

FW.70.2 Manage and Reconcile Bank Statements

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Revision History

Version	Date	Revision Notes
1.0	07/30/2019	Accepted Version
2.0	12/10/2021	Updates per Financials Wave Module Workgroup Sessions
3.0	06/28/2024	Updated for Financials Wave to include AP & HCM Payroll impacts.

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Table of Contents

Business Process Overview	4
Dependencies and Constraints	4
Business Process Flow Details	5
70.2 – Manage and Reconcile Bank Statement Transactions	5
Accounting Events	9
Key Reports	9
Conversions	11
Interfaces	11
Forms	12
Workflows	13
Agency Configurations.....	13

Business Process Overview

The Manage and Reconcile Bank Statements business process is within the Treasury Management (TM) business process grouping. TM includes a collection of business processes that:

- Manage banking relationships
- Manage interest apportionment for agencies and external entities
- Support reconciliation of the concentration bank account, agency sub-accounts, and the bank account balances to general ledger balances
- Support the management of cash transfers between bank accounts; and
- Support agency requests of Treasury.

This business process addresses how transactions in the Concentration Bank Account and related agency sub-accounts will be reconciled in Florida PALM. This business process also supports the review, escalation, and resolution of transactions reconciliation exceptions.

Section 17.57, Florida Statutes (F.S.), requires the deposit of money in the State Treasury to be deposited in qualified public depositories. Section 116.01, F.S., requires funds collected and due to the State to be deposited in the State Treasury no later than seven working days from the close of the week in which funds were received. Section 215.31, F.S., provides that revenue collected or received shall be promptly deposited in the State Treasury, immediately credited to the appropriate fund, and properly accounted for by the Department of Financial Services (DFS). Section 17.52, F.S., provides that DFS Division of Treasury (Treasury) is responsible for paying all warrants on the State Treasury drawn by the Chief Financial Officer (CFO) and other orders by the CFO for the disbursement of State funds by electronic means. Section 17.555, F.S., requires Treasury to keep a record of the warrants or other orders of the CFO that Treasury pays. Section 17.56, F.S., requires Treasury to turn over to DFS Division of Accounting and Auditing (A&A) all warrants drawn by the CFO and paid by Treasury.

Florida PALM receives a daily previous day bank statement from the banking partner, which includes the Concentration Account and related sub-accounts, disbursement accounts, the Consolidated Revolving Account (CRA), and any revolving accounts transacting in Florida PALM source modules. This daily statement is reconciled to the activity in the source modules. When discrepancies in reconciliation occur, agencies work with Treasury to correct the source transaction or request a correction from the banking partner. Agencies with sub-systems that need electronic bank statements, receive a daily interface file of activity transmitted by the banking partner.

Dependencies and Constraints

- Receiving bank transactions is dependent upon bank systems being operational and the availability of statement files
- Transactions are recorded in the source modules and are available for automated reconciliation
- Bank file layout updates are dependent upon state banking contract

Business Process Flow Details

The tables below describe steps in each business subprocess as reflected on the Business Process Flow Diagrams. The tables also reflect information associated with each step describing the intent of the specific process. Florida PALM screenshots are included within the sections to allow connections to be made from specific business subprocess steps to screens within Florida PALM.

The Business Process Flow Diagrams use horizontal swim lanes to depict where activities are performed by different parties or systems. Each swim lane is titled with a role, either agency-based or within Department of Financial Services (DFS), and in some cases, are representative of an external entity or system. The swim lanes may change from page to page within a single business subprocess as more or fewer roles are required to execute sections of the business subprocess. Optionally, the process flow diagram may reflect vertical swim lanes to further designate information such as systems or time intervals.

This information should be read in conjunction with the Business Process Flow Diagrams.

Disclaimer: The following business process/subprocess was implemented during the CMS Wave and is not changing for the Financials Wave. Minor edits have been made to remove references to FLAIR and to revise it into the Financials Wave business process model format.

70.2 – Manage and Reconcile Bank Statement Transactions

Table 1: Manage and Reconcile Bank Statement Transactions

70.2 - Manage and Reconcile Bank Statement Transactions		
Module	Cash Management	
Related Module(s)	AP, AR, HCM	
Swim Lanes – Definition	Bank: (Non-Florida PALM role) the banking partner by which bank accounts are provided CM Bank Reconciliation Processor: DFS role responsible for reconciling bank accounts in Florida PALM	
Process Step ID	Process Step Title	Description of Process
1	Inbound Previous Day Bank Statement File (CMI003)	The banking partner generates the previous day bank statement (i.e., BAI2) file for each bank account. The bank statements contain all balances, deposits, and disbursements posted to each bank account.
2	Inbound Previous Day Bank Statement Addenda File (CMI015, CMI017)	The banking partner generates the previous day bank statement addenda file as necessary for each bank account. The bank statements contain additional details for transactions posted to each bank account.
3	Import Bank Statement	Florida PALM imports the bank statements for all bank accounts automatically reconciled in Florida PALM.
4	Extract BAI Bank Statement Data	Florida PALM generates an agency bank statement interface for agencies which bank statements are

