



FI\$Cal

Financial Information System for California

General Ledger Design Validation

October 13 and 14, 2015

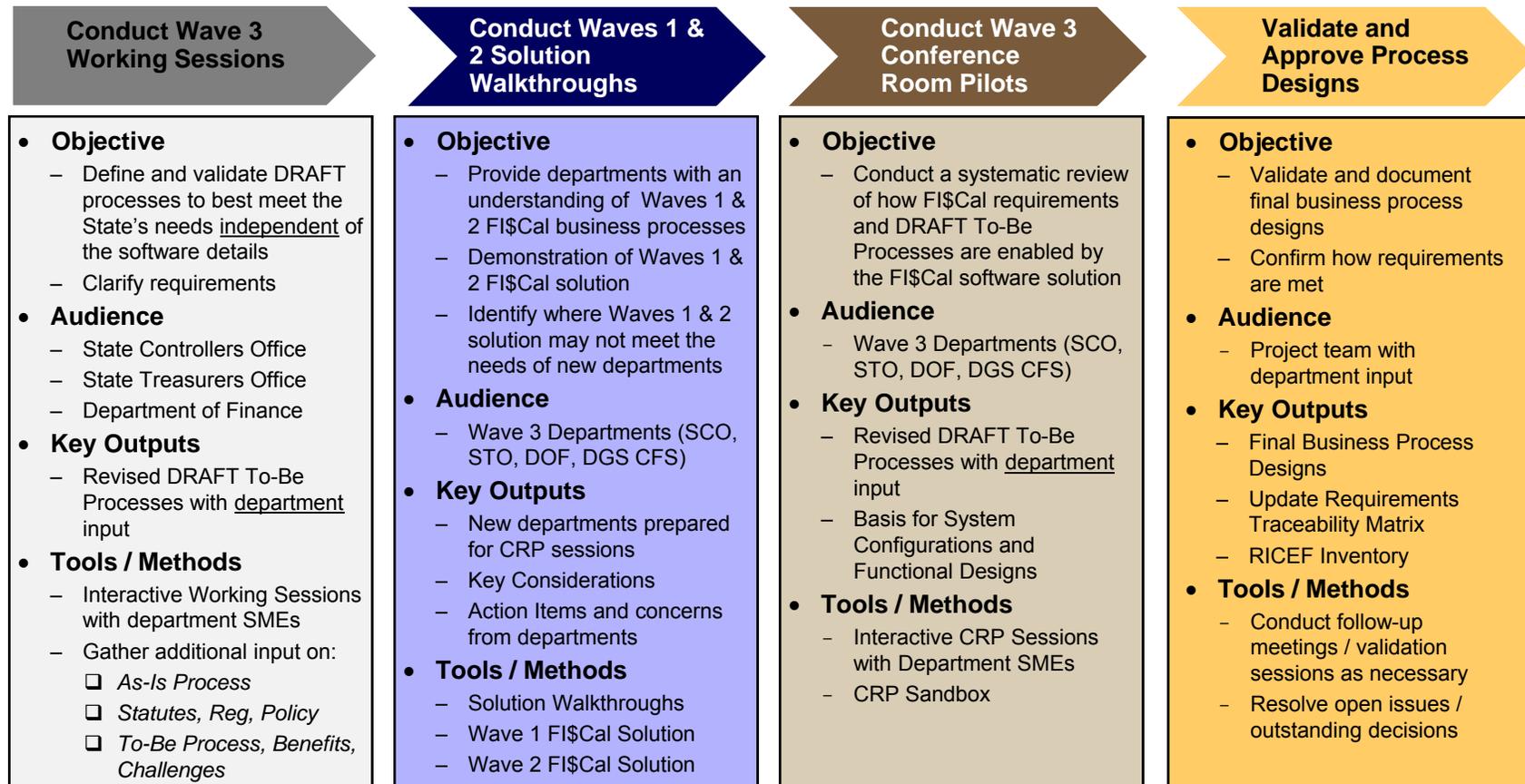
Schedule/Calendar

Session ID	Session Description	Participants	Dates	Location
	Kick Off presentation	Disb/DAR/Audits	9/09 -- 1 to 4	Jade
	Kick Off presentation	Disb/DAR/Audits	9/16 -- 9 to 12	Jade
AP	3 -3 hour sessions			
1	Payment Processing – Part 1	Disb/DAR/Audits	9/22 -- 9 to 12	Sapphire/Topaz
2	Payment Processing – Part 2	Disb/DAR/Audits	9/22 -- 1 to 4	Sapphire/Topaz
3	Post Issuance	Disb/DAR/Audits	9/23 -- 9 to 12	Sapphire/Topaz
CM/AR	4 -3 hour sessions			
1	Overview of solution: SCO Focus STO Focus	DAR	9/29 -- 9 to 12	Jade/Amethyst
2	Deposit and Transfers/Payroll ARs	DAR	9/29 -- 1 to 4	Jade/Amethyst
3	Bank Statements & Reconciliation: CTS Accounts STO Accounts	DAR	9/30 -- 9 to 12	Jade/Amethyst
4	STO Cash Forecasting	STO	9/30 -- 1 to 4	Jade/Amethyst
FI	2 - 3 hour sessions			
1	Overview of solution (ledgers, trees, nVision)	DAR	10/01 -- 9 to 12	Jade/Amethyst
2	Budgetary Legal and CAFR Reports	DAR	10/01 -- 1 to 4	Jade/Amethyst
	Week off to update FDs		10/6 -- 10/8	

Schedule/Calendar

Session ID	Session Description	Participants	Dates	Location
GL	3 - 3 hour sessions			
1	GL Journal Workflow Automated Transfers Cash Accounting	DAR	10/13 -- 9 to 12	Sapphire/Topaz
2	Non-FI\$Cal Department Interfaces	DAR	10/13 -- 1 to 4	Sapphire/Topaz
3	Cash Validation	DAR/Disb	10/14 -- 9 to 12	Sapphire/Topaz
LA	2 - 3 hour sessions			
1	Overview of Solution Configuring Loans Recording Loan Transactions	DAR	10/15 -- 9 to 12	Sapphire/Topaz
2	Accruing Interest Daily General Fund Loans	DAR	10/15 -- 1 to 4	Sapphire/Topaz
AP	1 - 3 hour session			
4	Registered Warrants	Disb/DAR/Audits	10/21 -- 1 to 4	Sapphire/Topaz
DM	2 - 3 hour sessions			
1	Configuring Bonds Processing Bonds	DAR	10/22 -- 9 to 12	Sapphire/Topaz
2	Bond Inquiries and Reports	DAR	10/22 -- 1 to 4	Sapphire/Topaz

FI\$Cal Design Approach



Expectations of Participants

- Bring FI\$Cal Overview
- Constructive Interaction
- Participation During Sessions
- Participant Expectations of FI\$Cal

Ground Rules & Guiding Principles

- **Challenge** how the State does things today
- **Perspective** – Adopt a “Statewide” perspective
- **Be Present**– Actively engage in the session
- **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

Next Steps

- Build Phase
 - Business Process Workshops (BPW)
 - User Acceptance Test Planning and Desired Outcomes
- Test Phase
 - Interface and Conversion Testing
 - Functional and End-to-End Testing
 - User Acceptance Testing (UAT)
- Training
 - Pre-Test Training
 - Post-Test Training

Agenda

Day One:

- FI\$Cal Project Overview
- General Ledger Processes:
 - GL Journal Workflow
 - Automated Transfers
 - Cash Accounting
- Non-FI\$Cal Department Interfaces

Day Two:

- Cash Validation

Why are we here?

