move through a departmental approval workflow
What is included in Wave 1

- New proposed workload adjustments will be input through decision packages for FI$Cal departments
- Budget amounts may be posted centrally or decentrally, as determined by DOF, for items like Pro Rata, Statewide Costs Allocation Plan (SWCAP), and employee compensation
- All adjustments (planning estimate details) will be entered into FI$Cal within one or more budget requests in a decision package
- All base and policy adjustments must be scheduled individually by program and fund, rather than allocated at a summary level
- Base and policy adjustments will be populated through BY+4
What is not included in Wave 1

- Electronic workflow to Agency Secretaries will not be available until Wave 4
- Departments will print and circulate decision package documentation for Agency Secretary review and signature prior to electronic submission to DOF
Summary Flow

Department Budget Processor
- Prepare decision package
  - Prepares decision packages in compliance with DOF Budget Letters
  - Promotes to Approver for review and approval

Department Budget Approver
- Review, edit, and approve decision package
  - Reviews decision packages
  - May make edits
  - May send back to Processor or forward to others for review
  - Submits to DOF

Key Impacts
- Budget changes are reviewed and approved via workflow within the department before being submitted to DOF
- All base and policy adjustments must be scheduled individually by program and fund, rather than allocated at a summary level
Prepare and Submit Incremental Budget Changes

Department of Finance

- Initiate Budget Development Process

Department Budget Approver

- 4 Review for compliance with state and departmental guidance
- 6 Route for approvals (iterative)
- 7 Submit to DOF for analysis and adjustment

Compliant with guidance?

Yes

No

Department Budget Processor

- 3 Enter decision package and budget request(s)
# Decision Packages

**Budget Requests**

**Decision Packages** &gt; **BU_4300 Employee Compensation Adjustment - DDS**  
**Scenario:** Budget  **Version:** Department Working  **Owner Entity:** BU_4300  **Year:** FY14

<table>
<thead>
<tr>
<th>Budget Request</th>
<th>Description</th>
<th>Owner Entity</th>
<th>Budget Type</th>
<th>Budget Impact</th>
<th>Rank</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BU_4300 3.5% MSA Increase - DDS</td>
<td>3.5% MSA Increase</td>
<td>BU_4300</td>
<td>Non Recurring</td>
<td>Include</td>
<td>1</td>
<td>$3,121.00</td>
</tr>
</tbody>
</table>

**Total**  
$3,121.00

---

**Baseline Adjustments**

- **Baseline Adjustment Type**
- **Baseline Adjustments**
- **Baseline Adjustment BY**
- **Baseline Adjustment BY1**
- **Baseline Adjustment BY2**
- **Baseline Adjustment BY3**

---

**Notes and Attachments**

- **Baseline Adjustment PY**
- **Baseline Adjustment CY**

---

**Data Collection Forms**

- **Baseline Adjustment BY**
- **Baseline Adjustment BY1**
- **Baseline Adjustment BY2**
- **Baseline Adjustment BY3**

---

- **Request**
  - **Current Service Level**
  - **Department Working**
  - **BU_4300 3.5% MSA Increase - DDS**
    - **Department Working**
      - **Limited Term Request BY**
      - **Ongoing Request BY**
      - **Request Amount BY**

---

### Baseline Adjustment BY

#### Request

- **5301 - General Expense**
- **5302 - Printing**
- **5304 - Communications**
- **5306 - Postage**
Develop Governor’s Budget
Process Overview

- The **Business Process** covers all activities related to the Department of Finance’s review, approval, and publication of the Governor’s Budget.

- This includes the following sub-processes:
  - Analysis and adjustment of decision packages
  - Drills from DOF may be conducted within the system or outside the system at DOF’s discretion
  - Projecting cash flow
  - Preparing trailer bills
  - Briefing the Administration
  - Publishing the Governor’s Budget

- These processes are led by DOF.