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Process Step ID	Process Step Title	Description of Process
		transmitted to their agency business systems (e.g., Department of Revenue, CRA statement recipients).
5	Outbound BAI Bank Statement Interface	The agency bank statement interface is transmitted to agencies daily.
6	Extract CD Principal Payments	CD application extracts the principal payment data.
7	Inbound External Transactions (CMI005)	If there are transactions for the bank account that are not recorded in a source module (i.e., Accounts Payable (AP), Accounts Receivable (AR), Cash Management (CM), or Payroll (HCM) agencies transmit the data to Florida PALM as external transactions for reconciliation purposes.
8	Import External Transactions	Florida PALM imports external transactions to create system transactions. After we receive CMI005 External transactions, payroll cash clearing entries are created.
9	Process Automatic Reconciliation	Immediately after import, bank statement transactions are reconciled to the corresponding system transactions, which were recorded as deposits via the 60.2 Deposit and Apply Receipts Business Process, disbursements via the 30.4 Process Payments business process, or the 70.4 Process Bank Cash Transfers Business Process. ACH Return transactions will be loaded and addressed as part of the 30.5 Manage Payments process.
10	Outbound Payroll Reconciled Warrants, Prenotes and ACH NOCs (CMI018)	The outbound interface is transmitted to Payroll module daily.
11	Extract Bank Deposit Transactions	Florida PALM generates a deposit file in which bank statement transactions are interfaced to agencies for use in their business systems.
12	Outbound Bank Deposit Transactions	The agency bank deposit transaction interface is transmitted to agencies daily.
13	Perform Bank Statement Accounting	For any transactions which are first notice presentments (e.g., sweeps between bank accounts or bank fees), Florida PALM automatically generates accounting. If the statement is fully reconciled, the process is complete. After bank reconciliation, payroll accounting entries will be created.
14	Review Exceptions	Any transaction that needs additional review, are reviewed manually by the CM Bank Reconciliation Processor and the appropriate action is taken. As part of this review, the CM Bank Reconciliation Processor determines if the source transaction needs to be corrected. If so, the CM Bank Reconciliation Processor works with the source Transaction Processor to correct

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Process Step ID	Process Step Title	Description of Process
		the source transaction. If the source transactions are correct, a bank correction is completed. For accounts managed by agencies, the CM Bank Reconciliation Processor at the agency submits the Treasury Correspondence Form (CMF007 Research Request/Reconciliation Assistance form) for transactions that need to be corrected by the bank.
15	Resolve Exceptions	If the source transaction needs to be updated, the CM Bank Reconciliation Processor resolves the exception or works with the applicable agency or DFS role that is responsible for resolving exceptions in the Florida PALM source module. If needed, the agency or DFS role may also update transactions in external systems.
16	Notify Bank	For agencies with authority to contact the bank directly, the CM Bank Reconciliation Processor at the agency notifies the bank of the change needed. For all other accounts, Treasury notifies the bank of the change needed.
17	Bank Reviews and Adjusts Account	The bank researches the issue and adjusts the account for any discrepancies between items presented and items recorded in the account.
18	Force Reconciliation	The CM Bank Reconciliation Processor forces the bank and system transactions to reconcile. This generates an accounting entry to record the discrepancy. Upon the correction posting to the bank account, Florida PALM creates the accounting to reverse the discrepancy.
19	Generate Treasury Accounting	Florida PALM generates accounting entries for accounting events associated with Bank Statement Accounting (i.e., first notice presentments, bank errors, and External Transactions) recorded in Florida PALM.
20	Review and Approve Accounting	If accounting exceptions exist, the CM Bank Reconciliation Processor reviews and resolves the accounting exception within Florida PALM.

Figure 1: Automatic Reconciliation Page

Automatic Reconciliation

Search Criteria
 Bank ID: 121000248 Account #: 0810_WELLS_FARGO_CONCENTRATION
 *Date: Statement As Of Date From: 09/01/2021 Thru: 09/16/2021 Search

Bank Statements

Select	Bank ID	Account #	IBAN	Statement ID	As Of Date	Trans	Reconciled	Cycle Status	Exceptions
<input type="checkbox"/>	121000248	0810_WELLS_FARGO_CONCENTRATION		271	09/04/2021	0	0	Ready	
<input type="checkbox"/>	121000248	0810_WELLS_FARGO_CONCENTRATION		237	09/03/2021	0	0	Ready	
<input type="checkbox"/>	121000248	0810_WELLS_FARGO_CONCENTRATION		230	09/02/2021	253	251	Ready	Exceptions
<input type="checkbox"/>	121000248	0810_WELLS_FARGO_CONCENTRATION		225	09/01/2021	225	222	Ready	Exceptions

Select All Clear All Process Monitor
 Run Recon Refresh Reports: Exceptions Run Report Report Manager

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Accounting Events

Accounting events originate during transaction processing in the applicable source module. The accounting events impact the source module, Commitment Control ledgers, and the General ledger (Actuals).

