CW.80.1 Manage Cash Checking

Department of Financial Services

Date: 06/30/2020

Revision: DRAFT

Florida **PALM**

Planning, Accounting, and Ledger Management

Revision History

Version	Date	Revision Notes
0.1	06/30/2020	Initial Submission

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Business Process Overview

Section 215.32, Florida Statutes (F.S.), requires all monies received by the State to be deposited in the GR Fund, agency Trust Funds, or the Budget Stabilization Fund, unless specifically provided otherwise by law. GR cash balances are controlled at a statewide level and are managed by Department of Financial Services (DFS) Division of Accounting and Auditing (A&A). Trust Fund cash balances are managed at the agency level and are controlled at the Fund level by A&A. Certain agencies are required by law to track and report cash at levels lower than the Fund level (e.g., entity, activity, and funding source).

During the Central Wave, the Manage Cash Checking business process addresses how transactions are cash checked, and how invested balance is checked for disinvestments. The business subprocesses included are:

- CW.80.1.1 – Manage Cash Checking
- CW.80.1.2 – Invested Balance Checking

This Manage Cash Checking business subprocess addresses how balances will be checked for transactions disbursing cash from Trust Funds as the disbursements are generated. This includes validating cash is sufficient for vouchers prior to the creation of payments or for journal entries prior to those entries posting to the General Ledger (GL).

The Invested Balance Checking business subprocess addresses how invested cash balances are checked and updated. Invested cash balances are updated as investments and disinvestments are made. The Invested Balance Checking process compares disinvestments to the available invested cash balance. GL journal entries without an invested balance account type (i.e., equity, liability and revenue) are excluded from this process and proceed with the transaction lifecycle. When there is an insufficient invested balance, the transactions fail the Invested Balance Checking process and generate errors. Errors can be resolved via an update or a deletion, or a request for override can be made to DFS.

Dependencies and Constraints

- Agencies access Florida PALM to view and manage exceptions
- All transactions that record Fund cash movement are subject to Cash Checking
- Agencies track and record transactions impacting cash at the lowest level as required to support financial reporting needs
- Transactions recorded to support management of cash by the Department of Financial Services (DFS), Division of Treasury (Treasury) are not subject to Cash Checking

Business Process Flow Details

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

CW.80.1.1 Manage Cash Checking	
Swim Lanes – Definition	**Exception Transaction Processor:** Agency or DFS role responsible for monitoring cash checking errors and updating or deleting transactions as needed

	Fund Cash Manager: Agency or DFS role responsible for analyzing and resolving cash checking errors **DFS Exception Transaction Processor:** DFS role responsible for updating source transaction on behalf of agencies **DFS Override Processor:** DFS role responsible for overriding transactions

Process Step ID	Process Step Title	Description of Process
1	Run Cash Checking	Cash checking is automatically compares the transactions from the below business subprocesses to the available fund cash: • CW.10.2.1 Create and Approve Journals • CW.30.4.1 Process Pay Cycle • CW.60.2.5 Process FLAIR Deposits • CW.60.2.6 Treasury Receipts, Adjustments, and Returned Items • CW.80.2.1 Monitor Trust Fund Cash Balance
2	Update Cash Checking Balance	If the transaction meets the Cash Checking criteria and does not generate an error, the transaction updates the cash balance and the transaction continues processing as described in the above applicable business subprocesses.
3	Manage Cash Checking Errors	If sufficient cash is not available, the transaction fails Cash Check. The Exception Transaction Processor reviews the Cash Checking errors with the Fund Cash Manager to determine a resolution.
4	Update or Delete Source Transaction	If the Cash Checking error requires an update to the accounting and is not a returned deposit, the Exception Transaction Processor updates or deletes the source transaction in Florida PALM.
5	Update Source Transaction	If the Cash Checking error requires an update to the accounting, is a returned deposit, and the agency has not made the updates to the source transaction in a timely manner, the DFS Exception Processor updates the source transaction in Florida PALM.
6	Enter Correcting Transaction	The agency enters a Departmental FLAIR correcting transaction to match balances with Florida PALM.
7	Analyze and Determine Resolution	If the source transaction does not need an adjustment to the accounting, and a determination is made to transfer cash, the Fund Cash Manager transfers the cash following the CW.80.2.1 Monitor Trust Fund Cash Balance business subprocess.
8	Hold Transaction Until Cash Is Available	If the source transaction does not need an adjustment to the accounting, and there is a future deposit that provides enough cash to cover the transaction, then the transaction is held until the deposit is posted. After the deposit is posted, the transaction is automatically resubmitted for cash checking.

