CW.80.2 Monitor and Manage Fund Cash

Florida PALM
Planning, Accounting, and Ledger Management

Revision History

Version	Date	Revision Notes
1.0	*10/19/2020*	*Accepted Version*

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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. The majority of cash collected by agencies is received and recorded to GR or agency Trust Funds. The combination of GR, Trust Funds, and the Budget Stabilization Fund account for the total balance of the State Treasury. Section 17.61, F.S., establishes the Chief Financial Officer's (CFO) powers and duties in the investment of funds and requirements for agencies to invest Trust Funds. It requires agencies to notify the CFO at least monthly of the amount of Trust Fund cash available for investment.

Trust Fund cash balances are managed at the agency level and controlled at the Fund level by the Department of Financial Services (DFS), Division of Accounting and Auditing (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).

The Monitor and Manage Fund Cash business process addresses how cash balances in Trust Funds and General Revenue (GR) are managed. This business process also supports the payment of GR Service Charge and the management of Fund loans. The business processes also address the recording of Revolving Fund transactions and generating the annual CMIA report.

The business subprocesses included are:

- CW.80.2.1 – Monitor Trust Fund Cash Balance
- CW.80.2.3 – Monitor and Forecast GR Fund Cash Balance
- CW.80.2.4 – Process GR Service Charge
- CW.80.2.5 – Manage Fund Loans
- CW.80.2.6 – Manage Revolving Funds
- CW.80.2.7 – Monitor CMIA

During the Central Wave, the Monitor Trust Fund Cash Balances business subprocess describes how Florida PALM maintains the real time Trust Fund cash balance at a detailed level to support agency reporting needs. Trust Fund cash balance is increased as agency deposit entries are verified and is decreased by disbursement transactions at the time of payment. As part of monitoring activities for those Trust Funds, agencies determine investment/disinvestment needs and enter investment and liquidation transaction information in Florida PALM.

The Monitor and Forecast GR Cash Balance business subprocess describes how A&A monitors and forecasts the cash balance of GR at the statewide level for sufficiency to meet short-term cash needs. This business subprocess also addresses how GR cash balances are checked and updated, and cash checking errors are managed. If needed, A&A initiates escalation procedures to request a loan to the Fund.

As part of the GR cash balance monitoring, A&A validates agencies timely remit payments for GR Service Charge. The Process GR Service Charge business subprocess describes how agencies access the GR Service Charge Report and remit payment to GR. It also describes how A&A tracks outstanding GR Service Charge balances for agencies.

Agencies may request Fund loans from A&A for cash balance shortages with appropriate authority. The Manage Fund Loans business subprocess describes how agencies request, receive, and make payment on Fund loans. It also describes how A&A records and tracks outstanding Fund loan balances for agencies.

During the Central Wave, the Manage Revolving Funds business subprocess documents the process by which agencies manage their Consolidated Revolving Account (CRA). Florida PALM imports the bank statement and systematically generates external transactions for CRA activity and creates accounting entries to support the tracking of CRA balances for interest apportionment. This process also includes the agency receipt of bank statements to assist with their CRA account reconciliation, and the request for cancellation of CRA payments.

The Monitor CMIA business subprocess describes how the Cash Management Improvement Act (CMIA) grant data for agencies is compiled and how the clearance pattern is calculated in accordance with CMIA. The DFS, Division of Treasury (Treasury) is required to submit an annual report documenting the annual report claims and the State's net CMIA interest liability to the U.S. Treasury in accordance with CMIA.

Dependencies and Constraints

- Cash balances increase as deposits are verified or disinvestments are recorded.
- Cash balances decrease as payments are made or investments are recorded.
- Agencies access Florida PALM to run the GR Service Charge Report.
- Agencies continue to enter Departmental Florida Accounting Information Resource (FLAIR) transactions to record GR Service Charge payments and reconcile to Florida PALM cash balances.
- Cash transactions for Trust Funds and GR are recorded in Florida PALM.
- GR Service Charge report configuration is maintained as changes to GR Service Charge criteria occur.
- Agencies access Florida PALM to run the Cash Balance and Activity Report.
- Departmental FLAIR exports loan payment voucher data to load into Florida PALM.
- There is sufficient data within the Departmental FLAIR voucher transaction to create a voucher within Florida PALM.
- Agencies continue to enter Departmental FLAIR transactions to record receipt of Fund loans and reconcile to Florida PALM cash balances.
- Receiving bank transactions are dependent upon bank systems being operational and the availability of statement files.
- Agencies access Florida PALM to view the CRA Bank Statement Report within Florida PALM.
- Agencies provide the Florida PALM CMIA coding to DFS to assist with identifying the CMIA expenditure transactions.

