BUDGET LETTER

SUBJECT: IMPLEMENTATION OF FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA (FI$CAL)	NUMBER: 14-07
	DATE ISSUED: April 29, 2014
REFERENCES: BUDGET LETTER 14-05, UNIFORM CODES MANUAL	SUPERSEDES:

TO: Agency Secretaries
Department Directors
Departmental Budget and Accounting Officers
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

BUDGET OFFICERS ARE REQUESTED TO FORWARD A COPY OF THIS BUDGET LETTER TO DEPARTMENTAL ACCOUNTING OFFICERS, INTERNAL AUDITORS, AND PROCUREMENT OFFICERS.

Consistent with the latest special project report and subject to the Steering Committee's approval, the Financial Information System for California (FI$Cal) plans to deploy Wave 1 functionalities this July. These functionalities include accounting functions for 30 Wave 1 departments in PeopleSoft and statewide budget preparation for ALL departments (not just Wave 1 departments) in Hyperion. This Budget Letter (BL) provides:

1. Target release dates of detailed instructions of major processes to support the 2015-16 budget development
2. Changes in program numbers
3. Changes in the Uniform Codes Manual (UCM) and new Chart of Accounts (COA) for use with FI$Cal
4. List of Wave 1 Departments, and
5. Cutover

Familiarization with these major changes and terms now will assist departments in planning workload and will smooth the transition.

For an accurate and successful transition to FI$Cal, all budget and accounting deadlines must be strictly adhered to. Missed deadlines will not be allowed. Budget Change Proposals (BCPs) will not be reviewed unless submitted with complete information using the new forms and templates and on time.

A. Target Release Dates of Detailed Instructions For These Processes

1. **BCPs Form and Upload Template**—May/June
   - Except for the cover page (with department/agency signatures), Wave 1 departments will enter information directly into the FI$Cal system.
   - Non-Wave 1 departments will submit a cover page and narrative in a Word document (similar to the current form) and provide fiscal details in a new Excel template. This template will be used to upload fiscal information (positions and dollars requested by

program, fund, and category of expenditure) into the FI$Cal system. In other words, all budget information will reside in the system.
  - The new Excel template will also be used for revenue policy proposals (all fund sources). These revenues will no longer be reflected on a Schedule 10R.

2. **Enrollment, Caseload, and Population (ECP) Template**—May/June
    - Incremental changes (positions and dollars) from ECP estimates will be submitted in an Excel template similar to the BCP template.
    - The current premise and estimate details will continue to be submitted in currently approved formats.

3. **Capital Outlay BCPs**—May/June
    - Wave 1 departments are not anticipated to have capital outlay projects.
    - Non-Wave 1 departments will submit a cover page and narrative in a Word document (similar to the current form) and complete a Fiscal Impact Worksheet (FIW) (similar to the current Excel form). These forms will be used to load project data into FI$Cal and must be submitted electronically, but do not replace the signed hard copy of the COBCP.

4. **Initial Base Upload Template of 2014-15 Data**—July
    - This applies to all departments.
    - This is a one-time effort to pre-populate the base amounts in the FI$Cal system.
    - Soon after the 2014-15 Budget is enacted, an Excel template pre-populated with 2014-15 summary level information from Finance's existing legacy budget system by item (including non-Budget Act items) and program (if scheduled) will be provided to the departments.
    - Departments will break down the information as required by the system.
    - Once the budget information is loaded, Wave 1 departments can start 2014-15 transactions.

5. **Schedule 8 Template**—July
    - This applies to all departments that prepare a Schedule 7A.
    - Authorized positions as of June 30, 2014, will be centrally provided by the State Controller's Office (SCO) to the FI$Cal project office. This information will be downloaded into individual Excel templates.
    - Departments will also receive the Schedule 8, overtime blanket, and temporary help blanket reports directly from the SCO.
    - Departments will reconcile positions (similar to the current reconciliation process) and provide lower level of details to allocate each position to programs and funds. Once uploaded, the system will generate the Schedule 7A.

6. **Budget Baseline Adjustment Template**—August
    - Wave 1 departments will enter information directly in the FI$Cal system. The template applies to Non-Wave 1 departments only.
    - This template will initially be used to support a one-time effort by Non-Wave 1 departments to remove all one-time and limited-term costs approved in prior budgets. After this initial year, the system will roll forward into the following fiscal year by first removing one-time and limited-term costs and expiring positions. This means current year and budget year initial starting points will be different for most items.
    - The template will capture data currently reported on Planning Estimate (PE) worksheets and various department-specific back up documents.
    - This template, along with the Base Upload Template, replaces Budget Year Schedule 10s.
    - This template type will also be used to:
        - Add resources to reflect the full year cost of positions and dollars phased-in as approved in prior budgets.