- These presentations are at a high level to introduce you to the functions being designed
- On July 1, 2017, FI\$Cal becomes Book of Record for the SCO and STO replacing many legacy system and integrating with others
- Appropriation Budget Checking and Fund Cash Validation will be performed in FI\$Cal
- Future wave, deferred and exempt departments will continue to process their Claim Schedules, Deposits and Transaction Requests as they do today
- WE NEED YOUR INPUT, don't be afraid to ask questions

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)

General Ledger Processes

- GL Journal Workflow
- Automated Transfers
 - Bond Cash
 - SMIF Allocations
- Cash Accounting
 - Cash Accountability
 - Cash in State Treasury
 - Cash Accounting Extension

Key GL Concepts and Terms

- **GL Journal** – PeopleSoft Journal Entry posted to the General Ledger.
- **Workflow** – Journals are ‘routed’ to ‘approvers’ using workflow
- **Trees** – Specify how the system groups together the values of a field for purposes of reporting or security access
- **Ledger** – PeopleSoft General Ledger stores the results of business transactions on the Ledger table
- **Commitment Control** – PeopleSoft process to perform budget checking (also known as KK)
- **ChartFields** – The data elements that make up the Chart of Accounts (e.g. Fund, Reference, Account)

GL Journal Workflow

When FI\$Cal becomes the Book of Record, Departments and SCO will be transacting in a single system. Departments will be able to transact at lower levels of detail than required for SCO and may post adjustments that will not require SCO approval. For example:

- Adjusting for an incorrect Alternate Account (e.g. Agency Object)
- Adjusting for a change in Reporting Structure (e.g. Bureau or Unit)

Therefore, SCO has provided specific criteria for identifying GL journals that will require their approval before posting to the General Ledger.

These criteria are:

- Journals having a non-zero impact to an item of appropriation
- Journals having a non-zero impact to any state fund's cash

GL Journal Workflow

Journals having a non-zero impact to an item of appropriation:

- The Commitment Control (KK) Activity Log contains the ChartField values of the budget (e.g., item of appropriation) against which an accounting entry is validated
- To determine a journal's net impact on an item of appropriation, it is first necessary to look up the ChartField values of the Journal lines from the Activity Log
- Journal line amounts are then summarized by the common Activity Log ChartField values
- Journals having a non-zero impact on an item of appropriation are then automatically routed to SCO for approval
- Approvers can be notified of a journal requiring their review by an email and by an entry in their *worklists*

The following example illustrates this concept.



GL Journal Workflow

The following illustrates this concept:

Journal Line Entries							Activity Log Entries						
BU	Account	Fund	Program	Ref	Rptg Struct	Amount	BU	Account	Fund	Program	Ref	Rptg Struct	Amount
1234	5350000	010012345	4500123	100	1234100	500	1234	50	0100	4500	100		500
1234	5360000	010012345	4500345	100	1234200	(500)	1234	50	0100	4500	100		(500)
1234	5350000	0200	4500100	101	1234100	1,000	1234	50	0200	4500	101		1,000
1234	5360000	0300	4500200	101	1234200	(1,000)	1234	50	0300	4500	101		(1,000)
							Activity Log Totals						
							BU	Account	Fund	Program	Ref	Rptg Struct	Amount
							1234	50	0100	4500	100		-
							1234	50	0200	4500	101		1,000
							1234	50	0300	4500	101		(1,000)

GL Journal Workflow

Journals having a non-zero impact to any state fund's cash:

- A journal will have a *non-zero cash impact* when its cash amounts for any state fund do not total to zero
- For this purpose, 'cash amounts' are journal lines involving a GL Account beginning with '110', and a 'state fund' is a Fund whose ID does not begin with '0000'

GL Journal Workflow

The following examples illustrate this concept:

<u>BU</u>	<u>Account</u>	<u>Fund</u>	<u>Program</u>	<u>Ref</u>	<u>Amount</u>
Example 1					
Journal Lines					
1234	1105000	1001			5,000
1234	1107500	1001			(5,000)
Fund Subtotals					
		1001			0.00
Conclusion					

The journal does not require SCO approval as the net cash affect for all funds involved (only one fund in this case) is zero.

GL Journal Workflow

<u>BU</u>	<u>Account</u>	<u>Fund</u>	<u>Program</u>	<u>Ref</u>	<u>Amount</u>
Example 2					
Journal Lines					
1234	6200000	2000	4100	101	10,000
4567	6200000	2000	4500	101	(10,000)
1234	1101000	2000			(10,000)
4567	1101000	2000			10,000
Fund Subtotals					
		2000			0.00
Conclusion					

The journal does not require SCO approval as the fund involved has a zero cash impact at the statewide level, even though it has a non-zero cash impact at the Business Unit level.

GL Journal Workflow

<u>BU</u>	<u>Account</u>	<u>Fund</u>	<u>Program</u>	<u>Ref</u>	<u>Amount</u>
Example 3					
Journal Lines					
1234	6200000	2000	4100	101	10,000
4567	6200000	3000	4500	101	(10,000)
1234	1101000	2000			(10,000)
4567	1101000	3000			10,000
Fund Subtotals					
		2000			(10,000)
		3000			10,000
Conclusion					

The journal requires SCO approval as both funds involved have a cash impact.

Automated Transfers – Bond Cash

Bond proceeds are credited to a proceeds sub-fund (within the bond fund ‘parent’) and bond funded expenditures are charged to an expenditures sub-fund. Therefore, the expenditures sub-fund will never have cash and any attempt to issue payments from it will fail Cash Validation.

- Current Process:

Claims Schedules submitted to the SCO for payments from a bond expenditures sub-fund are accompanied by cash transfer requests to move cash into that sub-fund from a proceeds sub-fund

- FI\$Cal Process:

Claims Schedules are replaced by Vouchers in FI\$Cal, which can be in advance of payment issuance. Executing transfers into expenditure sub-funds at the time of voucher posting would often be earlier than when the funds are actually needed to cover the payment

Automated Transfers – Bond Cash

Fund Relationships:

- Every bond type is represented by a 4 digit Fund, and one or more 9 digit expenditure funds, through which bond proceeds are spent
- Each bond can have one or more issuances (series), each of which has a 9 digit proceeds fund into which the bond proceeds are recorded
- Generally, bond proceeds are spent on a FIFO basis, that is, proceeds from the oldest issuance are spent before proceeds from more recent issuances, although exceptions exist (e.g., tax free bonds)
- The relationships between proceeds funds and expenditure funds are configured in tables created by this extension, so that the Bond Cash Transfer process can (1) identify eligible bond expenditure funds, and (2) determine from which proceeds fund(s) money should be transferred to cover expenditures

Automated Transfers – Bond Cash

Process Overview:

- Eligible bond fund expenditures derived from both FI\$Cal AP Vouchers and Payments interfaced into FI\$Cal from SCO
- Configuration tables control processing and avoid ‘hard coding’ rules and values in order to automate the transfers
 - Business Units to select
 - Transfers Cutoff Days or Date
 - Include payments on hold option
- Calculate the amount of transfers needed from each of the proceeds sub-funds and calculate the cash balance of each such sub-fund in the Cash Validation (Commitment Control) ledger

Automated Transfers – Bond Cash

Process Overview, continued:

- Create the required accounting entries for the transfers based on the Accounting Rules table
- Determine prioritization of proceeds sub-funds when multiple funds are required to meet cash needs, and in what sequence to prevent overdrawing funds
- Validate accounting entries, including ChartField values Combination Edits and Budget Checking
- Cash Accounting Extension will create the final cash reclassification entries between departmental Business Units and the statewide Business Unit

Automated Transfers – Bond Cash

An example is shown below:

Entry Details (one eligible expenditure)					Dept BU		State BU	
Origin	BU	Account	Sub-fund	Amount	<u>Proceeds</u> <u>Sub-fund</u>	<u>Expenditure</u> <u>Sub-fund</u>	<u>Proceeds</u> <u>Sub-fund</u>	<u>Expenditure</u> <u>Sub-fund</u>
BCT	State	Transfers To Other Funds	Proceeds	100			100	
BCT	State	Pending Cash Transfers	Proceeds	-100			-100	
BCT	Dept	Transfers From Other Funds	Expenditures	-100		-100		
BCT	Dept	Pending Cash Transfers	Expenditures	100		100		
CAE	State	Pending Cash Transfers	Proceeds	100			100	
CAE	State	Cash in State Treasury	Proceeds	-100			-100	
CAE	Dept	Pending Cash Transfers	Expenditures	-100		-100		
CAE	State	Cash in State Treasury	Expenditures	100				100
CAE - IU	State	Unappropriated Transfers	Expenditures	-100				-100
CAE - IU	Dept	Unappropriated Transfers	Expenditures	100		100		
					0	0	0	0
BCT = Bond Cash Transfers process CAE = Cash Accounting Extension CAE - IU = Cash Accounting Extension (InterUnit)								

