30.5 Manage Payments

Florida PALM
Planning, Accounting, and Ledger Management

Department of Financial Services

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Revision History

Version	Date	Revision Notes
1.0	07/30/2019	Accepted Version
2.0	04/29/2021	Accepted Departmental Version
2.1	01/24/2022	Updates per Financials Wave Module Workgroup Sessions

This document is a draft and subject to change

Table of Contents

General Information

This document describes and depicts the process steps and supporting information for the identified State of Florida financial management business process. This information should be read in conjunction with the Business Process Flow Diagrams.

The Dependencies and Constraints section describes any conditions or criteria that impact how or when the business process should be executed. These could be set within Florida PALM or from external sources (i.e., Law or Rule).

The Business Process Overview section summarizes the business process and provides context for understanding the objectives and desired outcomes of the described business process.

Within the Business Process Flow Details section, included for each process step are:

- **Process Step ID** – A unique number assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Process Step Title** – A short description assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Description of Process** – A detailed narrative description of the process step, which provides additional information and context for understanding the process step

Florida PALM screenshots are included within the sections following the Business Process Flow Diagrams to allow connections to be made from specific business subprocess steps to screens within Florida PALM.

Also described below are the Ledger Impacts, Interfaces and Key Reports, which are displayed as icons on the Business Process Flow Diagrams. Ledger impacts describe where there is an update to one of the ledgers used to track activity for accounting, budget management, or financial reporting purposes. Key Reports describe where a report is identified to be produced at a particular process step or is used to support the completion of a process step. Interface ID's are provided for each interface identified on the Business Process Flow Diagrams.

Tables are included to identify the Conversions, Forms, Workflows, and Stakeholder Configurations related to this Business Process. These items may not be included within the Business Flow Diagrams, however, these items are important elements of each Business Process as a whole.

Finally, included in the Terminology section are definitions of terms which will help the reader to better understand the document. These are terms that are used within this document that may be new or that require a description for common understanding.

Dependencies and Constraints

- Electronic banking information must be recorded on the supplier record to be sent to the bank for testing.
- Manual payment dates must be entered correctly to calculate stale date(s).
- Manual payments must be entered into the system before being cancelled in Florida PALM.
- For all payment cancellations, the bank is notified via a payment cancellations file.

- For urgent payment cancellations, the party responsible for the banking relationship (i.e., either the agency or Treasury) also notifies the bank, as applicable.

Business Process Overview

The Manage Payments business process is within the Disbursements Management (DM) business process grouping. DM includes a collection of business processes that:

- Manage supplier information, including demographic and payment information for tax withholding and reporting purposes;
- Support the disbursement process for State obligations from encumbrance through payment request, payment creation, and managing stale payments; and
- Perform month-end and year-end closing activities.

This business process addresses processes for recording manual payments made outside Florida PALM, managing Automated Clearing House/Electronic Funds Transfers (ACH/EFT) notifications from the bank for returns and prenote validations, managing the transfer of stale payments, and the cancellation and reissuance of payments.

The business subprocesses included are:

- 30.5.1 – Record Manual Payments
- 30.5.2 – Manage ACH/EFT Notifications
- 30.5.3 – Manage Stale Payments
- 30.5.4 – Cancel and Reissue Payments

The Record Manual Payments business subprocess identifies the steps to record the accounting for payments issued outside Florida PALM. The Manage ACH/EFT Notifications business subprocess describes the steps to manage ACH/EFT notifications for prenote validation and the status of electronic payments. The Manage Stale Payments business subprocess describes the steps to manage stale payments and transfer monies to Unclaimed Property, or as applicable, the originating fund. The Cancel and Reissue Payments business subprocess describes the steps to cancel and/or reissue payments made within Florida PALM.

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.

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.

