

# CW.30.4 Process Payments

## Revision History

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



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## Business Process Overview

The Process Payments business process includes the PayCycle process and the creation of warrants and electronic payments for the Central Wave.

The business subprocesses included are:

- 30.4.1 Process PayCycle
- 30.4.2 Process Warrant Payments

The Process Payments business process consists of PayCycle and generating warrant payments. These business subprocesses include creating electronic and warrant payments, verifying sufficient cash is available for creating the payments, transmitting Electronic Funds Transfer (EFT) and Automated Clearing House (ACH) files to the bank, and creating payment registers, remittance advices, and information required for transparency sites.

## Dependencies and Constraints

- Suppliers are maintained and managed in the FLAIR Statewide Vendor File. Suppliers are interfaced to Florida PALM to facilitate payments.
- All approved vouchers are included in PayCycle processing for immediate payment creation.
- Voucher holds and edits to supplier records are managed in FLAIR.

## Business Process Flow Details

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

CW.30.4.1 Process PayCycle		
Swim Lanes – Definition	<b>Agency AP Maintainer:</b> Agency role responsible for managing payment exceptions within Florida PALM <b>Bank:</b> (Non-Florida PALM role) Any financial institution providing banking services to the State of Florida <b>DFS Payment Processor:</b> DFS role responsible for managing and issuing disbursements of warrants/EFT/ACH payments across all agencies	
Process Step ID	Process Step Title	Description of Process
1	Vouchers Ready for Payment	All approved disbursements will be loaded for payment processing when the vouchers are posted.
2	Suppliers Ready for Prenote Validation	Suppliers that add or update their payment method to Automated Clearing House/Electronic Funds Transfer (ACH/EFT) will be scheduled for prenote validation of the electronic banking information.
3	Run PayCycle Payment Selection	This step initiates the PayCycle, determines the vouchers for payment based on the payment selection criteria, and processes all vouchers for payment creation.  The selected payments must pass cash checking to continue processing. If cash is not available, the applicable

Process Step ID	Process Step Title	Description of Process
		<p>payment transaction fails cash checking. Cash check errors are resolved via the Manage Cash Checking Central Wave business process.</p> <p>A Scheduled Payments report identifies the payments that are included as part of the PayCycle.</p>
4	Review Cash Check Exceptions	Cash exceptions are addressed in the Manage Cash Checking Central Wave business process. The Agency AP Maintainer may update or close the voucher, as needed.
5	Run Payment Creation Process	<p>Supplier payments are generated in accordance with the prescribed payment format (ACH, EFT, or Warrant) after a successful cash check. If the payment method is warrant, then a Positive Pay File is created. The Positive Pay File is an input for the book to bank reconciliation, and is a control used by the bank to validate the warrants when presented to the bank.</p> <p>The Payment Register report lists all payments made as part of the PayCycle.</p> <p>If the payment is made via warrant, a Positive Pay File is created and the payment follows the Process Warrant Payments Central Wave business subprocess.</p>
6	Outbound ACH/EFT File	The ACH/EFT file is transmitted to the bank for payment, which includes financial information to be prenoted.
7	Process ACH/EFT File	<p>The bank completes the EFT payment processing, to include prenote validations. The bank confirms the payee EFT bank account number and routing number is valid before EFT payments may be electronically transferred to a payee.</p> <p>The bank sends the ACH/EFT Return Payment file containing electronic payments, the results of the prenote validation, and notice of bank changes to Florida PALM within the Manage Payments Central Wave business process.</p>
8	Payment Post	<p>Payment Post creates accounting entries from payment-related transactions, such as manual payments, warrants, EFT payments, ACH payments, and cancelled payments. These accounting entries are recorded in the General Ledger.</p> <p>DFS uses the Post Audit Sampling report to manage these payments for review outside of Florida PALM.</p> <p>Florida PALM produces a Prompt Payment Compliance Report that identifies agency prompt payment compliance and the Prompt Pay Interest Paid report that identifies</p>