Process Step ID	Process Step Title	Description of Process
9	Analyze and Determine Resolution	If the source transaction does not need an adjustment to the accounting, a cash transfer is not performed, there is no upcoming deposit, and a request to override the cash check error is not submitted, the Fund Cash Manager determines an alternative resolution following the CW.80.2.1 Monitor Trust Fund Cash Balance business subprocess.
10	Submit Override Request Form	If the Fund Cash Manager determines a need to override the Cash Check error, the agency submits the Override Request Form to DFS.
11	Override Exception	The DFS Override Processor reviews the request to override cash and in limited cases determines if an override may be granted.
12	Notify Agency	The DFS Override Processor notifies the agency of the override request resolution or requests additional information.
13	Update Cash Checking Balance	If the override request is granted, the transaction meets the Cash Checking criteria, and does not generate an error, the transaction continues processing as described in the below business subprocesses: • CW.10.2.1 Create and Approve Journals • CW.30.4.1 Process Pay Cycle • CW.60.2.5 Process FLAIR Deposits • CW.60.2.6 Treasury Receipts, Adjustments, and Returned Items • CW.80.2.1 Monitor Trust Fund Cash Balance

Table 2: Process Steps Included on CW Business Process Model Flow

CW.80.1.2 Invested Balance Checking		
Swim Lanes – Definition	**DFS Override Processor:** DFS role responsible for overriding transactions **GL Journal Processor:** Agency or DFS role responsible for reviewing and resolving exceptions	
Process Step ID	Process Step Title	Description of Process
1	Run Invested Balance Checking	The Invested Balance Checking is an automated process or can be initiated on demand by the GL Journal Processor. GL journal entries without an invested balance account type (i.e., equity, liability and revenue) are excluded from this process and proceed with the transaction lifecycle as described in the CW.10.2.1 Create and Approve Journals.
2	Update Invested Balance	If the transaction meets the Invested Balance Checking criteria and does not generate an error, the transaction updates the invested balance and then proceeds with the disinvestment lifecycle via the CW.10.2.1 Create and Approve Journals.

This document is draft and subject to change

Process Step ID	Process Step Title	Description of Process
3	Review Invested Balance Checking Errors	If there is insufficient invested cash balance, the transaction fails Invested Balance Checking. The GL Journal Processor reviews the Invested Balance Checking errors to either update, override, or delete the disinvestment journal entry.

If the disinvestment needs to be updated or deleted, the GL Journal Processor completes the update following the CW.10.2.1 Create and Approve Journals. |
4	Submit Override Request Form	The GL Journal Processor submits the Override Request Form to request A&A assistance and routes to the DFS Override Processor via Workflow.
5	Override	If the disinvestment needs to be overridden, the DFS Override Processor reviews the disinvestment transaction and overrides the transaction within Florida PALM.
6	Update Invested Balance	Once the disinvestment is overridden, the transaction updates the invested ledger cash balance and then posts to the GL following the CW.10.2.1 Create and Approve Journals.
7	Notify Agency	The DFS Override Processor approves the Override Request Form and routes back to the GL Journal Processor via Workflow.

Ledger Impacts

Table 2: Ledger Impacts Included on CW Business Process Model Flow

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
L1	Cash Ledger - Payment	Decrease Spendable Cash
L2	Cash Ledger - Deposit	Increase Spendable Cash
L3	Cash Ledger – Returned Item Deposit	Decreases Spendable Cash
L4	Cash Ledger - Cash Transfer Journal Entry (Debit)	Increase Spendable Cash
L5	Cash Ledger - Cash Transfer Journal Entry (Credit)	Decrease Spendable Cash
L6	Invested Balance Ledger – Disinvestment Journal	Decrease Invested Cash
L7	Cash Ledger – Disinvestment Journal	Increase Spendable Cash
L8	Invested Balance Ledger - Investment Journal	Increases Invested Cash
L9	Cash Ledger - Investment Journal	Decrease Spendable Cash

Reports

Table 3: Reports Included on CW Business Process Model Flow

Report Number	Report Description	Report Frequency	Audience
R1	Cash Checking Exceptions – display cash check exceptions, including reasons for exceptions, and the length of time outstanding	Periodic	DFS, Agencies
R2	Cash Check Override – all transactions for which cash check has been overridden	Periodic	DFS
R3	Invested Balance Exceptions – displays invested cash exceptions, including reasons for exceptions, and the length of time outstanding	Periodic	DFS, Agencies
R4	Invested Balance Override – all transactions for which the invested balance checking has been overridden	Periodic	DFS