Automated Transfers – SMIF Allocations

Two Allocation Steps will be built to automate the creation of SMIF transfers:

- To the SMIF account from Cash in State Treasury account
- To Cash in State Treasury account from the SMIF account
- Standard PeopleSoft Allocations functionality does not support the state's requirement that transfer amounts be rounded down to the nearest \$1,000
- A custom extension is needed to retrieve the amounts from the “pool”, perform the rounding and generate the transfer accounting entries

Automated Transfers – SMIF Allocations

Rounding logic:

- When calculating a fund's cash balance, it is necessary to sum activity totals from multiple accounting periods, including the balance forward from the prior year, i.e. 'Period Zero'. These intermediate amounts should not be rounded – only the total of the periods is to be rounded To Cash in State Treasury account from the SMIF account
- Rounding Down' means to round to the largest multiple of \$1,000 less than a fund's cash balance:
 - Cash-to-SMIF view: Positive cash balances are returned as positive amounts or zeros (when the balance is less than \$1,000). Negative cash balances are returned as zeros
 - SMIF-to-Cash view: Positive cash balances are returned as zeros. Negative cash balances are first rounded, then the result is multiplied by -1 to 'flip' its sign, thereby returning a positive amount

Automated Transfers – SMIF Allocations

An example is shown below:

Fund Cash Balance	Amount Returned by the Cash-to-SMIF view	Amount Returned by the SMIF-to-Cash view	Comments
0	0	0	
9,500	9,000	0	
10,000	10,000	0	
500	0	0	
(500)	0	1,000	-500 rounded down to the nearest 1,000 is -1,000
(1,001)	0	2,000	

Statement of Cash Accountability

- Background
 - The State Treasurer's Office (STO) produces the Statement of Cash Accountability
 - Reconciled by SCO to their financial accounting records
 - A key FI\$Cal design goal is to reduce the manual effort required to produce this report

Statement of Cash Accountability

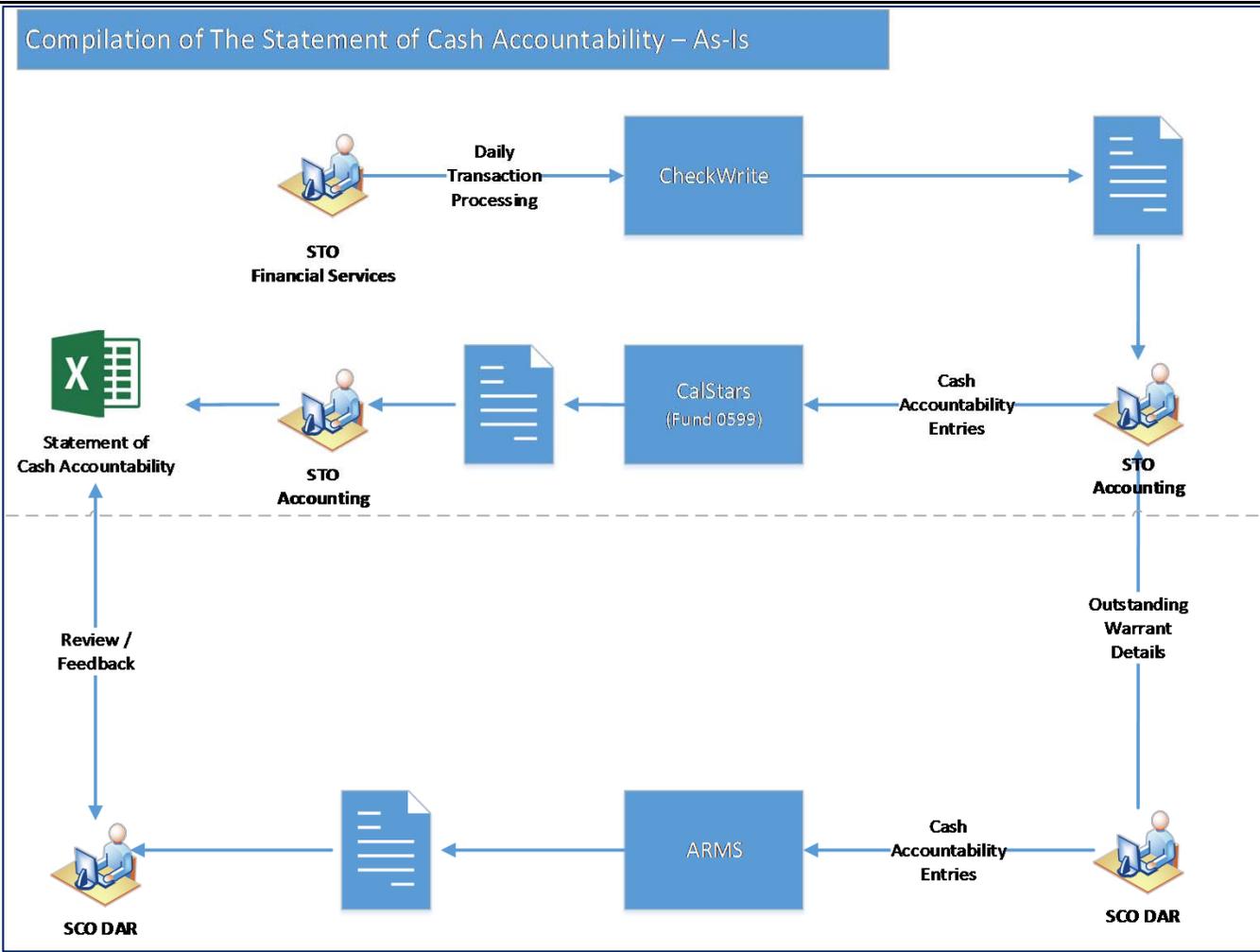
STATEMENT OF CASH ACCOUNTABILITY
AS OF
January 21, 2003

