

DATE: October 16, 2026

TO: Agency Addressed (No. 15, 2026 – 2027)

FROM: Renée Hermeling, Division Director
Division of Accounting and Auditing
Department of Financial Services

SUBJECT: PREPARING FOR FLORIDA PALM CONSIDERATIONS

This guidance will help agencies prepare for conversion to and implementation of Florida PALM.

Fixed Capital Outlay Expenditures

All Fixed Capital Outlay (FCO) expenditures will be required to have a Project ID assigned by the end of the Fiscal Year (FY) for year-end processing in Florida Planning, Accounting, and Ledger Management (PALM). It is recommended that agencies establish and use the correct Project ID in Florida Accounting Information Resource (FLAIR) on all FCO expenditures. This will allow FY 2026-2027 expenditures to convert to Florida PALM with the correct Project. Any FCO expenditures made in FLAIR without a Project ID will be converted to Florida PALM without a Project ID and will need to be reclassified in Florida PALM to add the Project ID before June 30, 2027.

*FCO encumbrances without a Project ID will not be converted to Florida PALM and users will have to establish the Project ID and encumbrance in Florida PALM after go-live.

Refunds Issued from General Revenue

As a reminder that as of January 2027, agencies will no longer issue refunds from General Revenue using the Department of Financial Services (DFS) Refund of Overpayments Fund. Agencies that issue refunds from General Revenue should seek budget authority as soon as possible to have non-operating budget authority in place to process refunds from their agency General Revenue transactional funds. Department of Revenue will continue to issue refunds of taxes and interest on refunds of taxes from the DFS Refunds General Revenue Fund.

Asset Management

Agencies should work the Property Pending File regularly to add assets to the Property Master File and run December depreciation by December 10, 2026. This will allow as many assets as possible to be included in the Dry Run conversion exercises and help the agency prepare for conversion. This will also prevent any backlog for the cutover and implementation of Florida PALM, as any assets remaining on the Property Pending File will not be converted and will need to be added to Florida PALM after go-live. It is recommended that agencies review Property reports, such as DPRR01 – Listing of Incomplete Property Master Records, DPRR05 – Listing of Transactions Deleted from the Property Pending File, and DPRR08 – Listing of the Property Pending File to identify records that may not convert and will need to be added to Florida PALM in January.

Depreciation for all eligible assets will need to be recorded in FLAIR for July through December by December 10, 2026. It is recommended that agencies record asset depreciation for all eligible assets monthly beginning July 2026. Upon implementation of Florida PALM, asset depreciation will run systematically during the batch process.

Please note that for December asset depreciation accounting entries to post in the month of December, the agency must close the month of November before running December depreciation.

Lease and SBITA Management

Agencies should review the Property Master File to delete any assets remaining with the general ledger code 284XX – Capital Lease Asset by November 30. These assets were replaced with the implementation of Government Accounting Standards Board (GASB) Statement No. 87 – Leases and are no longer recorded in the Property Master File and will not be converted to Florida PALM. Once remaining leases are deleted from the Property Master File, please confirm that your agency Trial Balance results are as expected.

Agencies are required to record assets and liabilities that meet the threshold requirements and GASB Statement No. 87 – Leases and GASB Statement No. 96 – Subscription-Based Information Technology Arrangements (SBITAs) in the Workiva GASB Lite 87/96 Workspace. This process will not change after Florida PALM go-live. Agencies will continue to record these assets and liabilities in the Workiva GASB Lite 87/96 Workspace and post adjustments in the General Ledger to record adjustments to the assets, liabilities, and related income statement activities during the fiscal year in Florida PALM. Agencies will not be directly recording leases into the Asset Module within Florida PALM.

Revolving Funds

Temporary modification to existing Revolving Fund amounts or authorized use should be completed using [DFS-A1-1832 Fund](#), focusing on the *Agency/Preparer Information, Initial Questions* top portion, Section 2, *Modify an Existing Fund* and if needed, Section 3, *Schedule of Disbursements* for increases to a Revolving Fund.

For agencies requesting a new Revolving Fund agencies will need to complete [DFS-A1-1832 Fund](#) Questionnaire in its entirety.

In addition to completing the Fund Questionnaire Form, agencies should also provide responses answering:

1. What is your contingency plan? Provide examples of expenditures you plan to pay.
2. Please provide a broad spending plan by category (travel, rent, etc.). Note: Revolving funds may not be used for payroll-related expenses of any sort.
3. What is the funding source?
4. Who will be reviewing and approving payments made from the account?
5. Who will be the authorized signers on the account?
6. What is your timeframe to have the fund reconciled and either closed or reduced to the original authorized amount?
7. How do you plan to track the expenditure made during the downtime for reconciliation and recording in the accounting system upon go-live?

Email revolving fund requests and updates to: NewAccountCode@myfloridacfo.com

Payroll Refund Warrants

When using deduction code 200 to recover funds from employee wages, a warrant made payable to the agency is generated. All warrants made payable to the agency should be deposited into the State Treasury, accounted for and verified in a timely manner. Please review Report Distribution System (RDS) Form XX5V *Outstanding Payroll Warrants*, where XX indicates your agency identifier.

Outstanding salary refund deposits should be made by December 21, 2026, by 2:00 PM as well as keying and approving the overpayment of salary online in PYRL by adding the deposit number no later than December 22, 2026, by 5:00 PM.

