Wave 2 Solution
Walkthrough (SWT): AR and CM
for Wave 3

November 12, 2014
Agenda

- FI$Cal Project Overview
- Wave 1 Solution Walkthrough Objectives and Approach
- FI$Cal Solution Overview
- Accounts Receivable Overview
  - Key Terms
  - Process Payments Process
- Cash Management Overview
  - Key Terms
  - Create Bank Account
  - Reconcile Bank Statement
  - Manage Cash
- 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

<table>
<thead>
<tr>
<th>Calendar Years</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<td>24 Months</td>
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<td>Wave 4</td>
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SWT Objectives

- The Wave 1 or 2 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**

### Conduct Wave 3 Working Sessions

- **Objective**
  - Define and validate DRAFT processes to best meet the State’s needs independent of the software details
  - Clarify requirements
- **Audience**
  - State Controllers Office
  - State Treasurers Office
  - Department of Finance
- **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

### Conduct Waves 1 & 2 Solution Walkthroughs

- **Objective**
  - Provide departments with an understanding of Waves 1 & 2 FI$Cal business processes
  - Demonstration of Waves 1 & 2 FI$Cal solution
  - Identify where Waves 1 & 2 solution may not meet the needs of new departments
- **Audience**
  - Wave 3 Departments (SCO, STO, DOF, DGS CFS)
- **Key Outputs**
  - Wave 3 Departments (SCO, STO, DOF, DGS CFS)
- **Tools / Methods**
  - Solution Walkthroughs
  - Wave 1 FI$Cal Solution
  - Wave 2 FI$Cal Solution

### Conduct Wave 3 Conference Room Pilots

- **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 3 Departments (SCO, STO, DOF, DGS CFS)
- **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

### Validate and Approve Process Designs

- **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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**Department Participation and Input**

*October 28, 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
FI$Cal Accounting Solution

Legend
- Pre-Wave
- Wave 1
- Wave 2
- Wave 3
# CRP & SWT Schedule

<table>
<thead>
<tr>
<th>Business Process</th>
<th>Date</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRP: General Ledger (1 of 2)</td>
<td>10/22/14</td>
<td>9:00 – 12:00</td>
<td>Jade - Evergreen</td>
</tr>
<tr>
<td>SWT: Disbursements</td>
<td>10/28/14</td>
<td>9:00 – 12:00</td>
<td>Jade - Evergreen</td>
</tr>
<tr>
<td>SWT: Receivables &amp; Cash Management</td>
<td>10/28/14</td>
<td>1:00 – 4:00</td>
<td>Jade - Evergreen</td>
</tr>
<tr>
<td>CRP: Disbursements</td>
<td>10/29/14</td>
<td>9:00 – 12:00</td>
<td>Jade - Evergreen</td>
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<tr>
<td>CRP: General Ledger (2 of 2)</td>
<td>11/05/14</td>
<td>9:00 – 12:00</td>
<td>Jade - Evergreen</td>
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<tr>
<td>CRP: Bond Accounting</td>
<td>11/19/14</td>
<td>9:00 – 12:00</td>
<td>Sapphire- Evergreen</td>
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<tr>
<td>CRP: Cash Management</td>
<td>11/19/14</td>
<td>1:00 – 4:00</td>
<td>Jade - Evergreen</td>
</tr>
<tr>
<td>CRP: Loan Accounting</td>
<td>12/03/14</td>
<td>9:00 – 12:00</td>
<td>Jade - Evergreen</td>
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</table>
## Process Payments Key Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Deposit</td>
<td>Monies received by the departments and placed into the Treasurer’s account at an approved depository bank within the Centralized Treasury System</td>
</tr>
<tr>
<td>System Deposit</td>
<td>A system transaction consisting of one or more customer payments used for balancing and processing purposes</td>
</tr>
<tr>
<td>Receivable</td>
<td>A claim against a debtor, such as a person, business, or governmental entity for money owed to the State</td>
</tr>
<tr>
<td>Receivable Payment</td>
<td>A receipt that is meant to be applied to a customer’s open receivable balance</td>
</tr>
</tbody>
</table>
## Process Payments Key Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous Receipt</td>
<td>A customer payment that is not related to an open receivable. Referred to as a Direct Journal Payment in FI$Cal (as identified by Journal Directly on the receipt).</td>
</tr>
<tr>
<td>Customer Conversation</td>
<td>Documentation of an interaction with a customer or a collection activity. A Customer Conversation may include details on payments and/or receivable collection activities.</td>
</tr>
<tr>
<td>Payment Predictor</td>
<td>System process that applies payments against receivables based on configured rules and reference information associated with the payment (for example, Invoice ID)</td>
</tr>
</tbody>
</table>
## Process Payments Key Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Worksheet</td>
<td>Method for applying a customer payment to a customer’s open receivable items</td>
</tr>
<tr>
<td>Non-Sufficient Fund (NSF) Payment</td>
<td>Customer check that has been returned by the bank as a dishonored item.</td>
</tr>
</tbody>
</table>
Process Payments Overview

