



# Financial Policy Workgroup Meeting Minutes

February 20, 2025 / 2:30pm – 4:30pm

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| <b>Agencies Represented</b> | Agency for Health Care Administration, Department of Corrections, Department of Elder Affairs, Department of Emergency Management, Department of Environmental Protection, Department of Financial Services, Department of Health, Department of Juvenile Justice, Department of Legal Affairs, Department of Management Services, Fish & Wildlife Conservation Commission, Florida Lottery, Gaming Control Commission, Justice Administrative Commission |
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## Opening Remarks and Introductions:

- The goal of the workgroup is to increase understanding, ownership, and adoption of financial management policy.

## Draft Policy Topic Discussion:

- New Policy: Accounts Receivable Collections Write-Off
  - Validate amount and debtor prior to booking the accounts receivables
  - Some accounts receivables can be considered confidential
  - Writing an item off does not mean it cannot still be collected
- New Policy: Policy and Procedure Development Framework
  - Identify the various systems and processes for creating batch files for payments
  - It is important to have policy and procedures to validate to the auditors on who did what in the system and evidence that it was authorized.
  - Document policies These are a few items to be considered when developing procedures:
    - What is the approval flow?
    - How will data be validated?
    - Define roles, responsibilities, access control, and separation of duties
    - How are errors reviewed and resolved?
    - What is the confirmation process for automated file uploads
    - What are the internal controls
    - Define and validate program data (e.g., payees)
  - A Self-Assessment tool is being created by the Division for agencies to confirm they are following the expectations set forth by the Division.



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## Discussion of Policy Topics:

- Define Contract and Grant and Usage of Each
  - Consider what is being put into FACTS
    - What constitutes a contract and what is a grant.
  - Any agreement you have should be added to FACTS.
  - Liens should be filed when tangible goods are being purchased. This protects the State's investments, (i.e. fire stations, construction projects).
    - Liens are for Fixed Capital Outlay (FCO) type grants
    - Liens can also be used for equipment
  - Bonds should not be used in place of a lien.
  - State Federal Finance Assistance should be treated as a disbursement.
  
- Paying Another Agency using the Interagency Module within Florida PALM
  - The Interagency Module in Florida PALM is the module used to generate an IU. An IU provides similar functionality to the FLAIR JT.
  - The Chief Financial Officer can grant an exception for agencies to not use the Interagency Module to pay for goods and services provided by another agency; this is authorized in Florida Administrative Code.
    - 69I-40.002(24) All payments to State agencies shall be made by journal transfer unless the necessity for making payment by warrant is documented by the agency and approved by the Chief Financial Officer.
    - Currently there is not a list of approved exceptions; further discussions may be needed before Go-Live of Florida PALM.
    - This topic will be discussed at one of the future Florida PALM Advisory Council meetings.
  - There is a significant cost savings using a Journal Transfer (JT) rather than a warrant. It is costly to produce warrants.
  - Agencies noted that high volume / low dollar amount charges are not currently viable within the JT system, and tracking individual payment for specific services or client records is not possible.
  - An agency will have to retain the source document that incurred a payment since record retention laws have not changed.
  
- Required Documents to Support a Voucher / Journal
  - When making Journal Transfers, consider:
    - Is it an authorized, mutual exchange, and is the financial reporting accurate?
    - Is it going through the proper separation of duties?
    - Is there a Memorandum of Understanding for agreement?
    - Is it using a valid appropriation?
    - Is it with an authorized supplier or customer?
    - What is the record retention schedule?



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### Next Steps:

- Next meeting is April 17, 2025, from 2:30pm – 4:30pm in Room 116 at the Larson Building, 200 East Gaines Street.