Agenda

- FI$Cal Project Overview
- Business Process Workshop Objectives and Approach
- FI$Cal Solution Overview
- Cash Management—what is included, not included, in future waves
- Cash Management
  - Business Process Overview, Key Terms
  - Process Flows, Screenshots
  - End-User Roles
- Technology Considerations
- Change Impact Activity
- Business Process Workshop Next Steps
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)
BPW Objectives

- The Business Process Workshops will provide:
  - An overview of the business process, including key terms and functionality being implemented
  - A list of changes with the “To-Be” business process
  - An opportunity to discuss and begin identifying department-specific changes and impacts
  - An explanation of Wave 2 end-user roles
  - A template to capture department-specific changes and impacts
  - An opportunity to begin thinking about updates to internal department processes
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
What Comes Next?

- **Role Mapping Working Session** – Workshop to review the FI$Cal Role Mapping Template, answer any questions about the roles presented in BPWs, and begin assigning end-user roles for Wave 2.
- **Change Workshop** – Workshop to help prepare managers and supervisors for conversations with department end users on the new FI$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
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
What You Should Take Away

- Process overview level understanding of the Wave 2 FI$Cal business processes. For this session, the business processes are:
  - Create Bank Account
  - Bank Account Transfers
  - Reconcile Statement
  - Manage Cash Position
- BPW Change Impact Tool for your department used to identify and manage department-specific impacts
- Understanding of the FI$Cal end-user roles for participation in the Wave 2 Role Mapping Working Session
FI$Cal Solution Overview

Governance Risk & Compliance
- Identity & Access Management
- Portal (Single Sign-on)
- Application Security
  - Budgeting
  - Finance & Purchasing
  - Business Intelligence
- Access Control Monitoring
- Transaction Monitoring

GRC Technology
- Oracle Enabling Technology

GRC Infrastructure
- Infrastructure

Operations & Maintenance
- ERP Modules
- Enabling Software Technology

Authentication
- Access Control
- Reports, PDFs
- Spreadsheets
- Output Files
- External Interfaces
FI$Cal Accounting Solution

Legend
- Pre-Wave
- Wave 1
- Wave 2
- Wave 3

General Ledger / Commitment Control

Project Mgmt
- Capital Assets

Asset Mgmt
- Goods Received
- Encumbrances

ePro / PO
- Purchase Orders
- Expenditures

Accounts Payable
- Encumbrances
- Expenditures, Payables

Project Costing
- Project Details

Contract
- Award Data

Grants
- Billable Transactions

Billing
- Billable Transactions
- Customer Invoices

Accounts Receivable
- Revenue, AR, Cash
- Loan Data

Loans
- GL Journals

Cash Mgmt
- GL Journals
- Unbilled AR, Revenue

Deal Mgmt
- Bond Transactions

Journals, F&A, Budgets

Refunds
- Commitment Control

October 16, 2014

Cash Management Overview

- Cash Management includes:
  - Creating and maintaining bank and bank accounts
    - Involves the configuration setup of the FI$Cal Bank (State Bank), the CTS Accounts, the Warrant Account and the Internal Transaction Account
  - Bank statement reconciliation
    - Process that reconciles system transactions to bank statements and gives control agencies and departments the ability to manage reconciliation
  - Managing cash positions
    - Enables control agencies and departments to view the position of cash in the appropriate bank account
What is Included in Wave 1

- Department-level cash data will be contained in the FI$Cal General Ledger (GL) and transaction-level modules (for example, Accounts Receivable and Accounts Payable)
- Wave 1 includes CTS Bank Account conversion and transaction reconciliation
- Banks and bank account configuration will be maintained by STO
- ChartFields associated with bank accounts will be determined by SCO
- Reconciliation will be performed by FI$Cal overnight on a daily schedule
- Departments will analyze reconciliation exceptions within FI$Cal
- Adjustments made by SCO will need to be duplicated in FI$Cal
What **IS NOT** Changing for Wave 1

- 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
  - Deposit slips
  - Department Remittances (eFITS)

