# CW.10.3 Analyze and Reconcile Accounts

# Revision History

| Version | Date | Revision Notes |
|---------|------|----------------|
| 1.0 | 10/19/2020 | Accepted Version |

# Table of Contents

# Business Process Overview

The Analyze and Reconcile Accounts business process addresses the execution of the period close and the allocation process for apportionment of interest.

The business subprocesses included are:

- 10.3.1 Perform Month-End Close
- 10.3.2 Perform Allocations

The Department of Financial Services (DFS) opens the accounting period based on the predetermined schedule. Transactions process on a continuous basis within Florida PALM. During the period, transactions that are in exception status within Florida PALM are proactively reviewed, monitored, and corrected. Period close within Florida PALM occurs monthly and is controlled by DFS. DFS communicates with agencies if changes occur to the close schedule.

At the end of the period, DFS closes the source modules, based on the predefined schedule, to prevent further processing within the period. By utilizing Florida PALM reports, the GL Reconciler can perform the period end reconciliation to ensure balances are accurate and the GL can be closed. If balances require corrections, the correction can be directly entered into the GL for the prior period using a GL Journal or within the appropriate source module for the current period. DFS officially closes the prior period by closing the GL for the prior period.

Upon having the prior period data, DFS accesses the data to perform interest allocations. DFS reviews and analyzes the data to ensure accuracy. If corrections are needed, the data is corrected within Florida PALM. Florida PALM offers an allocation process, which calculates the allocation amount, creates the journal entries, and posts balanced allocation entries. Once the allocation process is completed, DFS creates GL Journals to have the allocated amounts posted within Florida PALM.

# Dependencies and Constraints

- Source Modules will close once the book to bank reconciliation process is complete and identified reconciling items have been addressed.

# Business Process Flow Details

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

| CMSW.10.3.1 – Perform Month-End Close | |
|---|---|
| **Swim Lanes – Definition** | **DFS GL Close Processor:** DFS role responsible for enterprise-level close activities<br>**GL Reconciliation Processor:** Role responsible for reconciling the general ledger |

| Process Step ID | Process Step Title | Description of Process |
|---|---|---|
| 1 | Open Current General Ledger and Source Module Period | A DFS Close Processor opens the GL and source module periods for the current month to allow agencies to transact as needed.<br><br>Before the periods are opened, the DFS GL Close Processor determines the year end schedule and determines the monthly closing rules as described in CW.10.4.1-1. |
| 2 | Review Module Exception Reports | Throughout the month, the GL Reconciliation Processor proactively reviews source module exception reports. Proactive reconciliation helps limit the number of corrections at month-end. |
| 3 | Resolve in Appropriate Source module | If exceptions are found during the review of exception reports, the GL Reconciliation Processor resolves the exception in the appropriate source module.<br><br>If there are no exceptions found during the review, the process will follow the Book to Bank reconciliation process outlined in CSM Wave Business Process 70.5 Reconcile Book to Bank Balances. |
| 4 | Run Generate Journal Process | Once the Book to Bank process has been completed, the Generate Journal Process is run for all relevant source modules. |
| 5 | Open Next Source Module Period | The DFS Close Processor updates the period dates for all the source modules. Updating the dates, opens the period and allows for transactions to post. |
| 6 | Close Current Source Module Period | Once the period dates are updated for the source module, the DFS Close Processor will close the current source module period. |
| 7 | Financial Balances for Transparency Reporting | Florida PALM provides financial balances for Transparency Florida Site and the CFO Transparency Site, on-demand and nightly. |
| 8 | Run and Review Preliminary Month-End Reports | The GL Reconciliation Processor runs preliminary month-end reports, including budgetary and financial reports and online queries. As described in CW.70.6 Create and Maintain Deals, designated accounting entries are included in the monthly reconciliation where applicable. |
| 9 | Perform Period Close | The GL Reconciliation Processor performs the Period close process within Departmental FLAIR. |
| 10 | Review and Analyze Month-End Reports | The GL Reconciliation Processor reviews and analyzes the month-end reports to identify any reconciling items. These reports can be used to reconcile Departmental FLAIR. If reconciling items exist, the GL Reconciliation Processor determines if the correction should be made in the GL, the source module, or Departmental FLAIR. If the correction |