30.5.1 – Record Manual Payments

Table 1: Record Manual Payments

30.5.1 – Record Manual Payments	
Module	**Accounts Payable**
Related Module(s)	**Commitment Control; Cash Management**
Swim Lanes – Definition	**Agency AP Processor –** agency role responsible for recording the accounting for payments issued outside of Florida PALM **DFS AP Processor:** DFS role responsible for recording the accounting for payments issued outside of Florida PALM

Process Step ID	Process Step Title	Description of Process
1	Issue Warrant(s) Outside of Florida PALM	A manual warrant is issued outside of Florida PALM by the agency.
2	Record Manual Payment Voucher	The Agency AP Processor enters a manual warrant made outside of Florida PALM as a Manual Payment Voucher in Florida PALM. The Payment Detail Report is available for review.
3	Inbound Voucher Load	Manual Payment Vouchers are loaded into Florida PALM from agency business systems to record payments made outside of Florida PALM.
4	Issue Warrant(s) Outside of Florida PALM	A manual warrant is issued outside of Florida PALM, such as a revolving fund check, payroll warrant, or DFS manual warrant, by DFS.
5	Record Manual Payment Voucher	The DFS AP Processor enters a manual warrant made outside of Florida PALM as a Manual Payment Voucher in Florida PALM. The Payment Detail Report is available for review. All valid vouchers are loaded and uniquely identified with a Voucher ID and ready for Budget Check. Budget Check validates the applicable budget against ChartField values entered in the voucher distribution. This step consumes

Process Step ID	Process Step Title	Description of Process
		the budget and creates an expenditure entry within Commitment Control within the Budget Execution and Management business process. Voucher Post and Payment Post creates accounting entries from payment-related transactions. These accounting entries are recorded in the General Ledger within the Enter and Process Voucher and Process Payments business processes. If the manual payment was made from a bank account which resides within Florida PALM, then automatic reconciliation is initiated within the Manage and Reconcile Bank Statements business process.
6	Review Budget Check Exceptions	Errors found during Budget Check are corrected within the Budget Execution and Management business process, and Budget Check is re-run. If the voucher is not corrected and has not posted it may be deleted. The Budget and Cash Checking Exceptions Report is available for review.
7	Review Cash Check Exceptions	Errors found during Cash Check are corrected within the Manage Cash Checking business process, and Cash Check is re-run. If the manual payment was made from a bank account that resides in Florida PALM, the automatic reconciliation occurs within the Manage and Reconcile Bank Statements business process. The Budget and Cash Checking Exceptions Report is available for review.
8	Reconcile Manual Payments	If the manual payment was made from a bank account that resides outside of Florida PALM, the reconciliation occurs outside of Florida PALM.

30.5.2 – Manage ACH/EFT Notifications

Table 2: Manage ACH/EFT Notifications

30.5.2 – Manage ACH/EFT Notifications	
Module	**Accounts Payable**
Related Module(s)	**Cash Management**
Swim Lane – Definition	**Bank:** *(Non-Florida PALM role)* a financial institution that processes financial transactions and maintains bank accounts for the state **Florida PALM:** System used to manage payments for the State of Florida

Process Step ID	Process Step Title	Description of Process
1	Inbound ACH/EFT Return Payment	The bank sends an interface file containing detailed information for ACH/EFT payments returned by the bank.
2	Inbound ACH/EFT Acknowledgement	The bank sends an interface file acknowledging the bank received and processed the outbound ACH/EFT file.
3	Import ACH/EFT Files	The ACH/EFT files are imported into Florida PALM.

If the file contains a payment failure notification, a payment failure report is generated, and the DFS AP Payment Processor initiates the payment cancellation. If the payment failure is due to inaccurate banking information, the payee will receive payment via warrant. If the payee has a supplier record, the payment method for the supplier will be set to warrant until the banking information has been updated and validated by the bank via the prenote process.

If the payment is successful but there was a change to the Financial Institution that processed the payment, such as a new bank account number, or a bank merger, then an update to the supplier record is initiated.

If the notification is related to prenote, then the supplier's prenote status in the supplier record is updated based on the success or failure of the prenote validation. |

30.5.3 – Manage Stale Payments

Table 3: Manage Stale Payments

30.5.3 – Manage Stale Payments	
Module	**Accounts Payable**
Related Module(s)	**N/A**
Swim Lanes – Definition	**Agency AP Reporter**: agency role responsible for reviewing reports in Florida PALM **DFS AP Stale Payment Processor:** DFS role responsible for managing the stale payment process

Process Step ID	Process Step Title	Description of Process
1	Manage Stale Payments	The DFS AP Stale Payment Processor manually enters warrants for transfer to Unclaimed Property, if needed for an exception to the automatic process.
2	Process Stale Payments	Florida PALM transfers applicable payments to the Unclaimed Property Trust Fund for administration by the Unclaimed Property Processor on a scheduled basis.