- Department bank statements will still be produced by SCO
- Departments will still need to reconcile to the monthly bank statement produced today
- Zero Balance Account (ZBA) management and reconciliation will remain the same as it is today
What is included in Wave 2

- There are currently no new functionalities being deployed in the Cash Management module for Wave 2
Future Cash Management Functionality

- Wave 3 will introduce additional control agency functionality including:
  - Creation of bank deposit slips
  - Reconciliation of depository bank account
  - Creation of bank statements for all accounts associated with the STATE Bank
- Integration with Depository Banks for ZBA Bank Statement reconciliation will be available beginning in Wave 3
# Cash Management Key Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralized Treasury System (CTS) Accounts</td>
<td>Department checking accounts</td>
</tr>
<tr>
<td>Bank Account Transfer</td>
<td>The transfer of money between CTS Accounts (not including interagency billing)</td>
</tr>
<tr>
<td>Banks</td>
<td>STATE Bank (for Wave 1)</td>
</tr>
<tr>
<td>STATE Bank</td>
<td>Includes Department CTS Accounts, the SCO Warrant Account, and the Internal Transaction Account</td>
</tr>
<tr>
<td>Internal Transaction Account</td>
<td>Bank account used to facilitate direct and non-direct transfers</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Warrant Account</td>
<td>SCO Account from which warrants are drawn</td>
</tr>
<tr>
<td>Bank Statement Reconciliation</td>
<td>The process used to reconcile FI$Cal transactions to imported bank statement transactions</td>
</tr>
<tr>
<td>Item Processing Section (IPS)</td>
<td>The STO section whose system generates the Paid Items file</td>
</tr>
<tr>
<td>Centralized Treasury Trust System (CTTS)</td>
<td>SCO’s system that records department bank statement transactions and provides monthly department bank statements</td>
</tr>
</tbody>
</table>
Create Bank Account

**Department**
- Request New Bank Account
  - Submits request for new bank account

**Department of Finance**
- Approve Bank Account Request
  - Review department requests
  - If needed, department modifies request and resubmits based on the DOF feedback

**State Controller’s Office**
- Create ChartFields (if needed)
  - Receive approved bank account requests
  - Determine if new ChartFields are required and request new ChartFields as needed (based on the CTS number provided by the STO)

**STO Bank Account Maintainer**
- Create Bank Account
  - Receive bank account request and new ChartFields (if applicable)
  - Configure new bank account in Fi$Cal

**Key Impacts**
- This process facilitates the management of cash in the CTS Accounts, the Warrant Account, and the Interagency Account
- New bank account requests route to DOF, SCO, and STO for approval and processing
CM - Create and Maintain Bank and Bank Account

**Departments**
- Start
- Request New Bank Account
- Department Reviews and Modifies Account Request
- Resubmit?
- N → End
- Y → Approve?
  - Y → Create and Maintain COA* (GL)
  - N → STO Assigned Account Number

**DOF**
- Review Department Request
- Approve?
  - Y → Establish new ChartFields?
  - N → End
  - Y → Receive Approved Request
  - N → STO Assigned Account Number

**SCO**
- Receive Approved Request
- Establish new ChartFields?
  - Y → CM - Create and Maintain Bank and Bank Account
  - N → STO Assigned Account Number

**STO**
- Receive Approved Request
- Create Bank Account (CM)
- End
Create Bank Account Illustration

**Key Points:**

- Department CTS Bank Accounts, the Warrant Account and the Internal Transaction Account will be under the STATE Bank.
Key Points:

- Bank Branch contains information specific to each department location
- One Bank Branch is configured for each department
- The Address is used by Billing for their invoice payment/remittance address
Create Bank Account Illustration

Key Points:

- GL Business Unit and Cash Accounts are maintained here
- Account number is the CTS account number
Create Bank Account Illustration

Key Points:

• Reconciliation Rules will be defined and maintained by STO
Create Bank Account Illustration

Key Points:

• Payment methods are System Check, Manual Check, ACH
• Outstanding/Stop Payment is controlled at the Bank Account level
Bank Account Transfers