- The Process Payments business process for Accounts Receivable supports the recording and application of customer payments in the FI$Cal Accounts Receivable module.
- Departments will apply customer payments against invoices or code payments to specific accounting classifications for non-receivable-related payments.
- Payments can be entered directly in FI$Cal or they can originate from an external system and be interfaced into FI$Cal.
- Deposits recorded in the Accounts Receivable module will be integrated with the Cash Management module for the Bank Reconciliation process.
What is Included in Wave 1

- Departments will use the FI$Cal AR module to record and apply customer payments

- Accounting for customer payments will be recorded as follows:
  - When a customer payment is applied to a receivable or coded to a fund, FI$Cal will record accounting entries into the appropriate cash account (General Cash, Agency Trust, ORF, Cash in State Treasury)
  - For unapplied payments, the department will record a GL Journal Entry to record General Cash and Uncleared Collections
  - Once an unapplied payment has been applied or coded to the proper revenue and cash accounts, the department will record a GL Journal Entry to reverse the original General Cash and Uncleared Collections entry
What is included in Wave 2

- Posted Interagency Voucher payments from FI$Cal Billed Departments will automatically generate receivable payments for a FI$Cal Billing Department.
  - This payment generation occurs for direct transfer payments
  - The receivable payments will be flagged for automatic payment application via Payment Predictor.
    - If Payment Predictor is unable to automatically apply the payment, then the department may manually apply the payment to the receivable

- Direct transfer receivable payments from non-FI$Cal Billed Departments may be created for a FI$Cal Billing Department through an interface process
What is included in Wave 3

- Generation of bank deposit slips (replacement of EDF & FEDS)
- Automated remittance of funds when the payment is applied (replacement of eFits)
- Consideration for automating the recording of unapplied payment accounting entries
- ZBA processing
- Offsets and netting of receivables vs. payables
## Process Payments Department Roles

<table>
<thead>
<tr>
<th>FI$Cal End-User Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department AR Payment Processor</td>
<td>The department end user who enters deposit and payment data based on information from the Department's Cashiering Unit. This end user applies payments to invoices (through worksheets or Payment Predictor).</td>
</tr>
<tr>
<td>Department AR Payment Approver</td>
<td>The department end user who reviews deposit and payment data. This user is able to review accounting information for receivable payments and set the payments to post. This end user will enter the accounting distribution prior to posting miscellaneous receipt payments.</td>
</tr>
</tbody>
</table>
### Process Payments Department Roles

<table>
<thead>
<tr>
<th>FI$Cal End-User Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AR Viewer</td>
<td>The central and department end user who runs inquiries on receivable and customer payment data for a business unit</td>
</tr>
<tr>
<td>AR Reporter</td>
<td>The central and department end user who runs reports on receivable and customer payment data for a business unit</td>
</tr>
</tbody>
</table>
**Process Payments**

**Key Impacts**
- Departments continue to use EDF and eFITs processes outside of FI$Cal
- Dept. AR Payment Approver role is needed to post and code miscellaneous payments. This includes referencing Open Item Keys for ORF Salary Advance Receipts.
- Journal entries need to be submitted to record or reverse general cash/uncleared collections (as applicable)
Payment Adjustments – Misc. Receipts

### Key Impacts

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

Dept. AR Payment Processor

- Determine Type of Payment Adjustment
  - Invoice related receipt
  - Payment posted to the wrong invoice
  - Invoice with incorrect coding

Dept. AR Payment Processor

- Adjust Invoices, if needed (BI)
  - Follow process for adjusting invoices to generate credit and rebill invoices

