

Payment Scheduling

Policy

Agencies are required to schedule payments in a manner that will maximize the state's interest earnings; ensure compliance with the prompt payment requirements of Section 215.422, Florida Statutes and the Cash Management Improvement Act (CMIA); and take advantage of any discounts.

Definitions

Award

The provision of funds by an awarding agency to an organizational entity or an individual to carry out an activity or project, often based on an approved application and budget. An award represents a grant in the statewide accounting system. An award number is assigned for every grant created in the system.

Invoice

Document from a vendor to request payment for goods or services. An invoice is called a voucher in Aspire.

Cash Management Improvement Act

The Federal Cash Management Improvement Act of 1990, also known as the Cash Management Act. Provides general rules and procedures for efficient transfer of federal financial assistance between the federal government and the states. Also known as CMIA.

Payment term

Defines the number of days after the basis data that the transaction will run through the regular payment processing cycle. Available pay terms will be "Pay now"; "Pay in 1,2,3... 40 days."

Electronic Funds Transfer (EFT)

A transfer of funds between accounts by electronic means rather than paper-based payment methods. Also known as Direct Deposit or EFT.

EFT Creation Date

The date that the transaction goes through the nightly paycycle.

EFT Settlement Date

The date that the funds are credited to the payee’s bank account. Typically occurs 2 business days following the EFT creation date.

Voucher

Transaction used to record invoice details in Aspire and to initiate the payment process. There is a 1:1 relationship between a voucher and an invoice (i.e., a voucher contains the details for just one invoice).

Voucher line

A process for distributing the amount of the voucher to different chart of account values (i.e., organization codes, funds, accounts, alternate accounts, etc.).

Background

Historically, FLAIR has been used for cash based accounting entries. A request for payment would process typically within a few working days of being recorded in the system. Agencies, typically, do not use FLAIR for the regular recording of accruals.

Aspire will record an accrual of a liability for any vendor invoice that has been recorded in the system. The payment will then be scheduled for creation based upon the payment term selected by the User. Payment Terms dictate when the payment should be sent to the vendor and will be used to determine the scheduled payment date for the invoice. For example, a vendor’s invoice may require payment in 30 days or allow a discount if payment is received within 10 days. Scheduling the payment will allow the State to maximize interest for cash held in the State Treasury.

Procedures

These procedures are provided for the implementation of the payment scheduling policy in Aspire.

1. Agencies will create a voucher in the statewide accounting system for all goods and services that have been received, inspected and approved for payment. A voucher will also be recorded for non-vendor payments (i.e., employee reimbursement, grant awards, etc). The user will need to select a payment term on the Invoice Information page prior to saving the voucher. When scheduling vouchers for payment the user must take the following into consideration:
 - a. DFS pre-audit: User will need to consider the 10 days allowed for DFS pre-audit.
 - b. Reimbursement to State employees: Travel and other reimbursements to State employees should be scheduled for payment no more than 10 days after approval by the agency.
 - c. Vendor discount (Warrant): The agency will enter the terms and discount information on the Invoice Information page. For example, a vendor is offering a 2% discount if the invoice is paid within 10 days of the invoice date. The agency received the goods on 9/30/yy. The invoice date is 10/01/yy and was received by the agency on 10/04/yy. The pay term selected should be “pay in 6” which will result in a payment scheduled date of 10/10/yy. Agencies should notify DFS of invoices offering discounts so that these invoices may be processed promptly.
 - d. CMIA requirements (Warrant): The agency approves an invoice that is subject to the CMIA on 10/01/yy and determines that cash will need to be drawn for the award from the Federal Sponsor. The agency knows it will take 2 days to receive the funds and payment needs to be made within 3 days of the receipt of the funds to comply with CMIA. The pay term selected should be “pay in 5” which will result in a payment scheduled date of 10/06/yy.
 - e. Prompt payment for Vendors (Warrant): The agency receives an invoice on 10/01/yy. The goods are received, inspected and approved on 10/5/yy. The voucher should be scheduled for payment no later than 11/14/yy (“pay in 40”) to meet the prompt payment compliance requirements.
 - f. Prompt payment for Healthcare providers (Warrant): The agency receives an invoice on 10/01/yy. The goods are received, inspected and approved on 10/5/yy. The voucher should be scheduled for payment no later than 11/09/yy (“pay in 35”) to meet the prompt payment compliance requirements.



- g. Prompt payment for Healthcare providers (EFT): The agency receives an invoice on 10/01/yy. The goods are received, inspected and approved on 10/5/yy. The voucher should be scheduled for payment no later than 11/07/yy (“pay in33”) to meet the prompt payment compliance requirement. The EFT creation date will be 11/7/yy and the EFT settlement date will be 11/9/yy (“pay in 35”).
- 2. The saved voucher will be placed into the Agency’s workflow for approval. The voucher may be selected for pre-audit and placed into DFS’ workflow after final approval from the Agency.
- 3. The nightly pay cycle will select payments (Warrants and EFTs) to be created based upon the payment due date on all approved vouchers. Cash checking will occur to ensure that sufficient cash is on hand to create the payment after the vouchers have been selected. Cash checking is performed at the Voucher line distribution level and the Voucher (Invoice) is not picked up for payment processing if any distribution fails. The voucher payment handling code determines the priority for cash checking and printing. The creation of accounting entries for payments occurs during Payment Posting. The system generates corresponding accounting entries as payments are posted to relieve the (Voucher Payable) liability that was created when the Voucher was posted and records an offset to the designated cash account. The warrants and EFT transmittal notices will be available for mailing the next working day.

Policy Approval Dates

Department of Financial Services Approved (insert date)

Authority and References

Cash Management Improvement Act, 31 CFR Part 205; Prompt Payment, Section 215.422, Florida Statutes

Document Version Control

Version Number	Release Date	Description of Changes
v1 – v4		Internal revisions during development
v5		Ready for Financial Policy Committee Review
V6		Ready for Agency Review

Draft of Policies and Procedures



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