Business Process Flow Details

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

CW.80.2.1 Monitor Trust Fund Cash Balance		
Swim Lanes – Definition	**Fund Cash Processor:** Agency role responsible for managing the cash balance of Trust Funds	
Process Step Title	**Process Step Title**	**Description of Process**
1	Run and Review Cash and Investment Balances	The Fund Cash Processor reviews the real time Trust Fund cash balances to validate there is enough Fund cash to continue operations. If cash is needed for future transactions, a decision is made to determine the source of cash to cover disbursements. If cash is not needed and cash will not be invested, no further action is required. If there is excess cash in the Trust Fund and the Trust Fund does not have investment authority, the cash remains in the Fund.
2	Create Entry to Invest Cash	If the Fund Cash Processor decides to invest the excess cash and has authority to invest, a journal entry is created to invest cash following the CW.10.2.1 Create and Approve Journals.
3	Enter Investment or Disinvestment	The agency enters a Departmental FLAIR investment or disinvestment transaction to match balances with Florida PALM.
4	Determine Cash Movement Type	If the agency determines to liquidate investments, the agency creates a disinvestment journal entry within Florida PALM, following the CW.10.2.1 Create and Approve Journals.
5	Record Transfer	If the agency determines to transfer cash, the Fund Cash Processor initiates the cash transfer in Departmental FLAIR.
6	Extract Transfer Data	The transfer data is extracted from Departmental FLAIR and interfaced to Florida PALM to create journal entries following the CW.10.2.1 Create and Approve Journals business subprocess.
7	Update ADB Ledger Balances	The ledger balances are updated to maintain average daily balances to support interest apportionment which is described in the CW.70.7.2 Distribute Interest Apportionment.
8	Request Federal Draw	If the cash is needed immediately for future transactions that are grant related, then a Federal Draw is requested.
9	Request a Loan	If there is not a sufficient cash balance to cover future transactions, and cash is not needed immediately but is needed long-term, the Fund Cash Processor requests a Trust Fund loan as described in the CW.80.2.5 Manage Fund Loans.

Table 2: Monitor and Forecast GR Fund Cash Balance

CW.80.2.3 - Monitor and Forecast GR Fund Cash Balance		
Swim Lanes – Definition	**DFS Fund Cash Processor:** DFS role responsible for managing the cash balance of the GR Fund	
Process Step ID	**Process Step Title**	**Description of Process**
1	Forecast GR Payments and Receipts	The Fund Cash Processor forecasts future GR Fund payments and receipts outside of Florida PALM.
2	Monitor GR Fund Balance	The Fund Cash Processor reviews the GR cash balances to validate there is enough cash to continue operations and cover all disbursements from GR.
3	Review Daily Payments to Post	The DFS Fund Cash Processor reviews the payments to post in determining if there is an anticipated cash shortage. If there is no anticipated GR cash shortage, no further action is needed. However, if there is an anticipated cash shortage, the DFS Fund Cash Processor makes a determination on the resolution type.
4	Run GR Cash Balance Checking	GR cash balance checking is automatically run at the statewide level and compares the transactions from the below business subprocesses to the available GR fund cash: • CW.10.2.1 Create and Approve Journals • CW.30.4.1 Process Pay Cycle • CW.60.4 Manage Accounts Receivable Transactions
5	Proceed with Transaction Lifecycle	If there is cash available, the transaction continues processing as described in the above business subprocesses.
6	Review Cash Checking Exceptions	If Cash Check errors exist after GR Cash Balance Checking runs, Florida PALM creates an exception and the DFS Fund Cash Processor makes a determination on the resolution type.
7	Manage Payment Schedules	If the anticipated cash shortage is short-term, payment schedules for disbursements are modified to schedule the payment after the cash shortage is resolved as described in the CW.30.4.1 Process Pay Cycle business subprocess.
8	Request Loan	If the anticipated cash shortage is not short-term, the Fund Cash Processor requests a loan for GR as described in the CW.80.2.5 Manage Fund Loans business subprocess.