- Departments may be required to respond to requests for information from DOF.
Manage Budget Legislation
Process Overview

- The **Business Process** covers all activities related to recording legislative actions taken on the Budget Bill
- This includes the following sub-processes:
  - Recording legislative actions
  - Supporting the reconciliation of the two houses’ budget bills
  - Recording the Governor’s vetoes
  - Sending the enacted budget to FI$Cal Commitment Control
- These processes are led by DOF
What is included in Wave 1

- DOF will record legislative actions (dollars, language) in FI$Cal
- DOF may delegate recording legislative actions to departments
- Enacted budgets for FI$Cal departments will be transmitted to FI$Cal Commitment Control
- Enacted budgets for all departments statewide will be transmitted to SCO’s legacy Fiscal System until Wave 3
What is not included in Wave 1

- FI$Cal is not integrated with the Legislative Counsel’s Bureau systems
- Therefore, the budget bill language sheets and trailer bill RN processes will not change
Administer the Budget

Process Overview

The **Business Process** covers all activities required to analyze, forecast, change, and manage the budget after it is enacted.

This includes the following sub-processes:

- Preparing and administering appropriation adjustments
- Preparing and monitoring department operating budgets
Administer the Budget
Process Key Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Appropriation Adjustment</td>
<td>Requests to change a department’s existing appropriations, such as budget revisions and executive orders.</td>
</tr>
<tr>
<td>Budget Revision</td>
<td>Changes to a department’s spending authority. It is a single transaction and involves one department. Budget revisions are numbered per appropriation item.</td>
</tr>
<tr>
<td>Executive Order</td>
<td>Also changes a department’s spending authority, but the authority under which it is changed requires executive approval. May include multiple transactions and involve multiple departments. Executive orders are numbered consecutively by the Department of Finance (DOF).</td>
</tr>
</tbody>
</table>

May 29, 2014
What is included in Wave 1

- Appropriation Level Adjustments
  - Appropriation level budget changes are developed and approved in Hyperion
  - Appropriation level budgets will be posted to FI$Cal Commitment Control for controlling appropriations
  - Appropriation adjustments need DOF and SCO approval

- Operating Budgets and Adjustments
  - Operating level budgets (i.e., allotments or spending plans) are loaded into Commitment Control directly online or via spreadsheet
What is not included in Wave 1

- Departmental operating budgets will not be developed or administered in Hyperion for Wave 1
- Departments will load operating budgets directly into FI$Cal Commitment Control online or via spreadsheet
- FI$Cal is analyzing the use of Hyperion for the development and administration of operating budgets in a future wave
Summary Flow

Department Budget Processor; Department Budget Approver
- Prepare Baseline Appropriation Adjustment
  - Departments prepare a decision package to request an appropriation increase or decrease
- Review Baseline Appropriation Adjustment
  - DOF reviews the request
  - DOF submits a letter of notification to Legislature, if necessary
  - DOF approves/denies request
- Post to FI$Cal Commitment Control
  - Approved adjustments are posted to FI$Cal Commitment Control

Department Budget Processor; DOF Budget Approver
- Review Baseline Appropriation Adjustment

SCO Budget Approver; Central FDM/ERPi Admin
- Post to FI$Cal Commitment Control

Key Impacts
- Appropriation level budgets will be posted to FI$Cal Commitment Control for controlling appropriations
- Department level operational budgets may be posted to FI$Cal Commitment Control directly via spreadsheet

Prepare Appropriation Adjustments

Department of Finance

Department Budget Approver

Department Budget Processor

1. Enter decision package and budget request(s)

2. Review for compliance with state and departmental guidance

3. Budget System

4. Route for approvals (iterative)

5. Submit to DOF for analysis and adjustment

Compliant with guidance?