Dept. AR Payment Processor

- Select Payment for Unposting
  - If payment was already posted, select for unposting and specify reason

Dept. AR Payment Approver

- Set Payment for Unposting
  - Set unposting transaction to post
  - Payment will be processed by FI$Cal processes

Process Payments (AR)

- Follow steps to apply payment

Key Impacts

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

Department AR Payment Processor

Capture NSF Details
- Receive NSF notification
- Review payment details
- Document NSF details using Customer Conversations

Complete Request for Payment (AP)
- Request payment for NSF buyback
- Provide proper coding
- AP will create agency check plus a journal voucher (if payment was remitted to Cash in State Treasury)
- SCO will record entry in Fiscal System to account for buyback if payment was remitted

Create an NSF Invoice (BI)
- Follow process for creating invoices
- Create an invoice to bill the customer for the NSF amount
- Include amount of the closed receivable, if applicable

Key Impacts
- NSF details recorded in Customer Conversations for tracking and reporting purposes
- Departments buyback NSFs through agency checks created by using the AP module
- SCO will record entry in Fiscal System to account for buyback if payment was remitted
- Departments will follow the current process to notify STO of NSF items
### Process Payroll Deduction Payments

**Key Impacts**
- Departments use existing process for receiving payroll deduction notifications
- Payroll deduction receipts will be recorded in FI$Cal AR to clear out outstanding Payroll receivables
- FI$Cal AR Payment Predictor functionality streamlines payment application by using receivable reference(s) on the payment to clear corresponding outstanding receivable(s)
Process Direct Transfer Payments (Online)

Key Impacts

- Departments use existing process for receiving direct transfer notifications
- Direct transfer receipts will be recorded in FI$Cal AR to clear out outstanding interagency receivables
- FI$Cal AR Payment Predictor functionality streamlines payment application by using receivable reference(s) on the payment to clear corresponding outstanding receivable(s)
Process Payments - Deposits

**Key Points:**

- Deposit ID is system assigned. Bank Deposit Number is used to record the Deposit Slip Number. Identifier is used to record the Location Code for the deposit.
- Bank Code/Account and Deposit Type are configured values that will be selected for each deposit.
- Control Total Amounts are compared against entered total amount and count.
Process Payments - Deposits

Key Points:

- Payment ID is a free-form field that can be used to capture an identifier for the payment (e.g. check number, journal ID, etc.)
- Payment Predictor or Journal Directly flags can be set for each payment
- Additional payment information can be recorded for reporting purposes
- Cash Type notes the final Cash Account associated with the payment. If recorded to General Cash and a State Fund, then the payment will be reclassified as Cash in State Treasury
- One or more Customer or Item (Invoice) references can be selected for a payment
Process Payments - Deposits

Key Points:

- Customer reference information can be provided for the miscellaneous payment, but is not required.
- Item (Invoice) reference information fields are not available for entry/editing for Direct Journal payments.
Process Payments – Receivable Payments

Key Points:

• Customer and Reference information will be populated on the payment worksheet if entered on the payment. If not on the payment, this information can be updated on the payment worksheet as well.

• Build button generates the worksheet based on the references provided.
Process Payments – Receivable Payments

Key Points:

- Based on the reference information, items can be selected for payment application.
- User can select/deselect items as required if more than one item is available for selection.
- Remaining amount on the worksheet must be zero to post the worksheet.
Process Payments – Misc. Receipts

Key Points:

- One or more accounting classifications can be entered for the Direct Journal.
- Speed Types can be configured / set up to default classification that is commonly used.
- Salary Advance payments should reference Open Item Keys.
- If coding is to a State Fund and Cash Type is General Cash, then the payment will be reclassified to Cash in State Treasury.
Process Payments – Misc. Receipts

Key Points:

- The Cash accounting entries are defaulted from the bank account set up. This cash entry will be reclassified based on the Cash Type and Fund coding for the payment.
- Mark the Complete flag to enable the Direct Journal for posting. The receipt will be available for posting once it has passed budget checking.
## Technology Considerations

