I.10.3 Analyze, Reconcile and Close Accounts

Department of Financial Services

Date: _____ 11/08/2019 _____

Revision: _____ DRAFT _____

Florida PALM

Planning, Accounting, and Ledger Management

Revision History

Version	Date	Revision Notes

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Business Process Overview

The Analyze, Reconcile, and Close Accounts interim business process demonstrates how Wave organizations approach reconciliations throughout the month and year end processing within Departmental FLAIR and Florida PALM. A systematic reconciliation between Departmental FLAIR and Florida PALM occurs daily. Wave organizations receive reports reflecting reconciling items identified as a result of the automated process and have the opportunity to make updates in Departmental FLAIR or Florida PALM as needed. Organizations reconcile and correct accounts using reports provided by Florida PALM and Departmental FLAIR.

Wave organizations follow the year end closing process by establishing accrual, accounts payable, and account receivable entries for the prior year as needed. Organizations also complete the necessary closing forms in compliance with the Department of Financial Services (DFS) procedures. Wave organizations work in conjunction with DFS to confirm organization balances are in balance. Adjustments are identified and made in the Statewide Financial Subsystem (SWFS) prior to data being transferred to Florida PALM. DFS prepares the Comprehensive Annual Financial Report (CAFR) using compiled data from Florida PALM for all organizations following the 10.4 Close General Ledger and Consolidate Results Standardized Business Process.

Dependencies and Constraints

- The DFS Division of Accounting & Auditing (A&A) determines and communicates the closing schedules, monthly and fiscal year end (FYE), for all organizations.
- Wave organizations request monthly closing within Departmental FLAIR.
- Departmental FLAIR monthly closings occur before the middle of the following month for Wave organizations.
- Wave organizations have access to Florida PALM to run reports for General Ledger (GL) transactions.
- Wave organizations work in conjunction with the DFS FLAIR Help Desk to schedule closing of Departmental FLAIR during FYE.
- Wave organizations access the Information Warehouse (IW) to retrieve organization specific reports for Departmental FLAIR.
- Florida PALM provides supporting reports to assist with the ongoing reconciliations and FYE processes.
- Wave organizations complete year end activities within Departmental FLAIR for the prior year closing
- The Statewide CAFR is substantively produced from Florida PALM for Pilot and Wave organizations.
- The SWFS provides account balances and data for Wave organizations.

Business Process Flow Details

Table 1: Process Steps Included on Interim Business Process Model Flow

I.10.3 – Analyze, Reconcile and Close Accounts		
Swim Lanes – Definition	**DFS Financial Statement Processor**: DFS role responsible for reviewing organization balances before transferring balances to Florida PALM **Wave Organization GL Close Processor:** Wave organization role authorized to transact within Florida PALM and who is responsible for reconciliations and performing year end close activities within Departmental FLAIR	
Process Step ID	**Process Step Title**	**Description of Process**
1	Perform Reconciliation	The Departmental FLAIR reconciliation program compares the transactions posted to the actuals ledger within Florida PALM to Departmental FLAIR posted transactions by the 29-digit account code. Wave organizations access IW to retrieve reports to complete the reconciliation.
2	Retrieve Reconciliation Reports	Wave organizations access Florida PALM to retrieve exception or reconciliation reports.
3	Review and Analyze Reports	Wave organizations review and analyze the reports to determine if there are any reconciling items. If reconciling items exist, the organization determines the appropriate correction for the item. This is an iterative process that occurs throughout the month and at month end.
4	Manage Reconciling Items	Wave organizations review and manage reconciling items within Florida PALM. The Wave Organization GL Close Processor determines the correction needed and performs the correction or update. The organization reviews the reconciliation reports to verify the update. Organizations assess if corrections are required in Departmental FLAIR as a result of the reconciliation changes within Florida PALM.
5	Enter Correcting Transaction	Wave organizations enter necessary correcting entries into Departmental FLAIR.
6	Perform Monthly Close	Wave organizations perform monthly close activities in Departmental FLAIR, if it is not the end of the fiscal year.
7	Perform Year End Activities	At fiscal year-end, Wave organizations perform year end closing activities (establishing certified payables and encumbrances, liquidation of payables and encumbrances, completing year end adjusting entries, completion of entries for CAFR preparation) and completes required documents in compliance with DFS year end procedures. Organizations work with the DFS Office of Information Technology (OIT) to confirm Departmental FLAIR closing occurs.
8	SWFS Balances	Once agencies have closed, Departmental FLAIR balances are transferred to SWFS. DFS A&A utilizes SWFS to review the departmental balances extracted from Departmental FLAIR at year end for each Wave organization.

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Process Step ID	Process Step Title	Description of Process
		If the Wave organization is not in balance, post-closing adjustments are submitted to the DFS Financial Statement Processor for review and posting in SWFS until the organization is in balance. The DFS Financial Statement Processor reviews and posts the necessary adjustments within SWFS until the Wave organization is in balance. Once organizations are in balance, SWFS data is transmitted to Florida PALM.
9	Load SWFS Data	Florida PALM loads the balances from SWFS into Florida PALM to be used for financial reporting.
10	Post SWFS Balances	Florida PALM posts the balances from SWFS into the Financial Reporting Ledger using the GL Journal.
11	10.4 Close General Ledger and Consolidate Results	DFS prepares the CAFR using compiled data from Florida PALM.

Interim Reports

Table 2: Reports Included on Interim Business Process Model Flow

Report Number	Report Description	Report Frequency	Audience
R1	Payment Register – a listing of electronic, warrant, or manual payments made as part of the pay cycle	Periodic, Monthly	Wave Organizations, DFS
R2	Voucher Aging Schedule – an aging schedule of vouchers pending approval from DFS	Periodic, Monthly	Wave Organizations, DFS
R3	Budget Exceptions – a listing of vouchers with budget exceptions	Periodic, Monthly	Wave Organizations, DFS
R4	Cash Exceptions – a listing of payments with cash exceptions	Periodic, Monthly	Wave Organizations, DFS
R5	Source Module Transactional Reports – detailed reports of successful posted transactions and exceptions	Periodic, Monthly	Wave Organizations, DFS
R6	Journal Inquiry – online display of requested journals	Periodic, Monthly	Wave Organizations, DFS
R7	Ledger Inquiry – online display of ledger balances by ChartFields	Periodic, Monthly	Wave Organizations, DFS
R8	GL Reconciliation Report – report to display reconciled and unreconciled	Periodic, Monthly	Wave Organizations, DFS

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Report Number	Report Description	Report Frequency	Audience
	balances by ChartField and source module		
R8	Florida PALM Accounts Payable Balance Report – report of the GL balance for accounts payable.	Periodic, Monthly	Wave Organizations, DFS
R9	Florida PALM Accounts Receivable Report – report of GL balance for accounts receivable.	Periodic, Monthly	Wave Organizations, DFS
R10	Cash Transfer Report – provides a listing of all InterUnit Cash Transfers for a designated period recorded in Florida PALM.	Periodic, Monthly	Wave Organizations, Pilot Organizations, DFS
R11	Cash Transfer Reconciliation Report – detailed list of initiating and receiving organization cash transfers	Periodic, Monthly	Wave Organizations, Pilot Organizations, DFS
R12	Atypical Balance Report – provides atypical balances by account values, report could include additional ChartFields such as Business Unit and Fund	Periodic, Monthly	Wave Organizations, Pilot Organizations, DFS
R13	Inconsistent Transfer Report – details journal entries containing transfer and non-transfer accounts	Periodic, Monthly	Wave Organizations, Pilot Organizations, DFS