Yes

No

Something has happened that requires a change in budget authority

Budget System
Analyze and Adjust Appropriation Adjustments

Department of Finance

1. Verify authority to adjust budget authority
2. Reflect resolution in decision package, as necessary
3. Analyze the rationale for the request
4. Provide clarification and/or revised decision package
5. Is legislative notification required?
   - Yes → Generate letter to Legislature
   - No → Wait 30 days; receive response/no response
7. Approved?
   - Yes → End
   - No → Transfer Budget to Accounting System

Department Budget Office

State Controller's Office

Transfer Budget to Accounting System
Technology Considerations for Hyperion – Conversions

- Statewide budget data for all departments statewide will be loaded into FI$Cal in Wave 1
- All departments will submit their budget details to FI$Cal in the Base Upload Spreadsheet for Past Year and Current Year
  - You may have attended the March FI$Cal Forum and seen the Base Upload Spreadsheet
- Additional appropriation-level budget conversions into Hyperion will not be necessary for Wave 2 departments
Commitment Control Overview

- The Commitment Control business process provides for the recording of budgeted revenue and expenditure amounts. Transactions in all FI$Cal modules are validated against these budgets.
- Commitment Control allows for the establishment of spending authority at differing levels within state government.
- Appropriation and LTD Project budget balances will be converted for the Wave 1 departments.
- Department of Finance will create and approve Appropriation Hyperion budget requests. These budget requests will be posted in Commitment Control to establish appropriation spending authority.
- Departments will document operating budget amounts utilizing the current business process. The amounts will be posted to commitment control in a budget journal.
Commitment Control Ledgers

- Budgetary control is enforced on financial transactions through the use of commitment control ledgers and control options.

**Distribution Lines from Transactions**
- Journals – GL
- Requisitions – PO
- Purchase Orders – PO
- Vouchers – AP
- Bills – Billing
- Deposits – AR

**Diagram:**
- Budget Checking Process
- Commitment Control Ledgers
- Journal Posting Process
- Modified Accrual Ledger

- Budgets
- Pre-Encumbrances
- Encumbrances
- Expenses
- Revenue Estimates
- Revenue
## Budget Journals Key Terms

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Hyperion Planning and Budgeting</strong></td>
<td>The budget and planning system within the FI$Cal solution which the Department of Finance and departments will use to create Appropriation budget requests.</td>
</tr>
<tr>
<td><strong>Budget Journal</strong></td>
<td>A journal containing one or more transactions of the same Budget Entry Type creating or modifying authorized budgeted amounts for a single Budget Definition. Departments will manage department level operating budgets with budget journals.</td>
</tr>
</tbody>
</table>
Process Appropriation

**DOF/Department Budget Analyst**
- Create and Load Budget Requests
  - Prepare original budget and adjustments

**SCO/DOF/Dept. Budget Approver**
- Review and Validate Budget Requests
  - Validate Budget requests and submit to Commitment Control

**SCO Appropriation Approver**
- Post Budget Transactions/ Journals
  - Post Budget Transaction if interfaced from Hyperion
  - Post Budget Journal if request originates out of Hyperion

**Key Impacts**
- DOF and departments will initiate budget transactions in FI$Cal
- SCO will approve amounts within Hyperion
- SCO can create and post budget journals in Commitment Control in the event of a no-budget situation or a statewide budget not utilizing Hyperion
Operating Budgets Solution

- Departments create operating budget using the same mechanism today (legacy budget creation)
- PeopleSoft Commitment Control module will have the appropriation budget from Hyperion; Departments record operating budgets into PeopleSoft online or upload via excel spreadsheet
- Level of detail for Operating Department is a department decision
- Departments can select from multiple types of expenditure and revenue budgets.
- Departments can select differing control options on each budget structure
GL – Enter and Process Budget Journals – Operating Budget A

Operating Budget Processor

A

DELETE BUDGET JOURNAL?

No

Yes

DELETE BUDGET JOURNAL

BUDGET JOURNAL ERROR?