COPY

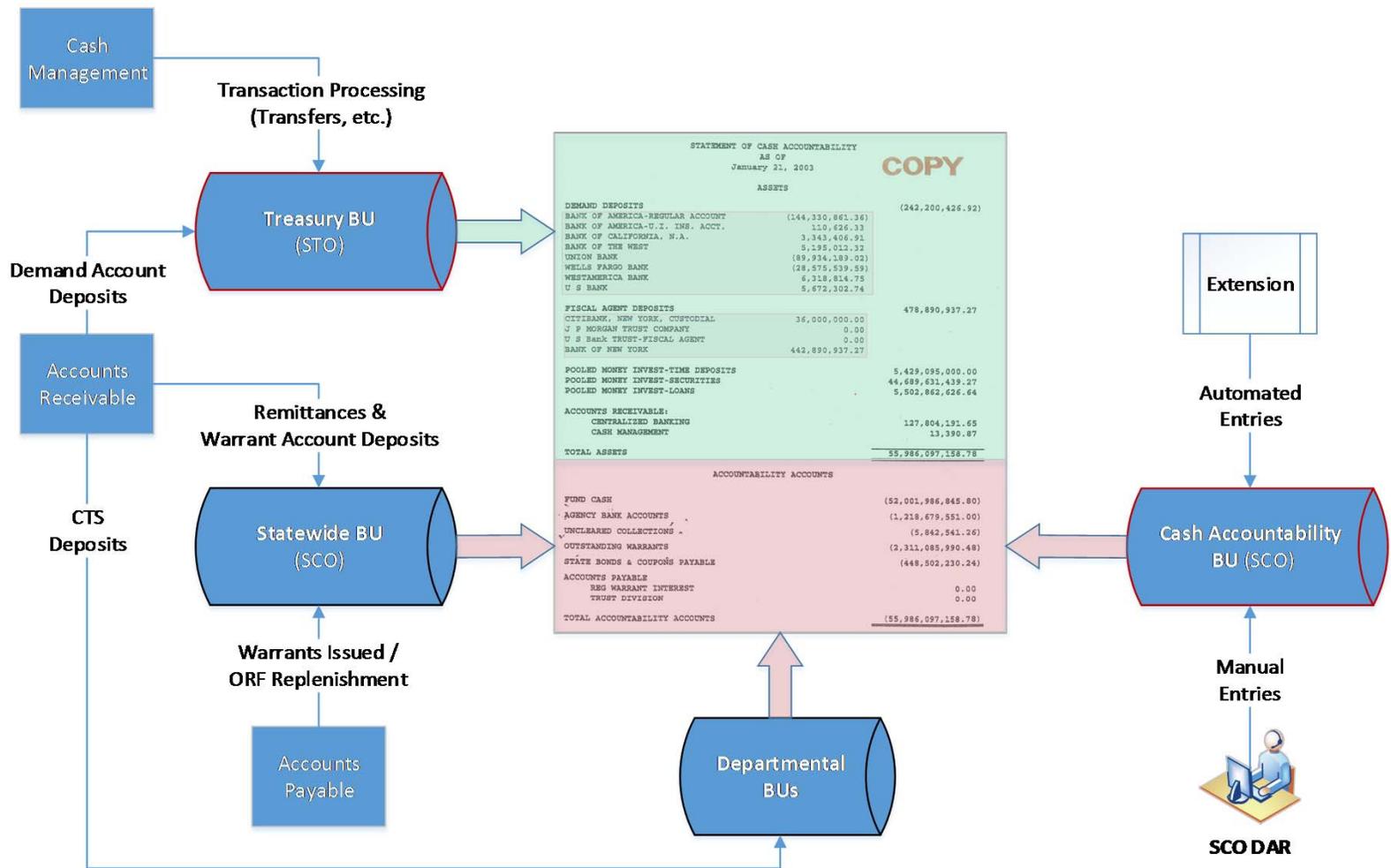
ASSETS

DEMAND DEPOSITS		(242,200,426.92)
BANK OF AMERICA-REGULAR ACCOUNT	(144,330,861.36)	
BANK OF AMERICA-U.I. INS. ACCT.	110,626.33	
BANK OF CALIFORNIA, N.A.	3,343,406.91	
BANK OF THE WEST	5,195,012.32	
UNION BANK	(89,934,189.02)	
WELLS FARGO BANK	(28,575,539.59)	
WESTAMERICA BANK	6,318,814.75	
U S BANK	5,672,302.74	
FISCAL AGENT DEPOSITS		478,890,937.27
CITIBANK, NEW YORK, CUSTODIAL	36,000,000.00	
J P MORGAN TRUST COMPANY	0.00	
U S Bank TRUST-FISCAL AGENT	0.00	
BANK OF NEW YORK	442,890,937.27	
POOLED MONEY INVEST-TIME DEPOSITS		5,429,095,000.00
POOLED MONEY INVEST-SECURITIES		44,689,631,439.27
POOLED MONEY INVEST-LOANS		5,502,862,626.64
ACCOUNTS RECEIVABLE:		
CENTRALIZED BANKING		127,804,191.65
CASH MANAGEMENT		13,390.87
TOTAL ASSETS		<u>55,986,097,158.78</u>
ACCOUNTABILITY ACCOUNTS		
FUND CASH		(52,001,986,845.80)
AGENCY BANK ACCOUNTS		(1,218,679,551.00)
UNCLEARED COLLECTIONS		(5,842,541.26)
OUTSTANDING WARRANTS		(2,311,085,990.48)
STATE BONDS & COUPONS PAYABLE		(448,502,230.24)
ACCOUNTS PAYABLE		
REG WARRANT INTEREST		0.00
TRUST DIVISION		0.00
TOTAL ACCOUNTABILITY ACCOUNTS		<u>(55,986,097,158.78)</u>

Statement of Cash Accountability – As-Is



Statement of Cash Accountability – To-Be



Cash Accounting – Introduction

- Why is Cash Accounting a topic?
 - The state's cash accounting requirements are not met by delivered PeopleSoft functionality
 - The project has implemented specialized functionality for cash accounting

Cash Accounting – Background

- GL Accounts vs Bank Accounts
 - Deposits in Accounts Receivable and payments in Accounts Payable must reference a Bank Account (*one Bank Account per deposit or payment*)
 - Each Bank Account is owned by one GL Business Unit
 - All cash entries involving a Bank Account are automatically coded to the owning GL Business Unit
 - Accounting entries reference GL Accounts, not Bank Accounts

Cash Accounting – Background

- Two Tiered Bank Account Structure
 - **Virtual Bank Accounts** – Cash is accounted for by Fund
 - *CTS Accounts* – Departmental BU ownership
 - General Cash, ORF Cash, Agency Trust Cash
 - *Warrant Account* – Statewide BU ownership
 - Cash in State Treasury
 - **Physical Bank Accounts** – Cash is not accounted for by Fund
 - *Demand Deposit Accounts (DDAs)* at external financial institutions – Treasury BU ownership

Cash Accounting – Business Rules

- Cash in State Treasury
 - Owned by the statewide Business Unit
 - Entries to this GL Account may not involve a departmental Business Unit
- Classifying a cash receipt in a CTS bank account ("remittance") must trigger a transfer from the CTS account into the Warrant Bank Account

Cash Accounting – Solution Overview

- Departmental BU cash transactions are initially coded to the '*Pending Cash Transfers*' GL Account
 - Pending = Flow Through (i.e. no permanent balance)
 - Cash Transfers = will result in a transfer to/from the Cash in State Treasury GL Account

Cash Accounting – Solution Overview

- **The Departmental Cash Accounting Extension**
 - Reclassifies Pending Cash Transfer entries
 - Deposits of departmental cash and issuance of departmental checks
 - Reclassified to General Cash, Agency Trust Cash or ORF Cash
 - All other scenarios
 - Reclassified to the Cash in State Treasury GL Account in the statewide Business Unit
 - Creates a CTS Account withdrawal and a Warrant Account deposit when processing “remittances”, i.e. when a CTS Account cash receipt is coded to a Fund

Cash Accounting – Solution Overview

- The **Departmental Cash Accounting Extension** (cont.)
 - Supported Transactions
 - Accounts Receivable – CTS Account Deposits
 - Accounts Payable – Journal Vouchers
 - Accounts Payable – Departmental CTS Account Checks
 - Project Costing – Funds Distribution entries
 - Labor Distribution – Payroll reclassification entries
 - General Ledger – GL Journals
 - Loan Accounting Extension – Loan Accounting entries
 - Bond Fund Transfers Extension – Transfer entries

Cash Accounting – CTS Deposits (1 of 2)

Event	Transaction Type	Bank Acct	Bank Acct Impact	BU	Fund Type	Debit	Credit
CTS Deposits - FI\$Cal Departments							
Record CTS deposit	AR deposit (non-zero total)	CTS	+	Dept			
Create Cash Clearing entries	Cash Clearing Extension	CTS	N/A	Dept	CTS	General Cash	Uncleared Collections
	AR deposit	CTS	N/A	Dept	State	Pending Cash Transfers	Revenue
Payment classification (Direct Journal) or application	Cash Clearing Extension	CTS	N/A	Dept	CTS	Uncleared Collections	General Cash
	Cash Accounting Extension	CTS	-	Dept	State	Unappropriated Transfers	Pending Cash Transfers
		Warrant	+	State	State	Cash in State Treasury	Unappropriated Transfers

Cash Accounting – CTS Deposits (2 of 2)

Event	Transaction Type	Bank Acct	Bank Acct Impact	BU	Fund Type	Debit	Credit
CTS Deposits - Non-FI\$Cal Departments							
Record CTS deposit (intfc)	AR deposit (non-zero total)	CTS	+	Dept		N/A	N/A
Create Cash Clearing entries	Cash Clearing Extension	CTS	N/A	Dept	CTS	General Cash	Uncleared Collections
Process the eFITS transaction (TC-47)	INFG108 / GL Journal	N/A	N/A	Dept	CTS	Uncleared Collections	General Cash
	INFAR016 / AR Deposit	CTS	N/A	Dept	State	Pending Cash Transfers	Revenue
				Dept	CTS	eFITS Clearing	Pending Cash Transfers
Process the zero-dollar deposit created by INFAR016	Cash Accounting Extension	CTS	-	Dept	State	Unappropriated Transfers	Pending Cash Transfers
		Warrant	+	State	State	Cash in State Treasury	Unappropriated Transfers
		CTS	N/A	Dept	CTS	Pending Cash Transfers	eFITS Clearing