Table 3: Process Steps Included on CW Business Process Model Flow

CW.80.2.4 Process GR Service Charge		
Swim Lanes – Definition	**DFS GL Journal Approver:** DFS role responsible for managing GRSC balances **Agency GRSC Processor:** Agency role responsible for processing GRSC payments	
Process Step Title	**Process Step Title**	**Description of Process**
1	Maintain GRSC Report ChartField Configuration	The GR Service Charge report configuration is updated, as changes occur to ChartField combinations (e.g. Business Unit, Trust Fund, and Category) that are exempt from GR Service Charge. This allows the report to calculate the GR Service Charge for all applicable agency Trust Fund revenue.
2	Generate GRSC Report	Based on the agency's desired frequency (e.g., quarterly or monthly), the DFS GL Journal Approver generates the GR Service Charge Report.
3	Track GRSC	The DFS GL Journal Approver tracks the GRSC amounts due from each agency outside of Florida PALM.
4	Run GRSC Report	The Agency GRSC Processor generates the GR Service Charge report within Florida PALM, which calculates the amount due for the agency's Trust Fund revenue.
5	Review GRSC Report	The Agency GRSC Processor reviews the GR Service Charge Report and makes any necessary updates to the GRSC calculation. Agencies communicate any discrepancies within the report to DFS for awareness.
6	Record Voucher Payment	The agency records their GRSC payment voucher in Departmental FLAIR.
7	Extract Voucher Data	The voucher data is extracted from Departmental FLAIR and interfaced to Florida PALM to create journal entries following the CW.10.2.1 Create and Approve Journals business subprocess.
8	Update GRSC Tracking Spreadsheet	The DFS GL Journal Processor updates the GRSC Tracking Spreadsheet with the information provided by the agencies, outside of Florida PALM.

Table 4: Process Steps Included on CW Business Process Model Flow

CW.80.2.5 Manage Fund Loans		
Swim Lanes – Definition	**DFS Billing Processor:** DFS role responsible for reviewing and processing Fund loan transfer requests **Fund Cash Reporter:** Agency or DFS role responsible for processing loan receipts and payments	
Process Step Title	**Process Step Title**	**Description of Process**
1	Submit Loan Transfer Request	The Fund Cash Reporter determines the need for a Fund loan. A request is made to DFS which includes a copy of the authorizing documents.

Process Step Title	Process Step Title	Description of Process
2	Administer Loan Transfer Request	The DFS Billing Processor reviews the loan transfer request to validate that appropriate authorization is provided and a sufficient approved balance is available to meet the request. If the request is approved, the DFS Billing Processor records a journal entry to transfer the cash to the Trust Fund or GR following the CW.10.2.1 Create and Approve Journals business subprocess.
3	Review Cash Balance and Activity Report	The Fund Cash Reporter runs and reviews the Cash Balance and Activity report in Florida PALM.
4	Enter Loan Receipt	The Fund Cash Reporter enters the loan receipt in Departmental FLAIR to match with Florida PALM.
5	Review Vouchers for Loan Report	The Fund Cash Reporter runs and reviews the Vouchers for Loan Report in Florida PALM.
6	Enter Loan Payment	The Fund Cash Reporter enters a voucher in Departmental FLAIR to process the GRSC payment.
7	Extract Loan Payment Data	The loan payment voucher data is extracted from Departmental FLAIR and interfaced to Florida PALM to create journal entries following the CW.10.2.1 Create and Approve Journals business subprocess.
8	Track and Maintain Loan Balances	The DFS Billing Processor tracks and maintains loan balances outside of Florida PALM.

Table 5: Process Steps Included on CW Business Process Model Flow

CW.80.2.6 Manage Revolving Fund	
Swim Lanes – Definition	**Agency CRA Reporter:** Agency role responsible for managing and reconciling the CRA **DFS Payment Cancellation Processor:** DFS role responsible for managing the requests for CRA payment cancellations **DFS CRA Reporter**: DFS role responsible for monitoring CRA activity

Process Step Title	Process Step Title	Description of Process
1	Previous Day Bank Statement	The banking partner provides a daily CRA bank statement detailing deposits and withdrawals from each bank account.
2	Import Previous Day Bank Statement	The bank statement file is imported systematically into Florida PALM.
3	Perform Bank Statement Accounting	Immediately after importing the bank statement, Florida PALM systematically generates external transactions for CRA activity.
4	Process Automatic Reconciliation	The bank statement transactions are automatically reconciled to the external transactions.
5	Generate Accounting	Florida PALM generates accounting entries for all transactions in the CRA bank account. This allows the