| Process Step ID | Process Step Title | Description of Process |
|---|---|---|
|  |  | should be in the GL, the GL Reconciliation Processor creates a GL Journal as described in CW.10.2.1-5. Once corrections are made, the GL Reconciliation Processor re-runs the preliminary month end reports to look for reconciling items. |
| 11 | Update Source Module | If the correction should be made in the source module, the GL Reconciliation Processors coordinate with the Source Module Reconcilers to input corrections into the proper source module during the current period. |
| 12 | Update FLAIR | If the correction should be made in Departmental FLAIR, the GL Reconciliation Processor coordinates with the appropriate Departmental FLAIR user to input corrections. |
| 13 | Close Current General Ledger Period | If this process does not occur at fiscal year end, the DFS Close Processor closes the GL period for the prior month. |
| 14 | Perform Year End Financial Statement Activities | During the close of the fiscal year, agencies perform all financial statement preparation activities within Departmental FLAIR. |
| 15 | Prepare and Send Year End Reports | If this process occurs at fiscal year end, the GL Reconciliation Processor prepares the enterprise year-end reports and data to submit for financial reporting. The data includes cash balance by fund, Pool 1, Pool 2, and Unverified Cash information. More information from Florida PALM may be provided as needed for financial reporting. The GL Reconciliation Processor within DFS sends the prepared year-end reports and data for use in preparation of the Comprehensive Annual Financial Report outside of Florida PALM. Based on the predetermined closing schedule, the DFS GL Close Processor closes Florida PALM as described in CW.10.4 Execute Year End Close Process. |

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

| CW.10.3.2 – Perform Allocations | | |
|---|---|---|
| **Swim Lanes – Definition** | **Agency Allocation Processor:** Agency role responsible for allocation activities | |

| Process Step ID | Process Step Title | Description of Process |
|---|---|---|
| 1 | Review Data for Prior Month/Period | The Agency Allocations Processor reviews posted transactions in the GL to identify cash transactions for |

| Process Step ID | Process Step Title | Description of Process |
|---|---|---|
| | | interest apportionment allocations as detailed in CW.70.7.2 Distribute Interest Apportionment. |
| 2 | Edit and Update Data | Upon review, the Agency Allocations Processor confirms whether corrections are required before proceeding with the allocation process. If there are identified modifications, the Agency Allocations Processor edits and updates the transactions as appropriate. |
| 3 | Run Allocations Process | The Agency Allocations Processor runs the allocation process based on the allocation rules and configurations to appropriately create and post additional transactions to affect balances appropriately.<br><br>Once complete, the Agency Allocations Reconciliation Processors import the allocation results into Florida PALM to be recorded in the ledger and update balances as GL Journals as detailed in the CW 10.2.1 Create and Approve Journals. |

## Ledger Impacts

*Table 3: Ledger Impacts Included on CW Business Process Model Flow*

| Ledger Impact ID | Ledger - Ledger Impact Title | Ledger Impact Description |
|---|---|---|
| N/A | N/A | N/A |

## Reports

*Table 4: Reports Included on CW Business Process Model Flow*

| Report Number | Report Description | Report Frequency | Audience |
|---|---|---|---|
| R1 | General Ledger Journal Entries Report – listing of journals by all types. | Periodic | Agency, DFS |
| R2 | GL Reconciliation Report – Report to display reconciled and unreconciled balances by ChartField and source module. | Periodic | Agency, DFS |
| R3 | Journal Inquiry – Online display of requested journals. | Periodic | Agency, DFS |
| R4 | Ledger Inquiry – Online display of ledger balances by ChartFields. | Periodic | Agency, DFS |
| R5 | Unreconciled Deposits Report – report that provides a list of unreconciled deposits. | Periodic, Annual | Agency, DFS |

| Report Number | Report Description | Report Frequency | Audience |
| --- | --- | --- | --- |
| R6 | Interim Schedule of Pooled Investments with State Treasury – provides a condensed financial statement for Investment Pools maintained by the State Treasury | Annual | DFS |
| R7 | Interim for Treasury Statement of Net Assets - provides the Statement of Net Assets for balances recorded in the Treasury Business Unit | Annual | DFS |
| R8 | Interim for Fair Value Report (CAFR) – provides the fair value of investments held with the State Treasury | Annual | DFS |
| R9 | Interim for Schedule of Deposits with State Treasury (CAFR) | Annual | DFS |
| R10 | Interim for State Treasury Credit Quality Ratings (CAFR) | Annual | DFS |
| R11 | Interim for State Treasury Custodial Credit Risk (CAFR) | Annual | DFS |
| R12 | Journals Approaching Period End (WorkCenter) - Journals that are not posted but are within a user-specific number of days from the current date to the period end date. | Periodic | Agency, DFS |
| R13 | Journals Not Posted in Closed Period (WorkCenter) - Journals that are not posted and are in a closed accounting period where the journal date is less than the calendar Open From date. | Periodic | Agency, DFS |
| R14 | Transfer Reconciliation Report – A report that displays agency to agency intrafund and interfund transfers | Periodic | Agency, DFS |
| R15 | Balance Sheet Dashboard – Reflects amounts in assets and liabilities and identifies the components that contributes to these amounts | Periodic | Agency, DFS |
| R16 | Cash Flow Dashboard Provides information on an Agency's ability to generate cash flow relating to investing and disinvesting | Periodic | Agency, DFS |
| R17 | Overview Dashboard – Contains key financial indicators used to gauge the overall health of the organization | Periodic | Agency, DFS |
| R18 | GL Balance Dashboard – Contains GL balances by specific GL ChartFields | Periodic | Agency, DFS |