Any cancelled warrants that contain federal dollars or other funds exempt from transfer to Unclaimed Property are cancelled and the funds revert the originating fund. The |

Process Step ID	Process Step Title	Description of Process
		agency accounts for the federal funds or other funds which cannot be transferred. Federal funds are returned to the applicable trust fund and are considered in future grant drawdowns. Cancelled warrants that are not federal dollars nor exempt from transfer to Unclaimed Property are included within the Outbound Stale Payments File to Unclaimed Property. The Funds Transferred to Unclaimed Property Report lists all payments transferred to Unclaimed Property due to a stale date.
3	Review Funds Exempt from Transfer to Unclaimed Property Report	The Funds Exempt from Transfer to Unclaimed Property report is available for agencies to monitor and review to ensure the appropriate transactions were exempt from transfer to unclaimed property.
4	Outbound Stale Payments File to Unclaimed Property	Florida PALM creates a file of stale payments to identify the payee information for use by Unclaimed Property.
5	Receive Stale Payments File in UPMIS	The Division of Unclaimed Property loads the unclaimed property records from the Stale Payments File into the Unclaimed Property Management Information System (UPMIS).
6	Outbound Outstanding Warrant Data	Florida PALM generates the Outbound Outstanding Warrant Data file containing warrants that have not been presented to the bank for publishing to the Vendor History website.
7	Generate Outstanding Warrants Report	Florida PALM generates the Outstanding Warrants report is generated to identify warrants issued but not presented to the bank for over three months from the issuance date.
8	Review Outstanding Warrants Report	The Agency AP Analyst reviews the Outstanding Warrants report, which lists the warrant and electronic payment details and statuses to identify outstanding payments.
9	Contact Suppliers	The Agency AP Analyst (or other agency personnel) contacts suppliers whose payments are outstanding, to encourage them to present the warrant to the bank. The Agency AP Analyst updates the supplier conversation field, in the supplier record, with details including discussions with the supplier and attempts made to contact the supplier regarding the stale warrant.

30.5.4 – Cancel and Reissue Payments

Table 4: Cancel and Reissue Payments

30.5.4 – Cancel and Reissue Payments	
Module	**Accounts Payable**
Related Module(s)	**N/A**
Swim Lanes – Definition	**Agency AP Payment Cancellation Approver**: agency role responsible for reviewing and approving payment cancellations **Agency AP Payment Cancellation Processor**: agency role responsible for identifying and initiating payment cancellations **DFS AP Payment Cancellation Processor:** DFS role responsible for identifying, initiating, and processing payment cancellations **Payroll AP Payment Cancellation Approver:** BOSP role responsible for reviewing and approving payroll payment cancellations **Payroll AP Payment Cancellation Processor:** BOSP role responsible for identifying, initiating, and processing payroll payment cancellations

Process Step ID	Process Step Title	Description of Process
1	Identify Payment for Cancellation	The Agency AP Payment Cancellation Processor/Payroll AP Payment Cancellation Processor identifies the need to cancel a payment based on applicable business events.
2	Payment Cancellation Request Form	The Agency AP Payment Cancellation Processor/Payroll AP Payment Cancellation Processor uses the Payment Cancellation Request Form in Florida PALM to request a payment cancellation for any payment recorded in Florida PALM, whether it was issued as a standard disbursement or issued from an external bank account. If the request has been returned for edits, the Agency Payment Cancellation Processor/Payroll Payment Cancellation Processor updates the request as necessary. The Payment Detail Report is used to assist in determining whether payment cancellation is possible.
3	Receive/Review Payment Cancellation Request	The Agency AP Payment Cancellation Approver/Payroll AP Payment Cancellation Approver reviews the Payment Cancellation Request Form for approval or denial via Payment Cancellation Workflow. If the request is denied, it is returned to the Agency AP Payment Cancellation