- Source Module accounting entries require user input (U) of the primary line (i.e., expenditure, revenues) with an automated system (S) offsetting line (i.e., payable, receivable) during transaction entry. The source model transaction must pass Edit Check, Budget Check, and Cash Check (on applicable entries) prior to posting the transaction.
- The Run Budget Check (Commitment Control) process automatically affects balances in the appropriate budget ledger (i.e., appropriation, spendable cash) if the transaction passes the budget check process.
- After the transaction is posted in the source module, an automated system process summarizes and posts the entries in the General Ledger module to the Actuals Ledger.

The table below provides the most common accounting events applicable to this business process.

Table 2: Accounting Events Included on Business Process Flow Diagrams

Acct Event ID	Accounting Event	Source Module Accounting Entry	Commitment Control Ledger(s) Impact	General Ledger (Actuals) Entry
N/A	N/A	N/A	N/A	N/A

Key Reports

Key Reports are displayed as icons with the Report Number on the Business Process Flow Diagrams. The table below provides the reports identified to be produced at a particular process step or is used to support the completion of a process step.

Table 3: Reports Included on Business Process Flow Diagrams

Report Number	Report RICEFW ID	Report Description	Report Source	Report Frequency	Audience
R1	CMR007	Bank Statement Report – provides the bank statement transactions and balances	Florida PALM	Periodic	Agency, DFS
R2	CMR005	Reconciled/Unreconciled Bank Transactions – lists banking items reconciled or unreconciled for a designated time period by bank account	Florida PALM	Periodic	Agency, DFS

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Report Number	Report RICEFW ID	Report Description	Report Source	Report Frequency	Audience
R3	GLR115	General Journal Entries Report – listing of Treasury accounting journal by type of entry	Florida PALM	Periodic	DFS
R4	CMR004	BAI Transaction Counts – Lists all BAI codes associated with the bank/bank account combination and counts the number of BAI codes received for the date range.	Florida PALM	Periodic	Agency, DFS
R5	CMR018	BAI Transaction Summary – List of transactions by BAI code for Deposits, ACHs, and Wires. Includes total dollar amount by BAI code and percentage of electronic payments.	Florida PALM	Periodic	Agency, DFS

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Conversions

The table below identifies the Conversions related to this Business Process. These items are not included within the Business Flow Diagrams; however, these items are important elements of each Business Process.

Table 4: Data Converted from External System to Florida PALM

Conversion Number	Conversion Description	Source
N/A		

Interfaces

The table below provides the Interface IDs for each interface identified on the Business Process Flow Diagrams.

Table 5: Interfaces Included on Business Process Flow Diagrams

Interface Number	Interface Description	Interface Frequency	Source	Target
CMI003	Inbound Previous Day Bank Statement File - BAI2 information for bank statements from banking partners for previous day statements.	Daily	Third Party	Florida PALM
CMI004	Outbound Bank Deposit Transactions - Detailed bank deposit transactions by bank account distributed to agencies.	Daily	Florida PALM	Agency Business Systems
CMI005	Inbound External Transactions - Detailed data for banking transactions created from external systems.	Daily	Source Module, Agency Business Systems	Florida PALM
CMI013	Outbound BAI Bank Statements - Outbound interface containing BAI2 formatted previous day bank statement from Florida PALM to agencies.	Daily	Florida PALM	Agency Business Systems
CMI015	Inbound Previous Day Bank Statement Addenda File (Wells Fargo) - Inbound	Daily	Third Party	Florida PALM

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Interface Number	Interface Description	Interface Frequency	Source	Target
	interface containing addenda information for bank statements from Wells Fargo for previous day statements.			
CMI017	Inbound Previous Day Bank Statement Addenda File (NIC) - Inbound interface containing addenda information for bank statements from banking partners for previous day statements.	Daily	Third Party	Florida PALM
CMI018	Outbound Payroll Reconciled Warrants, Prenotes and ACH NOCs - Outbound interface containing reconciled payroll warrants, as well as rejected prenotes and ACH Notice of Change (NOC) information received from the bank to correct employee bank account information.	Daily	Florida PALM	HCM

Forms

The table below provides the Form Numbers for any forms identified on the Business Process Flow Diagrams.

Table 6: Forms Included on Business Process Flow Diagrams

Form Number	Form Description	Audience
CMF007	Research Request/Reconciliation Assistance	Agency, DFS (Treasury)

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Workflows

The table below provides the Workflow Numbers for any workflows identified on the Business Process Flow Diagrams.

Table 7: Workflows Included on Business Process Flow Diagrams

Workflow Number	Workflow Description	Audience
CMW007	Workflow-Research Request/Reconciliation Assistance	Agency, DFS (Treasury)

Agency Configurations

The table below identifies the Agency Configurations related to this Business Process. These items are not included within the Business Flow Diagrams; however, these items are important elements of each Business Process.

Table 8: Configurations Defined and/or Maintained by Agencies

Configuration Number	Configuration Description	Configuration Maintainer
C-CM012	Accounting Templates	DFS (Treasury)