Cash Accounting – Journal Vouchers

Event	Transaction Type	Bank Acct	Bank Acct Impact	BU	Fund Type	Debit	Credit
Accounts Payable Journal Vouchers							
Record Journal Voucher	AP Journal Vouchers	N/A	N/A	Dept	State	Expense	Accounts Payable
				Dept	State	Accounts Payable	Expense
Reclassify Journal Voucher entries	Cash Accounting Extension	N/A	N/A	Dept	State	Accounts Payable	Accounts Payable
				State	State	Unappropriated Transfers	Cash in State Treasury
				State	State	Cash in State Treasury	Unappropriated Transfers

Cash Accounting – CTS Checks

Event	Transaction Type	Bank Acct	Bank Acct Impact	BU	Fund Type	Debit	Credit
Accounts Payable CTS Account Checks							
Record A/P Voucher	AP Voucher	N/A	N/A	Dept	CTS	Expense	Accounts Payable
Process Payment	AP Pay Cycle / Payment Posting	CTS	-	Dept	CTS	Accounts Payable	Pending Cash Transfers
Reclassify Payment Entries	Cash Accounting Extension	N/A	N/A	Dept	CTS	Pending Cash Transfers	General Cash

Cash Accounting – Funds Distribution

Event	Transaction Type	Bank Acct	Bank Acct Impact	BU	Fund Type	Debit	Credit
Project Costing Funds Distribution (assumes ultimate fund <> original fund)							
Record A/P Voucher	AP Voucher	N/A	N/A	Dept	State	Expense	Accounts Payable
Process Payment	AP Pay Cycle / Payment Posting	N/A	N/A	Dept	State	Accounts Payable	Unappropriated Transfers
		Warrant	-	State	State	Unappropriated Transfers	Cash in State Treasury
Create Funds Distribution entries	Funds Distribution	N/A	N/A	Dept	State	Expense	Pending Cash Transfers
				Dept	State	Pending Cash Transfers	Expense
				Dept	State	Pending Cash Transfers	Unappropriated Transfers
Reclassify Funds Distribution entries	Cash Accounting Extension	N/A	N/A	Dept	State	Unappropriated Transfers	Pending Cash Transfers
				State	State	Cash in State Treasury	Unappropriated Transfers
				State	State	Unappropriated Transfers	Cash in State Treasury

Cash Accounting – Labor Distribution

Event	Transaction Type	Bank Acct	Bank Acct Impact	BU	Fund Type	Debit	Credit
Labor Distribution (assumes ultimate fund <> original fund)							
Reclassify payroll accounting entries	Labor Distribution process	N/A	N/A	Dept	State	Expense	Pending Cash Transfers
				Dept	State	Pending Cash Transfers	Expense
Reclassify Pending Cash Transfers entries	Cash Accounting Extension	N/A	N/A	Dept	State	Pending Cash Transfers	Unappropriated Transfers
				Dept	State	Unappropriated Transfers	Pending Cash Transfers
				State	State	Cash in State Treasury	Unappropriated Transfers
				State	State	Unappropriated Transfers	Cash in State Treasury

Cash Accounting – GL Journals

Event	Transaction Type	Bank Acct	Bank Acct Impact	BU	Fund Type	Debit	Credit
General Ledger Journals							
Record expense reclassification across funds	GL Journal	N/A	N/A	Dept	State	Expense	Pending Cash Transfers
				Dept	State	Pending Cash Transfers	Expense
Reclassify Pending Cash Transfers entries	Cash Accounting Extension	N/A	N/A	Dept	State	Pending Cash Transfers	Unappropriated Transfers
				Dept	State	Unappropriated Transfers	Pending Cash Transfers
				State	State	Cash in State Treasury	Unappropriated Transfers
				State	State	Unappropriated Transfers	Cash in State Treasury

Cash Accounting – Loan Accounting

Event	Transaction Type	Bank Acct	Bank Acct Impact	BU	Fund Type	Debit	Credit
Loan Accounting Extension							
Record interfund loan	Loan Accounting Extension	N/A	N/A	Dept	State	Transfers	Pending Cash Transfers
				Dept	State	Pending Cash Transfers	Transfers
Reclassify Pending Cash Transfers entries	Cash Accounting Extension	N/A	N/A	Dept	State	Pending Cash Transfers	Unappropriated Transfers
				Dept	State	Unappropriated Transfers	Pending Cash Transfers
				State	State	Cash in State Treasury	Unappropriated Transfers
				State	State	Unappropriated Transfers	Cash in State Treasury

Cash Accounting – Bond Fund Transfers

Event	Transaction Type	Bank Acct	Bank Acct Impact	BU	Fund Type	Debit	Credit
Bond Fund Transfers Extension							
Record Bond Fund Transfer	Bond Fund Transfers Extension	N/A	N/A	Dept	State	Transfers	Pending Cash Transfers
				Dept	State	Pending Cash Transfers	Transfers
Reclassify Pending Cash Transfers entries	Cash Accounting Extension	N/A	N/A	Dept	State	Pending Cash Transfers	Unappropriated Transfers
				Dept	State	Unappropriated Transfers	Pending Cash Transfers
				State	State	Cash in State Treasury	Unappropriated Transfers
				State	State	Unappropriated Transfers	Cash in State Treasury

Non FI\$Cal Department Interfaces

- Legacy Accounting Transaction Processing
- Agency and Fund Reconciliation Interfaces and Reports
- Year End Interfaces

ODMF 936 – “Mother of all Decisions”

Background:

- At Wave 3 implementation (currently July 1, 2017), FI\$Cal becomes the GL Book of Record for the State of California
- Prior to this decision, when FI\$Cal became the Book of Record, financial data for the future wave departments and deferred/exempt departments, would not be in FI\$Cal

Two fundamental processing questions addressed:

- How will Payment and General Ledger activity for non-FI\$Cal departments be entered into the system?
- Where will non-FI\$Cal departments access the financial information that is currently available via FC00, FC10, TT00, and ViewDirect?

Basic Tenets of the Solution:

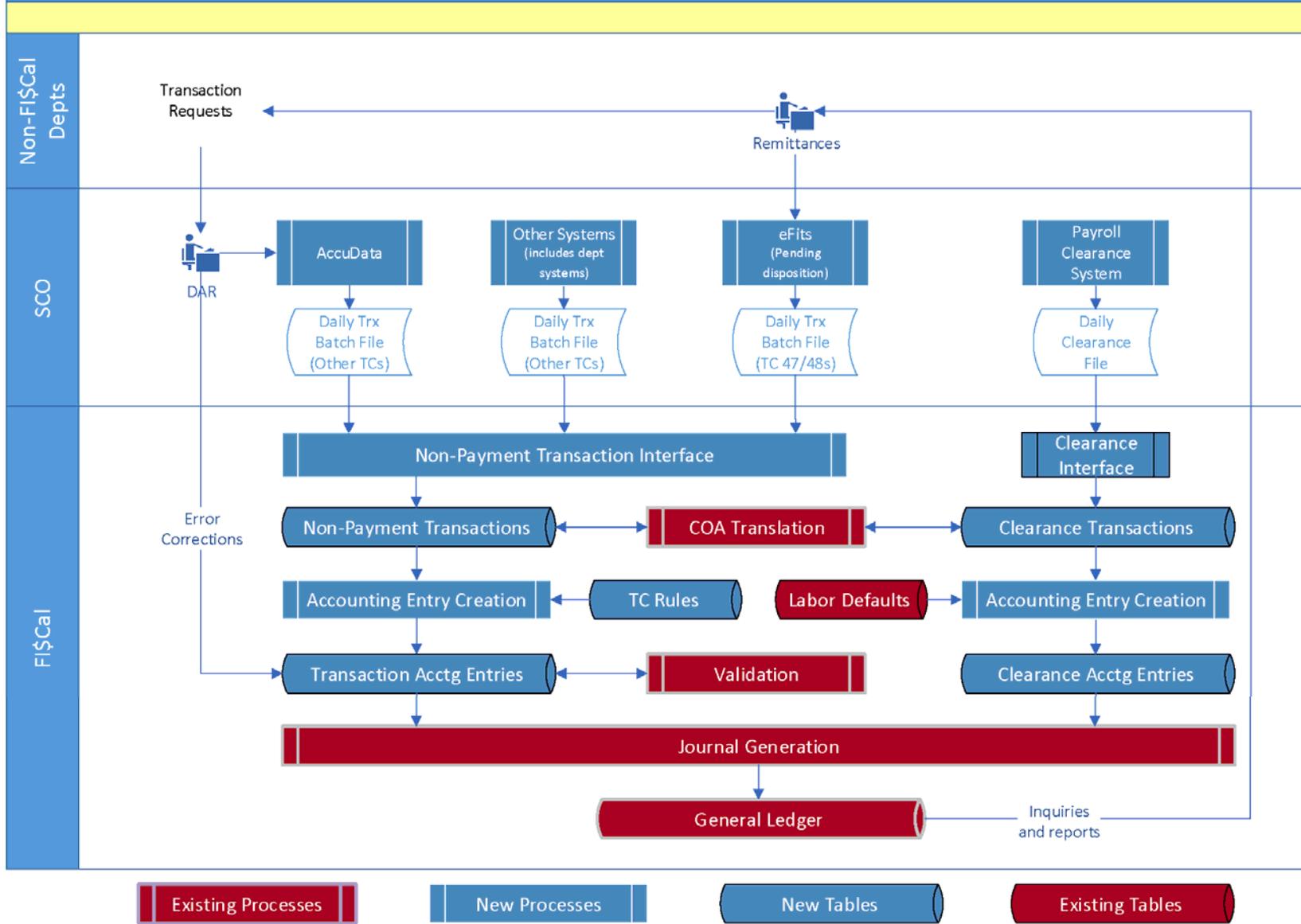
- Minimize the impact to non-FI\$Cal departments
- Minimize the implementation risk for the SCO
- Implementable by the project based upon PeopleSoft best practices
- Insure that the General Ledger Book of Record in FI\$Cal is accurate and complete