<table>
<thead>
<tr>
<th>Interface</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Customer Receipts</td>
<td>This inbound interface will create deposits and customer payments by importing receipt information from interface files provided by Departments into FI$Cal. Any interface errors identified during error processing need to be corrected via resubmission of corrected file (e.g. incorrect control totals) or transaction being sent in subsequent interface file processing (e.g. incorrect transactions). Types of Transactions 1. Receipts for outstanding receivables 2. Miscellaneous Receipts</td>
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</tbody>
</table>
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
## 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>
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<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 &amp; 2)</td>
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<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>
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</table>
## Cash Management Key Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Warrant Account</td>
<td>SCO Account from which warrants are drawn</td>
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<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>
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</table>
What is Included in Wave 2

- Department-level cash data will be contained in the FI$Cal General Ledger (GL) and transaction-level modules (for example, Accounts Receivable and Accounts Payable)
- Wave 2 includes CTS Bank Account conversion and transaction reconciliation
- Banks and bank account configuration will be maintained by STO
- ChartFields associated with bank accounts will be determined by SCO
- Automatic Reconciliation will be performed by FI$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 Included in Wave 3

- These features will be covered in the Cash Management CRP Session:
  - Creation of bank deposit slips
  - Reconciliation of depository bank accounts
  - Creation of bank statements for Warrant account
  - Retirement of the Centralized Treasury Trust System
  - Integration with Depository Banks for ZBA Bank Statement reconciliation will be available beginning in Wave 3
  - Statement of Cash Accountability
  - Department accounts outside of the CTS
  - SCO approval of Bank Account Transfers for departments
  - Automated recording of adjustments
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 Internal Transaction Account
- New bank account requests route to DOF, SCO, and STO for approval and processing
Create Bank Account

Key Points:

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

Key Points:

- One Bank Branch is configured for each department
- The Address is used by Billing for their invoice payment/remittance address
Create Bank Account

Key Points:

- Treasury Counterparty is used so that the accounts can interact with each other.
- Banking Counterparty is used so that the State Bank can interact with other banks.
Create Bank Account

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

Key Points:
- Reconciliation Rules will be defined and maintained by STO

<table>
<thead>
<tr>
<th>Source Type</th>
<th>Source Seq</th>
<th>Recon Rule</th>
<th>Description</th>
<th>Options</th>
<th>Tolerances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-process (before Recon)</td>
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<td>PS_BANK_STMT_SETUP</td>
<td>Reconciliation Setup Rules</td>
<td>Options</td>
<td>Tolerances</td>
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<td>Recon Process</td>
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<td>PS_BANK_STMT_DISBURSE</td>
<td>AP Disbursement Rules</td>
<td>Options</td>
<td>Tolerances</td>
</tr>
<tr>
<td>Recon Process</td>
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<td>PS_BANK_STMT_TRAN</td>
<td>External Transaction Rules</td>
<td>Options</td>
<td>Tolerances</td>
</tr>
<tr>
<td>Recon Process</td>
<td>19</td>
<td>PS_BANK_STMT_DEPOSIT</td>
<td>Custom AR Deposit Rules</td>
<td>Options</td>
<td>Tolerances</td>
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<td>Recon Process</td>
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<td>PS_BANK_STMT_DEPOSIT</td>
<td>AR Deposit Rules</td>
<td>Options</td>
<td>Tolerances</td>
</tr>
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<td>Recon Process</td>
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<td>PS_BANK_STMT_DEALS</td>
<td>TR Cash Flow Rules</td>
<td>Options</td>
<td>Tolerances</td>
</tr>
<tr>
<td>Post-process (after Recon)</td>
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<td>PS_BANK_STMT_EXCEP</td>
<td>Reconiliation Exception Rule</td>
<td>Options</td>
<td>Tolerances</td>
</tr>
</tbody>
</table>

External Accounts | Signatures | Contacts | Reconciliation | Account Information | Collection Methods | Payment Methods | Account Settlement | Account Status Information

November 12, 2014
Create Bank Account

Key Points:

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

<table>
<thead>
<tr>
<th>Beneficiary Bank</th>
<th>Beneficiary Address</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Set ID</strong>:</td>
<td><strong>Description</strong>:</td>
</tr>
<tr>
<td><strong>Name 1</strong>:</td>
<td><strong>STATE</strong>:</td>
</tr>
<tr>
<td><strong>Name 2</strong>:</td>
<td><strong>Treasurer's Office</strong>:</td>
</tr>
<tr>
<td><strong>Bank Name</strong>:</td>
<td><strong>STATE</strong>:</td>
</tr>
<tr>
<td><strong>Branch Name</strong>:</td>
<td><strong>STATE TREASURER'S OFFICE</strong>:</td>
</tr>
<tr>
<td><strong>Bank ID Qualifier</strong>:</td>
<td><strong>091</strong>:</td>
</tr>
<tr>
<td><strong>Bank ID</strong>:</td>
<td><strong>121113423</strong>:</td>
</tr>
<tr>
<td><strong>Account #</strong>:</td>
<td><strong>0421</strong>:</td>
</tr>
<tr>
<td><strong>A/C Qualifier</strong>:</td>
<td><strong>01</strong>:</td>
</tr>
<tr>
<td><strong>IBAN</strong>:</td>
<td></td>
</tr>
</tbody>
</table>

**Instructions**: 0421

**Key Points:**

- Each CTS Bank account will have a unique settlement Instruction.
Bank Account Transfers

**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.

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

**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
Bank Account Transfer

Key Points:

- Correct the transaction keyed to the wrong bank account
- Cash Types Agency/ORF/General Cash can be selected
- Payment Method must be ACH and Layout must be PPD
Bank Account Transfer

Key Points:

- Selected transfers are approved
- Pay Cycle generates the transfer between accounts
Bank Account Transfer

Key Points:

- Treasury Accounting & Cash Accounting Entries run via Batch
- Entries are available for review
Bank Reconciliation

Key Impacts

- SCO analyzes exceptions for Warrant Account
- Departments analyze exceptions for CTS Accounts
- Exceptions for checks must be reconciled daily
- All other exceptions may be reviewed daily and must be resolved monthly
Reconcile Statements

Key Points:

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

**Key Points:**

- Reference number will be the deposit number on the deposit slip (from EDF/FEDS), 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 Statements

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
- Reconciled transactions can be seen under Semi Manual Reconciliation and un-reconciled if necessary
Reconcile Statement

Key Points:

- Items that do not match according to the reconciliation rules, show up in Analyze Exceptions
- Exceptions should be researched in the module of origin (AR for deposits, AP for checks, etc.)
- Unresolved exceptions will affect the monthly Book to Bank reconciliation
Reconcile Statements

Key Points:

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

Key Points:

- Depending on accounting configuration, items can only be unreconciled if the associated accounting entries have not been posted to the general ledger.
- This page will show you the items which have been grouped and matched together.
Reconcile Statements

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 Statements

Key Points:

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

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
## Technology Considerations – Interfaces

<table>
<thead>
<tr>
<th>Interface</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Positive Pay Interface to STO (Outstanding Checks/Stops)</td>
<td>This outbound interface provides STO with a file that lists the payments that are authorized for processing by STO. At the end of the day, payment information containing all outstanding checks and stop payments is generated and transmitted to STO.</td>
</tr>
<tr>
<td>2. Paid Items File (AIAA) from IPS</td>
<td>Daily inbound IPS interface to import Paid Items</td>
</tr>
<tr>
<td>3. Bank Statements File (Treasury Trust) from SCO</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.
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
Appendix
Guide to Symbols in Flows

- **Start/End**: Indicates 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.

- **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 Fi$Cal.

- **Flow Arrow**: 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).
Employee Payroll Deductions

AR4 – Process Payments – Employee Payroll Deductions and Direct Transfers

- Start
- Process for Payroll Deductions or Interagency Direct Transfers
- Receive Notification for Employee Payroll Deduction or Direct Transfer
- Enter/Review Deposit Details
- Record a system deposit; no physical deposit is made into a bank account
- Enter/Review Payment Details
- Enter/Review AR ID(s) or Customer ID(s) for the Payment
- Apply using Payment Predictor?
- Yes (C)
- No (B)
AR4 – Process Payments – Direct Journal Deposit Adjustments

Start

- Recognize Discrepancy between FISCAl Deposit and Bank Deposit

- Bank Deposit Slip Amount Error?