Process Step Title	Process Step Title	Description of Process
		calculation of the average daily CRA balance and apportions interest to the advancing fund following the CW.70.7.2 Distribute Interest Apportionment business subprocess.
6	Run CRA Statement Report	The Agency CRA Reporter runs and reviews the CRA Bank Statement report.
7	Outbound BAI Bank Statement Interface	Florida PALM generates a BAI bank statement interface for agencies to which CRA bank statements are transmitted to their business systems if applicable.
8	Reconcile CRA Activity	Each CRA bank account is reconciled outside of Florida PALM. Agencies follow the CW.70.1.2 Manage Treasury Correspondence business subprocess to request Treasury assistance with reconciliation exceptions.
9	Manage Revolving Fund	Agencies manage and track CRA activity outside of Florida PALM.
10	Record Revolving Fund Disbursement	Agencies record revolving fund disbursements in Departmental FLAIR.
11	Extract Disbursement Data	The revolving fund disbursement data is extracted from Departmental FLAIR and interfaced to Florida PALM to process vouchers following the CW.30.3.1 Process Vouchers business subprocess.
12	Record Revolving Fund Reimbursement	Agencies record revolving fund reimbursements in Departmental FLAIR to reflect the cash balance increase in the revolving bank account received from the advancing fund.
13	Submit CRA Payment Cancellation Request Form	If a payment cancellation is needed on a CRA payment, the agencies submit the CRA Payment Cancellation Request Form within Florida PALM which routes to the DFS Payment Cancellation Processor via workflow.
14	Cancel Payment	The DFS Payment Cancellation Processor works with the banking partner to cancel the payment.
15	Notify Agency of Payment Cancellation	Upon payment cancellation, the DFS Payment Cancellation Processor notifies the agency of the cancelled payment via the CRA Payment Cancellation Request Form and routes it back to the agency CRA Reporter via workflow.

Table 6: Process Steps Included on CW Business Process Model Flow

CW.80.2.7 Monitor CMIA		
Swim Lanes – Definition	**Agency CMIA Processor:** *(Non-Florida PALM role)* Agency role responsible for reviewing the CMIA report and recording financial impacts of the CMIA report **DFS CMIA Processor:** DFS role responsible for preparing the annual CMIA report	
Process Step Title	**Process Step Title**	**Description of Process**
1	Receive Audited SEFA Data	The Auditor General's Office sends DFS data for the audited Schedule of Expenditures of Federal Awards (SEFA).
2	Calculate Top 90% of Grants	The top 90 percent of grants are calculated based on the audited SEFA data.
3	Request CMIA Coding	DFS requests agencies' specific Florida PALM coding used to track CMIA grant transactions.
4	Provide CMIA Coding	Agencies provide DFS the agency specific Florida PALM coding used to track CMIA grant transactions.
5	Inbound CMIA Spreadsheet Upload	Agency CMIA COA values are loaded via spreadsheet upload to the run control parameters for the Clearance Pattern Report.
6	Receive CMIA Coding	DFS receives agencies' specific Florida PALM coding used to track CMIA grant transactions.
7	Load CMIA Coding to Report Parameters	Agency specific Florida PALM coding, used to track CMIA grant transactions, is entered into the Clearance Pattern report parameters in Florida PALM.
8	Calculate CMIA Clearance Pattern	Florida PALM calculates the clearance pattern for each grant. The clearance pattern for agencies is the difference between the date the voucher is created in Florida PALM and the date the payment cleared the bank.
9	Request CMIA Draw Analysis	DFS requests the annual CMIA draw analysis from agencies.
10	Submit CMIA Draw Analysis	Agencies prepare the CMIA Draw Analysis which provides the summary draw and holding period by the Catalog of Federal Domestic Assistance (CFDA) number.
11	Receive and Review CMIA Draw Analysis	DFS receives and reviews the CMIA Draw Analysis data.
12	Load CMIA Data to Federal Website	DFS enters the CMIA data by CFDA number into the Federal CMIA website.
13	Annual CMIA Report Generated	The Federal CMIA website generates the annual CMIA report and provides the liability or receivable amount.
14	Record Disbursement Transaction	The Agency CMIA Processor records the CMIA disbursement in Departmental FLAIR.
15	Extract Disbursement Data	The disbursement data is extracted from Departmental FLAIR and interfaced to Florida PALM to process vouchers following the CW.30.3.1 Process Vouchers business subprocess.