Non FI\$Cal Department Interfaces

Legacy Accounting Transaction Processing

- All legacy accounting transactions use a standard 350 character record layout, with multiple formats for each type of transaction
- FI\$Cal Transfers Interface (INFG108) will accept legacy accounting transactions from multiple sources:
 - Entries keyed into the AccuData system (except for TCs 49, 50)
 - Payroll Clearance system transfers (TC 37s)
 - eFITS system deposits (TC 47s)
 - Electronic files generated from supporting systems (e.g. TC 38s)
 - Year End Accruals (TCs 71, 72, 84 for CalSTARS and CSU)
- Accounting Rules Table defines data element validation and “explosion” requirements by legacy Transaction Code
- COA Translation maps legacy account codes to FI\$Cal ChartFields

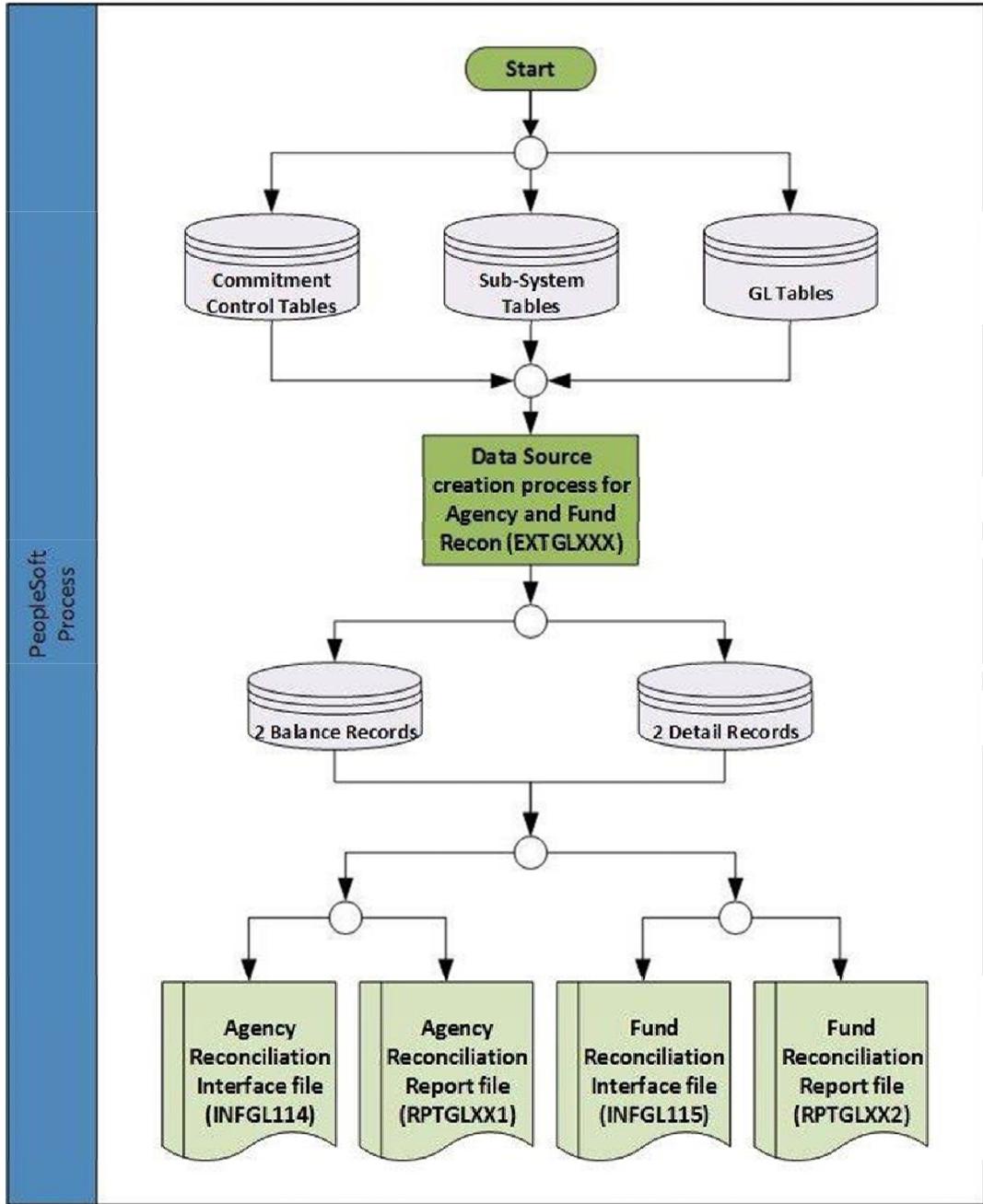
Processing Non-Payment Transactions in Wave 3 (with eFits)



Non FI\$Cal Department Interfaces

Agency and Fund Reconciliation Interfaces and Reports

- When FI\$Cal becomes the Book of Record, FI\$Cal will be source of data for Non FI\$Cal Departments to reconcile their appropriation and fund balances to the SCO
- Current Process:
 - On the 2nd business day of the month, a file is produced from ARMS containing ledger balances and activity (the 'Tab Report') and distributed to departments to facilitate reconciliation of their internal accounting records with the SCO
- Future Process:
 - Month end “cash basis” data will be generated from FI\$Cal
 - Non-FI\$Cal departments will be given access to generate their reconciliation files or print reports, crosswalked to legacy COA