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Process Step ID	Process Step Title	Description of Process
		Processor/Payroll AP Payment Cancellation Processor to update the request as necessary.
4	Identify Payment for Cancellation	The DFS AP Payment Cancellation Processor identifies the need to cancel a payment based on applicable business events, such as a supplier request for a replacement warrant.
5	Payment Cancellation Request Form	The DFS AP Payment Cancellation Processor submits the Payment Cancellation Form in Florida PALM to request a payment cancellation. The Payment Detail Report lists warrant and electronic payment detail and cleared or outstanding status. This information is used to determine whether cancellation is possible.
6	Receive/Review Payment Cancellation Request	The DFS AP Payment Cancellation Processor reviews payment cancellation requests of a Florida PALM disbursement and approves or denies the request via Payment Cancellation Workflow. If the request is denied, it is returned to the requestor to update the request and resubmit the form, as necessary.
7	Inbound Payment Cancellation	Inbound interface flat file or web service containing payments for cancellation.
8	Reissue Payment	If the payment is to be reissued, the DFS AP Payment Cancellation Processor reissues the payment in Florida PALM using the original voucher. If the voucher is changed, it is subject to a new review and approval workflow. If there are no changes to the voucher (to replace the original payment), the voucher is activated for inclusion in the applicable Pay Cycle within the Process Payments business process.
9	Cancel Payment/Close Liability	Upon approval of the payment cancellation request, the DFS AP Payment Cancellation Processor cancels the payment and designates the voucher for closure. Florida PALM generates the payment cancellation accounting entries, reverses the liability and expenditure accounting entries and closes the associated voucher within the Process Payments and Enter and Process Vouchers business processes. The Payment Detail and Payment Cancellation reports are available for review.

Process Step ID	Process Step Title	Description of Process
10	Update Payment Cancellation Request	The DFS AP Payment Cancellation Processor updates the Payment Cancellation Request Form with the status of the payment.
11	Review Updated Payment Cancellation Request	The Agency AP Payment Cancellation Processor/Payroll AP Payment Cancellation Processor reviews the updated status of the Payment Cancellation Request Form to determine if any further action is needed.

Ledger Impacts

Table 5: Ledger Impacts Included on Business Process Flow Diagrams

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Actuals Ledger – Stale Payments	Increase Asset Decrease Expenditure
LI2	Actuals Ledger – Stale Payments	Increase Revenue Increase Liability
LI3	Actuals Ledger – Cancel Payments	Increase Asset Decrease Expenditure, or Increase Accounts Payable
LI4	Budget Ledger – Cancel Payments (Current Year Warrants)	Increase Cash Increase Available Budget Balance Increase Encumbrance/Budget Decrease Expenditure
LI5	Budget Ledger – Cancel Payments (Prior Year Warrants)	Increase Cash Decrease Expenditure

Key Reports

Table 6: Key Reports Included on Business Process Flow Diagrams

Report Number	Report Description	Report Frequency	Audience
R1	**APR032 - Payment Detail Report** – a report of warrant and electronic payment detail and status (cleared, outstanding, cancelled, or reissued)	Periodic, Monthly	Agency, DFS
R2	**KKR058 - Budget and Cash Checking Exceptions Report** – lists budget and cash check exceptions along with balances.	Periodic	Agency, DFS
R3	**CMR008 - ACH/EFT Failures and Notice of Changes Report** – a report that identifies ACH/EFT failures and Notice of Changes from the bank	Periodic, Daily	Agency, DFS
R4	**APR102 - Prenote Failures Report** – a report of payments that failed prenote validation	Periodic, Daily	DFS
R5	**APR019 - Funds Transferred to Unclaimed Property Report** – a report of all payments transferred to Unclaimed Property due to a stale date	Periodic, Monthly, Annually	Agency, DFS

Report Number	Report Description	Report Frequency	Audience
R6	**APR020 - Funds Exempt from Transfer to Unclaimed Property Report** – a report of all payments exempt from transfer to Unclaimed Property due to a stale date	Periodic, Monthly, Annually	Agency, DFS
R7	**APR018 - Outstanding Warrants Report** – a report that lists the stale-date of all outstanding warrants not cleared by the Bank	Periodic, Monthly	Agency, DFS
R8	**APR050 - Payment Cancellation Report** – a report that lists all cancelled payments and the number of days outstanding at the point of cancellation	Periodic, Daily	Agency, DFS

Note: A complete list of reports may be found in the Reports Catalog[1].

Conversions
Table 7: Data Converted from External System to Florida PALM

Conversion Number	Conversion Description	Conversion Frequency	Source
APC004	**Outstanding Warrants**-Conversion to load outstanding payments (unreconciled) to support bank reconciliation.	One-time	DFS Enterprise System, MFMP, Agency Business Systems

Note: A complete list of conversions may be found in the Catalog of Conversion Offerings[2]. This is a protected publication that requires login. If your business or technical teams do not currently have access to the Smartsheet Florida PALM Dashboard, contact your Readiness Coordinator to request their access.