Process Step Title	Process Step Title	Description of Process
16	Submit CMIA Claim	Agencies submit CMIA claim and record the deposit following the CW.60.2.5 Process FLAIR Deposits business subprocess.

Ledger Impacts

Table 7: Ledger Impacts Included on CW Business Process Model Flow

Ledger Impact ID	Ledger – Ledger Impact Title	Ledger Impact Description
LI1	Actuals Ledger – Disinvestment Journal	Increases Spendable Cash Decreases Invested Cash
LI2	Invested Balance Ledger – Disinvestment Journal	Decreases Invested Cash
LI3	Actuals Ledger – Investment Journal	Decreases Spendable Cash Increases Invested Cash
LI4	Invested Balance Ledger – Investment Journal	Increases Invested Cash
LI5	Actuals Ledger – Cash Transfer	Increases Transfers Out - Initiating Unit/Fund Decreases Cash - Initiating Unit/Fund Increases Cash – Receiving Unit/Fund Increases Transfers In – Receiving Unit/Fund
LI6	Cash Ledger – GR deposit	Increase Spendable Cash
LI7	Cash Ledger – GR Payment	Decrease Spendable Cash
LI8	Cash Ledger – Returned Item Deposit	Decreases Spendable Cash
LI9	Cash Ledger – GR Cash Transfer Journal Entry (Debit)	Increase Spendable Cash
LI10	Cash Ledger – GR Cash Transfer Journal Entry (Credit)	Decreases Spendable Cash
LI11	Actuals Ledger – CRA Bank Statement Processing (BSP) Replenishment Deposit	Increases Sub-account Cash – Revolving Fund Decreases Receivable Due from Advancing Fund – Revolving Fund
LI12	Actuals Ledger – CRA Bank Statement Processing (BSP) Payment	Decreases Sub-account Cash – Revolving Fund Increases Receivable Due from Advancing Fund – Revolving Fund
LI13	Actuals Ledger – CRA Bank Statement Processing (BSP) Zero Balance Account Sweep	Decreases CRA Sub-account Cash – Treasurer's Fund Increases CRA Sub-account ZBA Sweep – Treasurer's Fund

Ledger Impact ID	Ledger – Ledger Impact Title	Ledger Impact Description
		Increases CRA Master Cash – Treasurer's Fund Decreases CRA Master ZBA Sweep – Treasurer's Fund

Reports

Table 8: Reports Included on CW Business Process Model Flow

Report Number	Report Description	Report Frequency	Audience
R1	Receipt and Disbursement Transactions by COA Report – receipt and disbursement transactions by requested combination of ChartFields	Annual	Governor, President of Senate, Speaker of the House of Representatives
R2	Cash Balance and Activity Report – cash balance and related cash transactions for requested combination of ChartFields	Periodic, Annual	EOG/OPB, Legislature, Agency, DFS, EDR
R3	Cash Balances by Fund Type – summarizes balances by Fund type	Annual	Public
R4	Investment Activity Report – Investment transactions and balances by pool and participant	Periodic	DFS, Agencies
R5	Schedule Payments Report – lists payments scheduled to be made as part of the pay cycle	Periodic	DFS, Agencies
R6	Cash Checking Exceptions (online inquiry screen) – display cash check exceptions, including reasons for exceptions, and the length of time outstanding	Periodic	DFS, Agencies
R7	GR Service Charge Report – lists service charges by ChartField combination for each Agency	Monthly	DFS, Agencies
R8	Vouchers for Loan Report – lists all vouchers for Fund loan repayment for a designated period	Periodic	DFS, Agencies
R9	CRA Revolving Fund Replenishment Report – details the amount due from the advancing fund to replenish the revolving fund activity for CRA replenishment	Periodic	DFS, Agencies
R10	Report for Clearing and Revolving Accounts – compares the ledger cash balance of Clearing and Revolving Accounts to the authorized balance captured on the	Periodic, Monthly, Quarterly, Annually	DFS, Agencies, EOG

Report Number	Report Description	Report Frequency	Audience
	Fund attribute. Ledger Cash Balances will be zero for any accounts without transactions in Florida PALM.		
R11	Bank Statement Report – provides the bank statement for sub accounts and CRA bank accounts	Periodic	DFS, Agencies
R12	Clearance Pattern Report – details the clearance pattern for designated projects	Annual	DFS, Agencies