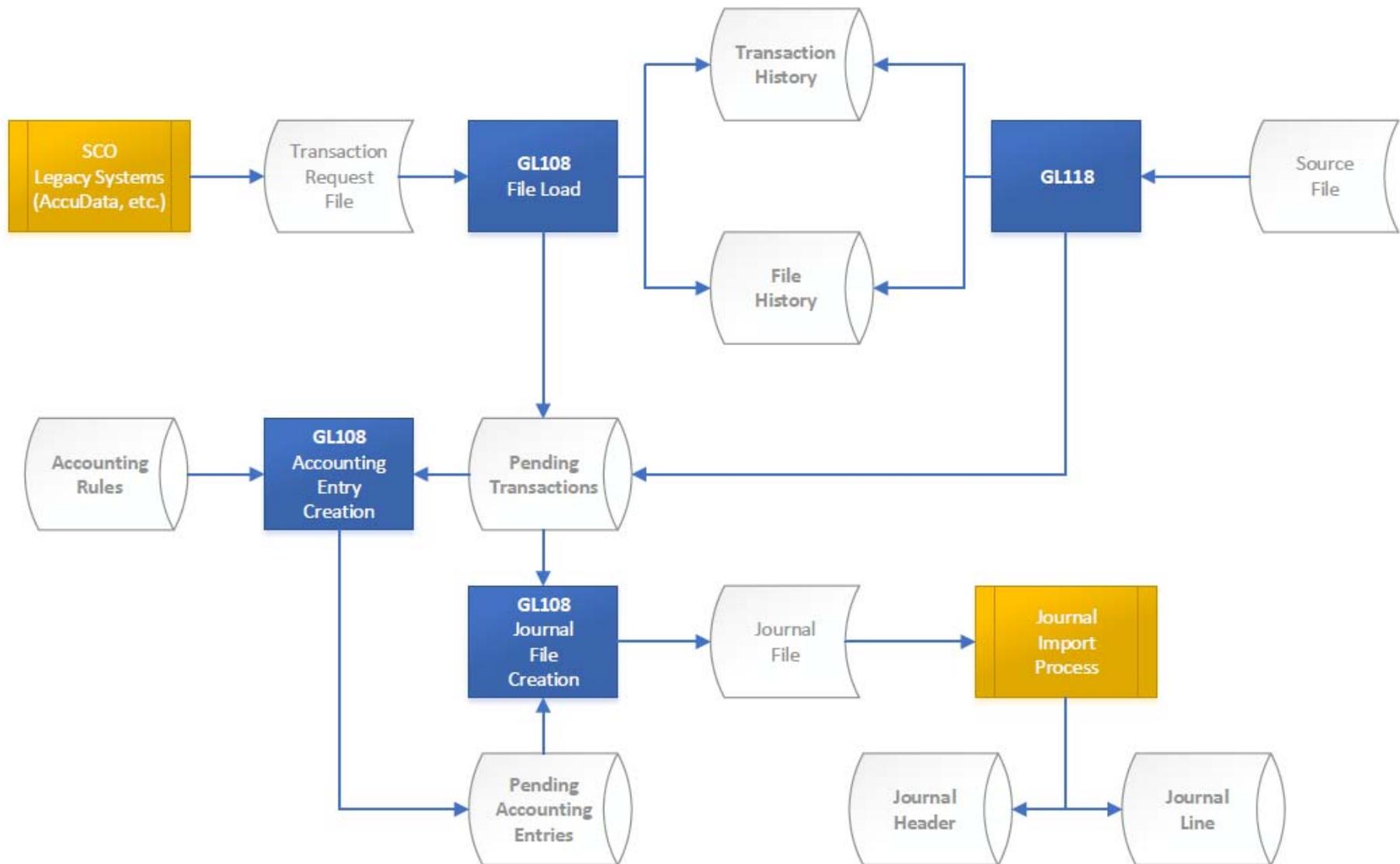


PeopleSoft
Process

Non FI\$Cal Department Interfaces

Year End Interfaces - Inbound

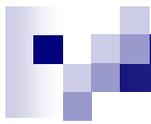
- Two inbound SAM99 Interfaces were originally created for CalSTARS and California State University (CSU) to meet the state mandated reconciliation requirements by:
 - Comparing receipts and disbursements processed at SCO to receipts and disbursements recorded by department/campus
 - Comparing balances of funds available at SCO to the budget balance available on department/campus records
- The FI\$Cal Year End Financials Interface (INFGL118) will provide the same functionality for both CalSTARS and CSU to submit their year end data (including accruals and encumbrances) to FI\$Cal:
 - Utilizing the same interface record layout as SAM99
 - Translating legacy COA to FI\$Cal COA



Non FI\$Cal Department Interfaces

Year End Interfaces - Outbound

- Two outbound SAM99 Interfaces were originally created for CalSTARS and California State University (CSU) of the previous fiscal year accrual and encumbrance data, including the accrual adjustments done by SCO in the General Ledger
- The FI\$Cal Prior Year Accruals Interface (INFGL120) will provide the same functionality for both CalSTARS and CSU to receive their previous fiscal year end data from FI\$Cal:
 - Utilizing the same interface record layout as SAM99
 - Translating FI\$Cal COA to legacy COA



Questions and Answers



FI\$Cal

Financial Information System for California

GL Design Validation Day Two

October 14, 2015

Cash Validation

Requirements

- **AP 6.00** The System shall verify and record the existence/match of all required documentation and authorization to support the payment voucher, when it is workflowed for SCO and departmental audit/review and payment issuance, by:
- **AP 6.08** Funds availability (e.g., appropriation, allotments, encumbrances, cash)
- **AP 12.00** The System shall allow an authorized user to audit/verify all state disbursements for appropriation authority and sufficient cash balance prior to issuing a payment.
- **AP 44.00** The System shall generate warrants and EFT payments for SCO-approved payment vouchers (i.e., vouchers are approved based on valid appropriation, sufficient cash, and substantiated legal/proper/correct payment).

Cash Validation

Requirements (cont.)

- **AP 69.00** The System shall verify funds availability (e.g., appropriations, allotments, encumbrances, cash) at various stages during the "Req to Check" process.
- **AP 78.00** The System shall postpone (suspend) processing of designated payment vouchers (e.g., hold payments due to insufficient cash, dispute with vendor, or outstanding vendor receivables).
- **AP 118.00** The System shall accept files from the SCO's electronic claims processing/payment systems containing information required for the SCO to validate cash availability and appropriation, update warrant reconciliation, and update payment history; including:
- **GL 47.00** The System shall allow an authorized user to establish budgetary and cash controls for Accounting Classifications.

Cash Validation

Requirements (cont.)

- **GL 61.00** The System shall allow for budgetary controls of expenditures, based on fund availability, appropriation availability and cash balances, (e.g., multi-year appropriations; flag disbursements which can be made prior to budget being passed).
- **GL 92.00** The System shall allow an authorized user to override appropriation and cash limits.
- **AT 7.00** The Claim Audit Tool(s) shall allow the authorized SCO user to verify the existence/match of all required documentation and authorization to support the payment voucher after it is work flowed to the SCO by:
 - **AT 7.08** Funds availability (e.g., appropriation, allotments, encumbrances, cash)

Cash Validation – Terms

- **Eligible Account** – A GL Account that is deemed cash for Cash Validation purposes
 - Cash in State Treasury, SMIF Deposits, etc.
- **Controlled Fund** – A Fund whose entries involving Eligible Accounts are subject to Cash Validation enforcement and for which Available Cash balances are maintained
- **Uncontrolled Fund** – A Fund whose entries involving Eligible Accounts are not subject to Cash Validation enforcement and for which Available Cash balances are maintained
- **Available Cash** – The total amount of cash in all Eligible Accounts held by a Controlled Fund.
- **Translation** – The summarization of multiple transactional cash GL Accounts into a higher level budgetary cash GL Account

Cash Validation – Method

- **Use of Commitment Control**

- *The Good*

- It is delivered, stable functionality
 - Real time balance updates
 - Budget balances are immediately updated by the Budget Checking process – no need to wait for GL balances to be updated nightly by Journal Generation
 - Designed to prevent the posting of entries exceeding a system maintained balance
 - Allows the designation of Super Users to override exceptions
 - Allows multiple cash accounts to be aggregated
 - Allows individual funds to be designated as Controlled or Uncontrolled

Cash Validation – Method

- **Use of Commitment Control**

- *The Bad*

- Budget Checking does not always occur at the point in a transaction's life cycle where Cash Validation should apply
 - Pay Cycle vs voucher entry
 - Budget Checking does not process some types of transactions that affect cash
 - Customer receipts
 - Budget Checking generally does not process system generated offset or balancing entries, and these often use cash or quasi cash (Pending Cash Transfer) Accounts

Cash Validation – Modes

- **Two Modes of Cash Validation**

- *Enforcement*

- Prevents the posting of an entry that would cause the Available Cash balance of a Controlled Fund to be negative
 - Updates the Available Cash balance of a Controlled or Uncontrolled Fund when an entry involving an Eligible Account is processed