Interfaces
Table 8: Interfaces Included on Business Process Flow Diagrams

Interface Number	Interface Description	Interface Frequency	Source	Target
API002	**Inbound Voucher Load** – Inbound interface containing invoice data from external systems to load regular, single payment, and manual payment vouchers for select agencies.	Daily	Agency Business Systems	Florida PALM
API006	**Inbound Payment Cancellation** – Inbound interface containing payments for cancellation.	Daily	Agency Business Systems	Florida PALM

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[1] https://app.smartsheet.com/b/publish?EQBCT=a8d51896f0144ef6a87314b3c7824ba5
[2] https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQGjh4wvP676gf2h4mf57hP1
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Interface Number	Interface Description	Interface Frequency	Source	Target
API023	**Outbound Stale Payments File to Unclaimed Property** – Outbound interface containing expired payments to be turned over to Unclaimed Property.	Daily	Florida PALM	UPMIS
API025	**Outbound Outstanding Warrant Data** – Outbound interface containing warrants that have not been presented to the bank for publishing to the Vendor History website	Daily	Florida PALM	Agency Business Systems, Transparency Sites
API126	**Inbound Payment Cancellation Web Service** – Inbound web service containing payments for cancellation.	Daily	Agency Business Systems	Florida PALM
CMI001	**Inbound ACH/EFT Return Payment** – Inbound interface containing detailed information for ACH/EFT payments returned by the bank.	Daily	JPM Chase	Florida PALM
CMI006	**Inbound ACH/EFT Acknowledgement** – Inbound interface file acknowledging the bank received and processed the outbound ACH/EFT file.	Daily	JPM Chase	Florida PALM

Note: A complete list of interfaces may be found in the Catalog of Interface Offerings[3]. This is a protected publication that requires login. If your business or technical teams do not currently have access to the Smartsheet Florida PALM Dashboard, contact your Readiness Coordinator to request their access.

Forms

Table 9: Forms Included on Business Process Flow Diagrams

Form Number	Form Description	Frequency	Audience
APF001	**Payment Cancellation Request Form** – Request form used by agencies to request a payment cancellation from DFS.	As Needed	Agency AP Payment Cancellation Processor DFS AP Payment Cancellation Processor

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Workflows

Table 10: Workflows Included on Business Process Flow Diagrams

Workflow Number	Workflow Description	Frequency	Audience
APW002	**Payment Cancellation Workflow** – Workflow that routes the Payment Cancellation Request Form through the approval workflow between Agencies and DFS.	As Needed	Agency AP Payment Cancellation Approver DFS AP Payment Cancellation Processor

Agency Configurations

Table 11: Configurations Defined and/or Maintained by Agencies

Configuration Number	Configuration Description	Frequency
N/A		

Terminology

Cancel Payment – action taken to make a payment non-negotiable (ineligible for payment at the bank).

Financial Gateway – a tool that facilitates payment transactions between Florida PALM and the bank.

Manual Payment – a payment made outside of Florida PALM, typically from a revolving fund, payroll, or DFS manual warrant.

Pay Cycle – the process of selecting eligible vouchers for payment creation.

Payment – an exchange of funds to compensate or discharge an obligation.

Prenote Validation – Florida PALM sends the supplier's bank account information to the bank for validation to allow the supplier record to be set up to allow the supplier to receive payments via the ACH/EFT payment method.

Reissue Payment – action taken to replace a payment distributed but not cleared, when a cancellation is made, and the liability was not closed.

Stale Payments/Property – funds or other property transferred to Unclaimed Property for warrants not cashed within 12 months of issuance.

Supplier – all individuals or entities receiving a payment are referred to as suppliers in Florida PALM.

Supplier Location – defines how to conduct business with a supplier. Supplier location contains information such as payment terms, withholding configuration, payment method, and bank account details.

Stop Payment – instructs a financial institution to withhold payment on a warrant. Stop actions can be later released and the payment can be reissued. Also referred to as Cancel Payment.

Void Payment – the destruction of a warrant to indicate it is no longer a valid payment instrument.