Process Step ID	Process Step Title	Description of Process
		interest paid for invoices not paid in accordance with prompt pay requirements.
9	Outbound Payment Extract File	A file is produced to interface with internally and externally managed transparency websites and source data systems, including: MFMP, Transparency Florida, Vendor Payment History, and FACTS.
10	Outbound Outstanding Warrant Data File	An interface file is produced for DFS to identify warrants that have not been presented to the bank for publishing to the Vendor History website.
11	Create Annual Calendar File	A file of eligible working days is created outside of Florida PALM and sent to agencies to process payments as part of year end activities.
12	Outbound Supplier Crosswalk	<p>Florida PALM generates the supplier crosswalk, which is used to identify suppliers from FLAIR Statewide Vendor File that were created in Florida PALM with a new, system generated supplier ID. The Supplier Crosswalk can be used to assist in identifying supplier payments listed in the Outbound Payment Extract File for legacy systems.</p> <p>The Supplier Crosswalk report is available to assist in identifying supplier payments.</p>

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

CW.30.4.2 Process Warrant Payments		
<b>Swim Lanes – Definition</b>	<p><b>Bank:</b> (Non-Florida PALM role) Any financial institution providing banking services to the State of Florida</p> <p><b>DFS Payment Processor:</b> DFS role responsible for managing and issuing disbursements of warrants/EFT/ACH payments across all agencies</p> <p><b>DFS Warrant Printer:</b> (Non-Florida PALM role) DFS role responsible for printing warrants</p>	
Process Step ID	Process Step Title	Description of Process
1	Create Positive Pay File	The DFS Payment Processor produces the Positive Pay File in Florida PALM for the payments created.
2	Create Warrant Print File	If there are warrants to be printed, a warrant file is generated and sent to DFS for printing. Payment is made through warrant when a supplier's payment method is set to warrant, if the prenote validation is not complete, or if an electronic payment has been returned.
3	Outbound Warrant Data Print Extract File	Florida PALM processes the warrant data file and sends the warrants for that PayCycle to the warrant printer.
4	Print Warrants	The DFS Warrant Printer prints the warrants using the warrant file and provides them to the DFS Payment Processor for distribution. The DFS Warrant Printer uses the

Process Step ID	Process Step Title	Description of Process
		Warrant File count of warrants to be produced to validate the number of warrants printed.
5	Send Warrants Ready Notice	After all warrants have been printed, the DFS Warrant Printer notifies responsible staff that the warrants are ready for sorting and distribution.
6	Outbound Positive Pay File	The Positive Pay File identifies all warrants issued for the PayCycle and is sent to the issuing bank.
7	Process Positive Pay File	The bank uses the Positive Pay File to match the warrants issued with those presented to the bank to be deposited or cashed. The bank compares the information it has on file with each warrant presented and any warrant considered to be potentially fraudulent is sent back to the issuer for examination.
8	Inbound Positive Pay Acknowledgement File	The bank creates and sends a file acknowledging all valid warrants presented that were deposited or cashed.
9	Import Positive Pay Acknowledgement File	Florida PALM imports the Positive Pay Acknowledge File from the bank and updates the payment register accordingly. The file identifies the valid warrants that have been presented for payment.

## Ledger Impacts

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

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Actuals Ledger – Record Payments	Decreases Asset Decreases Liability

## Reports

Table 4: Reports Included on CW Business Process Model Flow

Report Number	Report Description	Report Frequency	Audience
R1	Scheduled Payments – a listing of payments scheduled to be made as part of the PayCycle	Periodic	Agency, DFS
R2	Cash Check Override – a listing of all transactions for which cash check has been overridden	Periodic, Monthly	Agency, DFS
R3	Payment Register – a listing of electronic, warrant, or manual payments made as part of the PayCycle	Periodic, Monthly	Agency, DFS

Report Number	Report Description	Report Frequency	Audience
R4	Post Audit Sampling – a report to manage payments subject to post audit sampling	Periodic, Monthly	DFS
R5	Prompt Payment Compliance – a report that measures the time elapsed between receipt of invoice, receipt of goods and services, approval of goods and services and payment date	Periodic, Monthly, Annually	DFS
R6	Payment Status Report – a report of warrant and electronic payment detail and status (cleared, outstanding, canceled, or reissued)	Periodic, Monthly	Agency, DFS
R7	Prompt Pay Interest Paid – a report that lists interest paid for invoices not timely paid in accordance with prompt pay requirements	Periodic, Monthly	Agency
R8	Supplier Crosswalk – a report to identify the FLAIR vendor number with the Florida PALM system generated supplier ID number	Periodic	Agency, DFS