- *Balance Update*

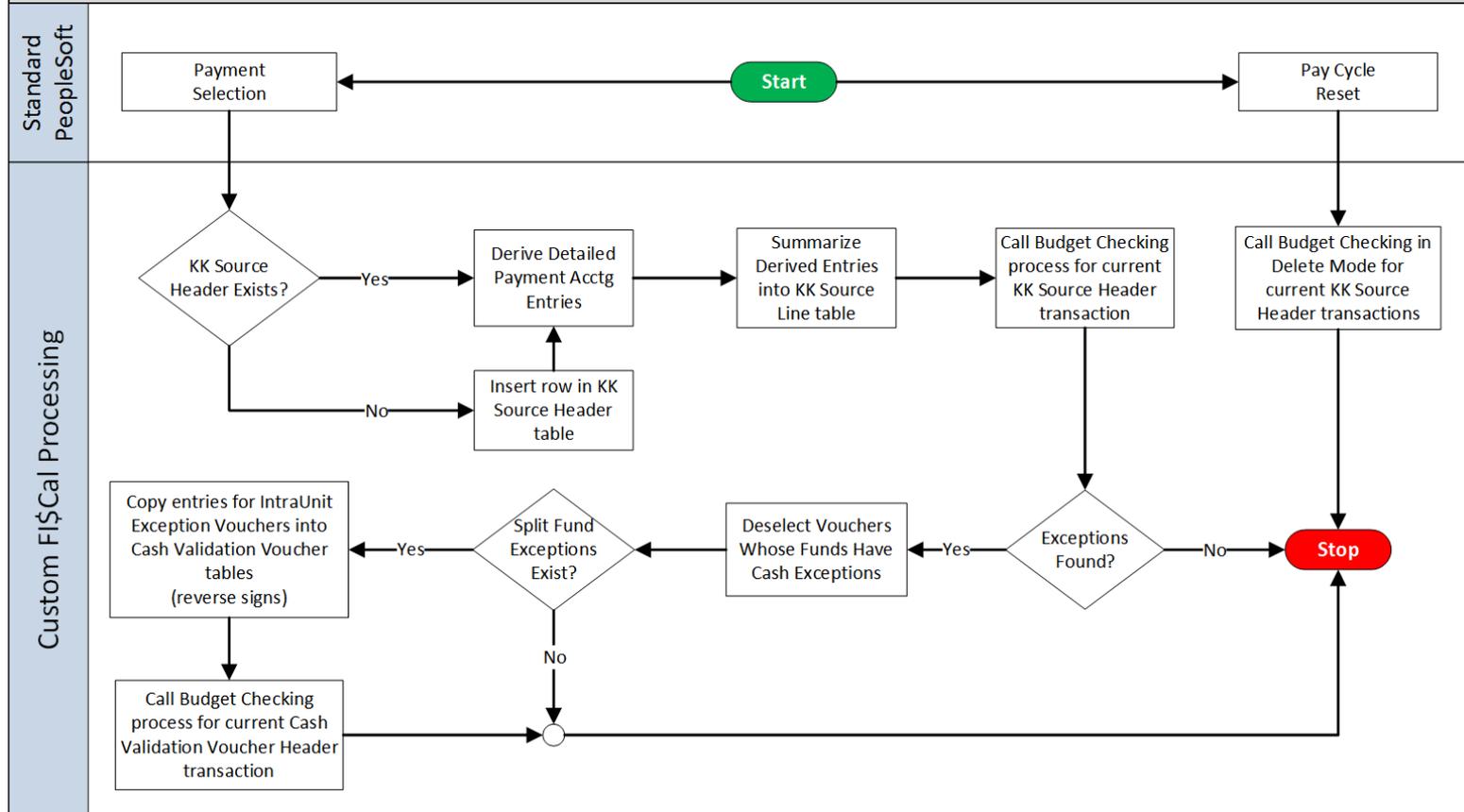
- Updates the Available Cash balance of a Controlled or Uncontrolled Fund when an entry involving an Eligible Account is processed

Cash Validation In Accounts Payable

- Occurs During Payment Processing (Pay Cycle)
 - After voucher selection, prior to payment creation
- Validation is by fund, not by voucher
 - All vouchers selected for payment are summarized by fund and the totals are validated
 - Split funded vouchers will be rejected if any referenced fund has insufficient cash
- Validation is based on the cash Account configured for the 'Pay From' bank account
- Cash Validation failures (“exceptions”) can be overridden in two ways:
 - Manual selection of vouchers subject to Available Cash
 - Super User override (causes a Controlled Fund to “go negative”)

Cash Validation In Pay Cycle

Pay Cycle Cash Validation During Payment Selection



Cash Validation Exceptions In AP

- Cash Validation failures (“exceptions”) in the Pay Cycle process can be overridden in two ways:
 - Manual selection of vouchers for payment, subject to Available Cash
 - Super User override (causes a Controlled Fund to “go negative”)

Cash Validation Exceptions In AP

Cash Validation Exceptions [Pay Cycle Manager](#)

Pay Cycle Cash Validation Exceptions

Pay Cycle: <ID> <Name> Vouchers With Exceptions: <999>

Funds [Find](#) | [View All](#) | First 1 of 2 Last

Fund: <ID> <Description>

Available Cash: 1,000.00	
Requested for payment: 3,000.00	Selected for payment: 1,200.00
Excess amount requested: 2,000.00	Remaining amount available: 0.00
	Excess amount selected: 200.00

Vouchers

Vendor ID	Vendor Name	Voucher	Invoice	Due Date	To Pay-Total	To Pay-This Fund	Pay	Override
ABC	Vendor ABC	100010	1234567	04/31	1,200.00	1,200.00	<input type="checkbox"/>	<input type="checkbox"/>
ABC	Vendor ABC	100025	2345678	05/05	600.00	600.00	<input type="checkbox"/>	<input type="checkbox"/>
DEF	Vendor DEF	100027	3456789	05/02	400.00	400.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
XYZ	Vendor XYZ	100030	4567890	05/03	800.00	800.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
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Cash Validation Exceptions In AP

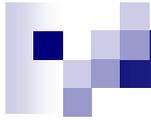
- The 'Pay' checkbox
 - Is available to anyone with access to the page
 - Allows the selection of individual vouchers for payment up to the limit of their funds' Available Cash
 - Does not allow the selection of a voucher whose payment amount is more than its fund's Available Cash
- The 'Override' checkbox
 - Is available only to designated Super Users
 - Forces the 'Pay' checkbox to be selected
 - Triggers a Budget Checking override on the selected vouchers
- The vouchers selected on this page are Budget Checked individually
- The vouchers selected without 'Override' are processed first

Cash Validation By Transaction Type

Transaction Type	Cash Validation Timing	Mode
Accounts Payable		
Vouchers		N/A
Payments	Pay Cycle - before payment creation	Enforcement
Payment Cancellation - Voucher Payment	Upon posting	Balance Update
Payment Cancellation - SCO payments	Upon posting	Balance Update
Journal Vouchers		N/A
Registered Warrants Maturity	Accounting entry creation	Balance Update
General Ledger		
Online & Spreadsheet Journals	Journal Edit	Enforcement
Interfaced SCO Transaction Requests	Journal Edit	Enforcement
Accounts Receivable		
Direct Journal Payments	Payment validation (on screen pushbutton)	Enforcement
Customer Payments		N/A
Treasury		
Cash Management		N/A
Deal Management	Treasury Accounting	Balance Update

Cash Validation By Transaction Type

Transaction Type	Cash Validation Timing	Mode
Project Costing		
Funds distribution		N/A
Extensions		
Bond Fund Transfers	Accounting entry creation	Enforcement
Labor Distribution	Accounting entry creation	Enforcement
Loan Accounting	Accounting entry creation	Enforcement
Cash Clearing - Deposit Entry	Accounting entry creation	Balance Update
Cash Clearing - Deposit Classification	Accounting entry creation	Balance Update
Cash Accounting - CTS Direct Journal Receipts		Balance Update
Cash Accounting - CTS Customer Receipts		Balance Update
Cash Accounting - CTS Account Checks		N/A
Cash Accounting - Journal Vouchers	Accounting entry creation	Balance Update
Cash Accounting - Funds Distribution	Accounting entry creation	Balance Update
Cash Accounting - Labor Distribution	Accounting entry creation	Balance Update
Cash Accounting - GL Journals	Accounting entry creation	Enforcement
Cash Accounting - Loan Accounting	Accounting entry creation	Balance Update
Cash Accounting - Bond Fund Transfers	Accounting entry creation	Balance Update



Questions and Answers