**Cash Transfer Processor**
- Enter Transfer Transaction
  - Enter bank account transfer request in FI$Cal

**Cash Transfer Approver**
- Approve Transfer Transaction
  - Approve bank account transfer transaction

**Process Payments (AP)**
- Payments are processed via Pay Cycle
  - For CTS Account Transfers, departments reconcile transactions to their account statement

**Update Accounting Entries**
- The Cash Management module generates accounting entries and sends them to the GL

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**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
CM – Bank Account Transfers (Transfers between Cash)

Start → Enter Bank Account Transfer (CM) → Select Bank Account Transfer (CM) → Reconcile Bank Statement (CM) → Analyze Exceptions (CM)

Outbound

Process Payments (AP) → Bank Account Transfer Table (CM) → Generate Journal Entries (GL) → Import Bank Statement (CM)

Inbound

Generate Accounting Entry (CM)

For Cross BU transfers, SCO will notify Fi$Cal Service Center, so that FSC can enter the cross BU transfer.

SCO CTTS Accounting in Fiscal → Department Bank Statement
Bank Account Transfer Illustration

Key Points:

- Correct the transaction keyed to the wrong bank account
- Agency/ORF/General Cash types can be selected
- Payment Method must be ACH and Layout must be PPD
Key Points:

- Selected transfers are approved
- Pay Cycle generates the transfer between accounts
Key Points:

- Treasury Accounting & Cash Accounting Entries run via Batch
- Entries are available for review
## Bank Account Transfers Roles

<table>
<thead>
<tr>
<th>FI$Cal End-User Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Transfer Processor</td>
<td>The central and department end user who creates and submits requests for Bank Account Transfers between CTS Bank accounts</td>
</tr>
<tr>
<td>Cash Transfer Approver</td>
<td>The central and department end user who will review and approve all department requests for transfers between CTS Bank Accounts associated with their business unit security</td>
</tr>
</tbody>
</table>

*These roles are only required for departments who have more than one CTS account*
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
CM – SCO and Department Bank Reconciliation

<table>
<thead>
<tr>
<th>STO</th>
<th>IPS Reconciliation</th>
<th>Checks &amp; Warrants Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCO</td>
<td>CTTS Bank Statement Transactions*</td>
<td></td>
</tr>
<tr>
<td>F$Cal</td>
<td>Import Bank Statements (CM)</td>
<td></td>
</tr>
<tr>
<td>Department</td>
<td>Process Dept Payments AP</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Process Dept Payments AR</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Perform CTS Bank Reconciliation (CM)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Analyze Exceptions (CM)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>End</td>
<td></td>
</tr>
</tbody>
</table>
Reconcile Statement Illustration

Key Points:

- Upload transactions based off of IPS AIAA file & SCO Bank Statements
- Statement Date and Value Date will be determined by SCO Bank Statement (i.e. date reported to STO/SCO)
- Balances will be calculated by the import process
Reconcile Statement Illustration

Key Points:

- Reference number will be the deposit number on the deposit slip (from EDF), check number, or JE number
- Location Code has been added to tie to the AR Identifier
- Delivered reconciliation uses Statement Code, Reference ID, Bank Date, Transaction Amount, Trans Code, and Reconciliation Status for processing
Reconcile Statement Illustration

Key Points:

- Items can be matched across dates
- Reduce manual reconciliation through the use of an automated matching process and integrated data management
- Streamlines the data flow and reconciliation process across the Partner Agencies, Departments and Banks
- Items that do not match according to the reconciliation rules, show up in Analyze Exceptions
- Reconciled transactions can be seen under Semi Manual Reconciliation and un-reconciled if necessary
Reconcile Statement Illustration

Key Points:

• Items can be matched ad-hoc
• Total bank transactions must equal total system transactions
• When items do not match 100% according to the automated reconciliation criteria, semi manual recon can be used to match items
Reconcile Statement Illustration

Key Points:

- Depending on accounting configuration, items can only be unreconciled if the associated accounting entries have not been posted to the general ledger.
Key Points:

- This is used for manual ad hoc adjustments that are not recorded on the bank side, or in cases where a credit and a debit on the bank side match to one system transaction
Reconcile Statement Illustration

Key Points:

- Manually reconciled items can be unreconciled
- Reconciliation dates can be adjusted by searching for all manually reconciled items
Reconcile Statement Illustration

Key Points:

• Use this to change a bank transaction to “Reconciled” only if necessary
• Must contact the Fiscal Service Center to change back to unreconciled
# Bank Reconciliation Roles

<table>
<thead>
<tr>
<th>FI$Cal End-User Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Statement Reconciliation Processor</td>
<td>The central and department end user who reconciles the Bank Statements for each Departmental Bank Account by reconciling transactions via Automatic, Semi-Manual, or Manual Reconciliation and analyzes exceptions to the reconciliation process</td>
</tr>
<tr>
<td>Department CM Report Viewer</td>
<td>The department end user who runs reports for Bank Statements, Reconciliation, and Cash Management processing</td>
</tr>
</tbody>
</table>
## Technology Considerations – Interfaces

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

### Key Impacts

- These are already existing interfaces that will require limited information from your department.
- All Wave 2 departments will be automatically enrolled in these interfaces based on Wave 2 configuration.
Next Steps

- Share BPW materials at your department
- Complete the BPW Change Impact Tool
- Review with your FI$Cal CMO Department Readiness Coordinator
- Identify and work on updating internal department policies, processes, and documentation
- Prepare for:
  - Role Mapping Working Session – November 2014
  - Change Workshop – February 2015
Role Mapping Working Session

- 2-hour facilitation session Intended for Wave 1 and Wave 2 Department Implementation Team (DIT) members
- FI$Cal will provide DITs with detailed instructions on how to fill out the Role Mapping Tool for their department
  - “Do’s and Don’ts” of the Role Mapping Template
  - To take place at:

  FI$Cal Project site
  2000 Evergreen Street
  Jade Auditorium
  Thursday, November 6, 2014
  9:00 a.m. – 11:00 a.m.

*Remote Dial-In will be available to those geographically dispersed
Cash Management Change Impact Activity

- **Description:**
  - FI$Cal walk through one example change impact
  - At your table, discuss how the FI$Cal business processes and related change impacts may affect your department
  - Document **three impacts** in your BPW Change Impact Tool

- **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

- **Time:**
  - You will have 30 minutes for this activity.
FI$Cal Project Information:

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

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

fiscal.cmo@fiscal.ca.gov
Appendix
Process Payments

**Key Impacts**

- Department AR Payment Processor/Approver enter Journal Entries which affect cash balances
- Journal Entries need to be submitted daily to record or reverse General Cash/Uncleared Collections
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 Fi$Cal.

- **Manual Task** - Represents an individual step or activity in the process that is made out of Fi$Cal.

- **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 Fi$Cal.

- **Flow Arrow**

- **Intra Integration Process** - A 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).
CM – SCO and Department Payment/Disbursement Bank Reconciliation

Banks
- Image Cash Letter (Check 21)
- Wire

STO
- IPS Reconciliation
- Checks, Warrants, Food Vouchers Paid

SCO
- Process Payments (AP)
- Positive Pay File (Outstanding and Stops)
- Start
- D
- A

Departments
- Process Payments (AP)
- Start
- A
- Department Checks
- D
CM – Manage Cash: EFT (ORF Replenishment)

Start

Enter EFT Transaction (CM)

Select EFT Transaction (CM)

Enter Bank Statement (CM)

Process Reconciliation (CM)

SCO

Approve EFT Transaction (CM)

Approved?

ORF Replenishment

Process Payments (AP)

Generate Accounting Entry (CM)

Review/Approve Accounting Entry (CM)

Enter and Process Journal (GL)
ChartField / UCM Codes Cross-reference

- Organization Codes
  - Level 1
  - All Other
- Index
- Fund
- Subfund
- Program
- Element
- Component
- Task
- Project
- Business Unit
- Reporting Structure
- Fund
- Program
- Project
- Service Location
- Agency Use
- Statistics Code
- Budget Period
- Account
- Alternate Account
- Appropriation Reference
- Enactment Year
- Object Code
- Receipt Code
- GL Code
- Agency Source
- Agency Object
- Appropriation Reference
- Year of Enactment