  - Yes
    - Provide Bank with New Bank Deposit Slip for Remaining Amount
    - Bank Deposit Slip amount is less than amount recorded in FISCAl

  - No
    - FISCAl Amount Error?
      - Yes
        - Enter New Deposit With Negative Direct Journal Payment
      - No
        - FISCAl Deposit Greater than Bank Deposit Slip Amount?
          - Yes
            - Enter New Deposit With Positive Direct Journal Payment
          - No
            - FISCAl Posted, Direct Journal Payment Coding Error?
              - Yes
                - Enter New Zero Dollar Deposit With Offsetting Direct Journal Payments
                - One payment should reverse the original coding while the other payment should be coded correctly
              - No
                - Bank Deposit Slip Amount Greater than Deposit in FISCAl?
                  - Yes
                    - AP2 – Enter and Process Vouchers
                  - No
                    - GL – Enter and Process Journals

- Enter/Update Payment(s) Accounting Entries
- Set Direct Journal Payment(s) to Post
- Budget Check Payment(s)
- Budget Errors?
  - No
    - Bank Deposit Slip Amount Greater than Deposit in FISCAl?
      - Yes
        - AP2 – Enter and Process Vouchers
      - No
        - GL – Enter and Process Journals
  - Yes
    - Enter New Deposit With Positive Direct Journal Payment
AR4 – Process Payments – Receivable Payment Adjustments

**Department AR Payment Processor**

- **Start:**
  - Process for adjusting a receivable with incorrect coding or correcting a payment applied to an incorrect receivable.

  - Payment Applied to a Receivable? (No)
    - Unpost Payment To Receivable

  - Payment Applied to Wrong Receivable? (No)
    - Set Unposted Payments to Post

  - Payment Applied to Wrong Receivable? (Yes)
    - Post Unpost Payments

  - Receivable with Incorrect Coding? (No)
    - Receipt Created in Billing or AR Module?

  - AR

  - AR2 – Adjust Invoice Process
    - Adjust Invoice Process should create a credit and rebill with the rebill invoice having the correct coding

  - AR4 – Record Payments
    - Payment should be applied to the new receivable once payment is received. If previous payment was remitted, update Fiscal with new remittance

  - AR3 – Enter Receivables Process
    - Process should create a credit memo for the incorrect coding and a new AR with the correct coding

  - AR5 – Create Maintenance Worksheet
    - Maintenance Worksheet is created to match the credit memo to the original receivable

**Central AR Batch Processor**

- **Set Unposted Payments to Post**

  - If previous payment was remitted, update Fiscal with new remittance

**November 12, 2014**
AR4 – Process Payments – Non-Sufficient Funds (NSF) Payment

Start

Receive Notification of NSF Payment

Type of Payment?

Direct Journal Payment

Document Notes for the NSF Payment

Direct Journal Coded and Posted?

Flag NSF Payment as Direct Journal Payment

Applied and Posted to Receivable?

Yes

Receivable Payment

AP2 – Enter and Process Vouchers

Create A New Receivable Due From The Customer

Voucher is recorded in AP to buyback the NSF check from the bank

No

E

Source of Receivable?

Fi$Cal Billing

Fi$Cal AR

Yes

AR2 – Generate Invoices

AR3 – Enter and Maintain Receivables

End

E

Enter/Update Payment Accounting Entries

Set Direct Journal Payment to Post

Budget Check Payment

Budget Errors?

No

GL – Enter and Process Journals

Yes
CM - Create and Maintain Bank and Bank Account

Start → Request New Bank Account → Department Reviews and Modifies Account Request → Resubmit?
- N → End
- Y → Review Department Request → Approve?
  - N → End
  - Y → Receive Approved Request → Establish new ChartFields?
    - Y → Create and Maintain COA* (GL)
    - N → Receive Approved Request

DOF

SCO

STO

*ChartFields dependent on STO assigned account number
CM – Bank Account Transfers (Transfers between Cash)

Start → Enter Bank Account Transfer Transaction (CM) → Select Bank Account Transfer Transaction (CM)

Outbound:
- Process Payments (AP)
- Bank Account Transfer Table (CM)

Inbound:
- Generate Accounting Entry (CM)
- Generate Journal Entries (GL)

For Cross BU transfers, SCO will notify FISCal Service Center, So that FSC can enter the cross BU transfer

SCO CTTS Accounting in Fiscal → Department Bank Statement

Reconcile Bank Statement (CM) → Analyze Exceptions (CM)
CM – SCO and Department Bank Reconciliation

STO

IPS Reconciliation → Checks & Warrants Paid

SCO

CTTS Bank Statement Transactions*

F$Cal

Import Bank Statements (CM)

Department

Process Dept Payments AP → Perform CTS Bank Reconciliation (CM) → Analyze Exceptions (CM)

Start → End