No

Yes

CREATE ADDITIONAL OPERATING BUDGET AT DIFFERING LEVELS

CREATE BUDGET JOURNAL

A

CORRECT BUDGET JOURNAL ERRORS

REVIEW BUDGET JOURNAL ERRORS

A

POST BUDGET JOURNAL (FSPOPOST)

BUDGET JOURNAL APPROVED?

No

Yes

CORRECT BUDGET JOURNAL ERRORS

May 29, 2014

Operating Budget Approver/Processor

B

CONFIRM BUDGET AMOUNTS UTILIZING COMMITMENT CONTROL INQUIRIES

REVIEW INQUIRY RESULTS

JOURNAL POSTED IN ERROR?

CREATE CORRECTING JOURNAL OR TRANSFER

Complete

A
<table>
<thead>
<tr>
<th>Chartfields and Amounts</th>
<th>Base Currency Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Delete</td>
<td>Line</td>
<td>Ledger</td>
</tr>
<tr>
<td>☐</td>
<td>1</td>
<td>CDEX1_BUD</td>
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</tbody>
</table>

Lines to add: 1

Journal Line Copy Down

From Line: ☐ To: ☐

Generate Budget Period Lines

**Totals**

<table>
<thead>
<tr>
<th>Total Lines:</th>
<th>Total Debits:</th>
<th>Total Credits:</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Commitment Control Technology Considerations

- Interfaces:
  - Hyperion will export budget and budget adjustments to PeopleSoft as budget transactions.
  - Hyperion will import budget close entries (reversion and the rolling forward of budget to the next Budget Period or Funding Fiscal Year if required) from PeopleSoft.
  - Spreadsheet Budget Journals will be utilized to create and import Operating Budget amounts.

- Conversions:
  - Available balances for active appropriations will be converted into FI$Cal.
Data Protection Overview

- 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 (PII)
  - Sensitive
  - Confidential

- Various state agencies assisted FI$Cal in the development of a Data Classification and Protection Framework
Data Protection Overview

- 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

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Information</strong></td>
<td>Information maintained by state agencies that is not exempt from disclosure under the provisions of state or federal laws.</td>
</tr>
<tr>
<td><strong>Confidential Information</strong></td>
<td>Information maintained by state agencies that is exempt from disclosure under the provisions of state or federal laws.</td>
</tr>
<tr>
<td><strong>Sensitive Information</strong></td>
<td>Information maintained by state agencies that requires special precautions to protect from unauthorized use, access, disclosure, modification, loss, or deletion. Sensitive information may be either public or confidential.</td>
</tr>
<tr>
<td><strong>Personally Identifiable Information</strong></td>
<td>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.</td>
</tr>
</tbody>
</table>
Data Protection - Budgeting

- Work products (e.g., decision packages, budget requests) created during the development of the Governor’s budget are **Confidential**
- Governor’s Budget is Confidential until it is made Public
- Certain items not specifically released by the Governor remain Confidential (e.g., budget requests that were denied)
- The FI$Cal budget system does not contain data classified as Personally Identifiable Information or Sensitive Information.
Module: Budgeting Tab