- Remove positions and dollars associated with continuously vacant positions to be abolished per Government Code 12439.
- Allocate employee compensation/retirements rate adjustments.
- Make other non-BCP baseline adjustments.

7. **Budget Administration Adjustment Template**—July/August
   - Wave 1 departments will generally enter information directly in the FI$Cal system. The template applies to Non-Wave 1 departments only.
   - This template will be used to provide detailed information regarding all mid-year changes to the enacted budget, such as changes per Control Sections 26.00, 28.00, and 28.50, provisional items, unanticipated costs, etc.
   - The data from these templates will be used for reporting purposes and to provide hard copies to the SCO (similar to the current Budget Revisions and budget Executive Orders). Once reviewed and approved by the SCO, the departments can start utilizing the additional spending authority.

8. **Baseline Revenues/Transfers/Loans Template—**August/September
   - Wave 1 departments will enter information directly in the FI$Cal system. The template applies to Non-Wave 1 departments only.
   - These are baseline (non-policy) updates of revenues, transfers, and loans. This template is in lieu of the current Schedule 10R.

9. **Initial Base Upload Template of 2013-14 (Past Year) Data—**September/October
   - This applies to all departments.
   - This is a one-time effort to pre-populate the past year amounts in the FI$Cal system.
   - For transition purposes, we plan to collect past year expenditures on existing past year Schedule 10s one last time. This information will then be loaded into an Excel template.
   - Departments will utilize this template to breakdown the information required by the system.

B. Changes in Program Numbers

- Hyperion requires unique values across all departments. In conjunction with the project, Finance worked with all departments in a major program renumbering effort earlier in the spring. The existing program/element/component/task (PECT) structure has been replaced by a 10-digit Program chartfield/dimension. This 10-digit represents program/subprogram/subtask.
- Departments will be required to provide information at the lowest level of the program structure currently used today (either in the Governor's Budget – Expenditures by Program or the Budget Act).
- A comprehensive crosswalk from the current PECT to the future program/subprogram/subtasks will be posted on Finance and FI$Cal websites.

C. Changes in the UCM and New Chart of Accounts

- A new COA will be deployed for all departments. Changes will also be made to the UCM to ensure uniformity.
- Attachment II is a high-level diagram showing how the current UCM structure will be translated into the new COA chartfields/dimensions.
- General ledger accounts, revenue source codes and object of expenditures will reside in a new 7-digit Account field in PeopleSoft. In Hyperion, revenue source and object of expenditure codes will be in a Category field.
- Budget information for all departments (not just Wave 1 departments) must be submitted using the new COA values.
- Non-Wave 1 departments will continue to use the UCM structure and codes on accounting transactions until they transition to FI$Cal.

- A complete crosswalk of all current UCM codes to new COA codes will be posted on Finance and FI$Cal websites.

D. List of Wave 1 Departments

- 30 departments are in Wave 1 (see Attachment I). Generally, these departments (or the entity that performs their accounting and/or budgeting functions) will enter information directly in the FI$Cal system.
- Wave 1 departments are/will be receiving system training by the FI$Cal training academy either directly or via the train-the-trainers program.

E. Cutover

- Wave 1 departments cutover to FI$Cal will occur as of June 30, 2014.
- Departments are encouraged to remain current on all reconciliations as well as accounting transactions and to process all available transactions in their legacy system by June 30.
- FI$Cal will be available for accounting transactions for Wave 1 departments by July 16, 2014.
- Additional information on necessary cutover activities will be provided in May and June.

If you have any questions, please contact these areas:

- Finance analyst for budget templates and budget processes as well as policies.
- Finance, Fiscal Systems and Consulting Unit, for UCM/COA, and accounting processes and policies.
- CALSTARS for Wave 1 department accounting conversion or temporary parallel system operations.
- FI$Cal Service Center at support@fiscal.ca.gov or 1-855-347-2250 for Wave 1 system training, system/log on, and system role/security.