Data Protection Processes & Fields

<table>
<thead>
<tr>
<th>Process Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Preparation and Administration</td>
<td>Entity</td>
</tr>
<tr>
<td>Budget Preparation and Administration</td>
<td>Program</td>
</tr>
<tr>
<td>Budget Preparation and Administration</td>
<td>Category</td>
</tr>
<tr>
<td>Budget Preparation and Administration</td>
<td>Fund</td>
</tr>
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<td>Budget Preparation and Administration</td>
<td>Year</td>
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<td>Budget Preparation and Administration</td>
<td>Period</td>
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<td>Budget Preparation and Administration</td>
<td>Budget Reference</td>
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<td>Request</td>
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<td>Scenario</td>
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<td>Version</td>
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<td>Account</td>
</tr>
<tr>
<td>Budget Preparation and Administration</td>
<td>Service Location</td>
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<tr>
<td>Budget Preparation and Administration</td>
<td>Decision Package</td>
</tr>
<tr>
<td>Budget Preparation and Administration</td>
<td>Management Briefing Documents</td>
</tr>
<tr>
<td>Budget Preparation and Administration</td>
<td>Reporting Structure</td>
</tr>
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<td>Human Capital Planning</td>
<td>FTE Start Date</td>
</tr>
<tr>
<td>Human Capital Planning</td>
<td>Hire Date</td>
</tr>
<tr>
<td>Human Capital Planning</td>
<td>FT/PT</td>
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<td>Human Capital Planning</td>
<td>Job</td>
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<td>Pay Type</td>
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<td>Proposed FTE</td>
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<td>Human Capital Planning</td>
<td>Salary Basis</td>
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<td>Human Capital Planning</td>
<td>Union Code</td>
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<tr>
<td>Human Capital Planning</td>
<td>Employee Number</td>
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<tr>
<td>Human Capital Planning</td>
<td>Employee Name</td>
</tr>
<tr>
<td>Human Capital Planning</td>
<td>Element Start Date</td>
</tr>
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<td>Capital Outlay Planning</td>
<td>Project</td>
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<td>Capital Outlay Planning</td>
<td>Project Class</td>
</tr>
<tr>
<td>Capital Outlay Planning</td>
<td>Program Class</td>
</tr>
<tr>
<td>Capital Outlay Planning</td>
<td>Location</td>
</tr>
<tr>
<td>Legislation</td>
<td>Legislative Bill Language</td>
</tr>
<tr>
<td>Forecasting</td>
<td>Forecasted Fund Balances</td>
</tr>
<tr>
<td>Forecasting</td>
<td>Forecasted Large Revenues</td>
</tr>
</tbody>
</table>

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).

Budget Module classified as Confidential with the exception of the fields highlighted to be Public.
Data Protection – Next Steps

- FI$Cal is expecting this framework confirmed by Wave 1 departments will also meet the data protection requirements of Wave 2 departments
- Opportunity to request additional data protection in Wave 2 task TECH201: Review Data Classification and Protection Framework
Session Recap

- Key Considerations
- Future Action Items
- Action Items
- Concerns
Question and Answer

FI$Cal Project Information:

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

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

fiscal.cmo@fiscal.ca.gov
Guide to Symbols in Flows

- **Start/End**: Indicates the point at which the process begins or ends. Does not represent any activity.

- **Decision**: Shows a decision point, such as yes/no. Each path emerging from the diamond is labeled with one of the possible answers.

- **System Task**: Represents an individual step or activity in FiSCal.

- **Manual Task**: Represents an individual step or activity in the process that is made out of FiSCal.

- **Input Documents**: A paper document (or email) that is used for entering data in the process. For electronic data, the interface shape is used.

- **Connector**: On/Off-Page Connector. Used to avoid complex overlapping connector lines or to continue a process on a subsequent page. Connectors are labeled with upper case letters.

- **Interface**: Data conversion from one electronic system to another.

- **Batch Process**: Represents a batch process within FiSCal.

- **Flow Arrow**

- **Intra Integration Process**: An input or output to some other process within the same capability.

- **Output Documents**: An electronic document that is created by the process and can be printed (for example — any kind of report).
ChartField / UCM Codes Cross-reference

- Organization Codes
  - Level 1
  - All Other

- Business Unit
  - 4

- Reporting Structure
  - 8

- Fund
  - 4/9

- Program
  - 10

- Project
  - 15

- Service Location
  - 5

- Agency Use
  - 10

- Statistics Code
  - 3

- Budget Period
  - 4

- Account
  - 7

- Alternate Account
  - 10

- Appropriation Reference
  - 3/4

- Year of Enactment
  - 4

- Object Code

- Receipt Code

- GL Code

- Agency Source

- Agency Object

- Appropriation Reference

- Year of Enactment

May 29, 2014