/s/ Todd Jerue

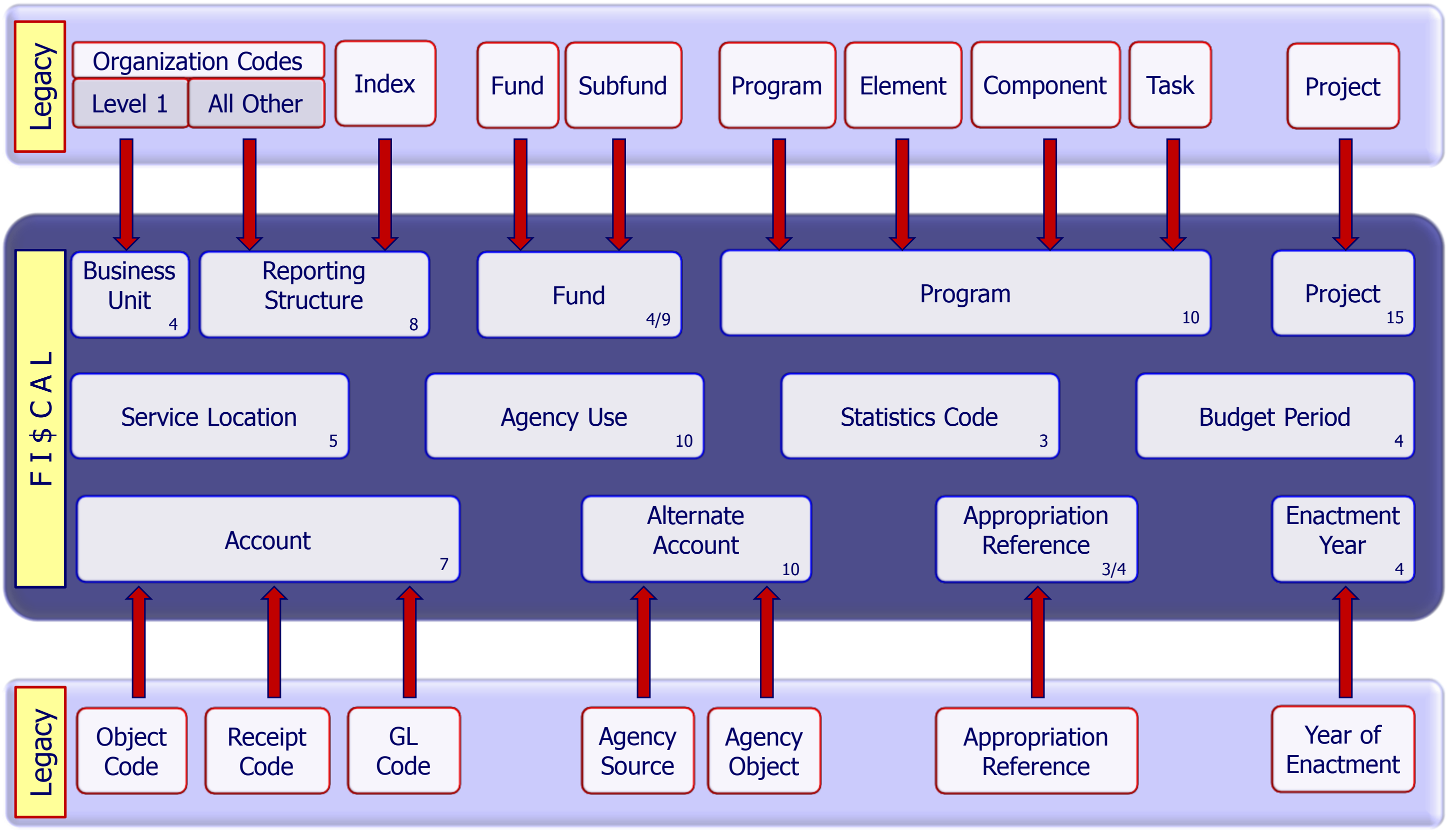
TODD JERUE
Chief Operating Officer

Attachments

FI$Cal Wave 1 Departments

1. Agricultural Labor Relations Board
2. Alcoholic Beverage Control Appeals Board
3. California Alternative Energy & Advanced Transportation Financing Authority
4. California Arts Council
5. California Commission on Aging
6. California Debt and Investment Advisory Commission
7. California Debt Limit Allocation Committee
8. California Department of Aging
9. California Educational Facilities Authority
10. California Health Facilities Financing Authority
11. California Industrial Development Financing Advisory Commission
12. California Pollution Control Financing Authority
13. California School Finance Authority
14. California State Summer School for the Arts
15. California Tax Credit Allocation Committee
16. Department of Alcoholic Beverage Control
17. Department of Fair Employment and Housing
18. Department of Finance (Departmental and Control Functions)
19. Department of General Services (A few users from Purchasing Authority Management Section and One-Time Acquisitions Unit)
20. Department of Justice
21. Economic Recovery Financing Committee
22. Office of Environmental Health Hazard Assessment
23. San Francisco Bay Conservation and Development Commission
24. Scholarshare Investment Board
25. Secure Choice Retirement Savings Investment Board
26. State Board of Equalization
27. State Controller's Office (Departmental Functions)
28. State Treasurer's Office (Departmental Functions)
29. Transportation Financing Authority
30. Urban Waterfront Restoration Financing Authority

ChartField / UCM Codes Cross-reference



FI$Cal Financial Information System for California