Warrants in Stop Payment Status

Agencies should review all warrants placed in a stop payment status or request for stop payment status (S, X, Y, or 5) and take further action in FLAIR within thirty days. The stop payment status is a temporary status to be used while further action is determined. Warrants must be cancelled or reissued within 30 days. Agencies should take particular care to manage these with the goal of **not** having any warrants in stop payment status when FLAIR goes down in December.

Warrants in stop payment status on December 22, 2026, will need to be cancelled, as they will not be converted to Florida PALM. Agencies will have to key the TR58 for the cancellation no later than December 23 to match Central. Please see RDS Form XX1B *Warrants in Stop Payment Status Over 3 Months Old*, Form XXDF *Weekly Report of Warrants in Stop Payment Status 5*, and Form XX3V *Weekly Report of O/S Warrants in Status S or X or Y*, where XX indicates your agency identifier.

Agencies should also make reasonable efforts to contact vendors or payees when a warrant has been issued but the check has not been cashed. Contacting the vendor or payee may help determine whether the check was received, lost, misplaced, or otherwise requires further action.

Interest Penalty Invoices

Interest penalty invoices will not be converted to Florida PALM. However, agencies are still required to make these payments to vendors within 15 days of issuing the warrant that is due the interest pursuant to section 215.422(3)(b) Florida Statutes. All interest penalty invoices that are created in FLAIR for warrants issued from FLAIR must be paid. Agencies should prioritize, process and address all interest penalty payments by December 17, 2026.

If agencies cannot process the interest payments in FLAIR before the cutover December 17, 2026, deadline for payments, the interest must be paid in Florida PALM after January 12, 2027. Agencies should plan to monitor in-flight interest penalties between December 18 – 23 so that those items can be processed in Florida PALM. RDS reports that may be a good resource include; Form XX09 *Semi-Monthly Agency Prompt Payment Compliance Report* and Form XX10 *Prompt Payment Interest Penalty Aged Report*, where XX indicates your agency identifier.

PCard Charge Processing

Agencies are required to process PCard transactions within 10 days of the transaction being posted in Works. Agencies should continue to monitor Account holder, Approver, and Accountant activity to ensure charges are being processed timely and appropriate documentation is attached. Agencies should attempt to have all charges that are in Works processed by December 15, 2026.

*Effective **December 14, 2026**, all cardholders will be moved into one of two spend control profiles:

- **SW - Cutover EMGCYBLK:** Allows designated cardholders to continue using their cards for agency-identified critical payments.
- **SW - Cutover SUSPEND; \$1:** Suspends card usage during the freeze.

These profiles will remain in effect until the system reopens on **January 12, 2027**.

Vendor Records

As part of cutover readiness activities, agencies should proactively identify suppliers that are expected to receive payments to ensure the appropriate **vendor/supplier records are established prior to December 4, 2026**.

Agencies should review upcoming payment obligations, contracts, purchase orders, grants, and other planned disbursements to identify suppliers that may require payment shortly after Florida PALM implementation. Establishing the necessary supplier records in advance will help minimize payment delays and support timely processing following cutover. Payees not converted by December 4, 2026, will be required to register in Florida Integrated Payee System (FLIPS) to be established in Florida PALM.

Encumbrances

Agencies should review all open encumbrances and confirm that the remaining balances are accurate and reflect valid outstanding obligations **prior to December 23, 2026**.

Agencies should evaluate each open encumbrance to determine whether the full remaining balance is still needed. Encumbrances that are no longer required should be liquidated, and balances that exceed the anticipated remaining obligation should be reduced, when applicable. Reducing unnecessary or overstated encumbrance balances will also help minimize the number of encumbrances in Budget Error status during or following the transition to Florida PALM. Agencies should be aware that MyFloridaMarketPlace (MFMP) encumbrance origins in budget error status will be deleted and will not be available to update.

Agencies should identify any encumbrances established to another state agency and should plan to establish an IU Encumbrance in Florida PALM after implementation. Agency to Agency encumbrances will not be converted.

Deposits

Agencies should create and work deposits for unreconciled bank transactions to ensure they are verified in FLAIR before cutover to Florida PALM. Agencies can monitor the Florida PALM Unreconciled Deposits Report (ARR021) query to identify bank transactions that need deposits to be created or worked in FLAIR for verification. If agencies need Treasury assistance with bank transactions and reconciliation, please continue to use the Treasury Correspondence Form – Research Request Reconciliation Assistance in Florida PALM.

Agencies should continue to take deposits to the bank during the downtime and will continue to receive ACHs, wire transfers, and e-Payment transactions into their Concentration bank accounts. Bank files will be loaded in Florida PALM starting on January 6, 2027. Receipting activities for agencies will resume in Florida PALM on January 12, 2027.

Journal Transfer (JT) Voucher Receipts

Agencies should monitor reports for received Journal Transfer transactions with a goal of recording the receiving side in Departmental FLAIR by December 23, 2026.

Journal Transfer (JT) Vouchers

JTs that are not in a posted status by December 22, 2026, will be deleted and will need to be processed in Florida PALM after go-live using the IU Module. Agencies should monitor in-flight JT Vouchers and use RDS Reports XX06/CNPPJT4 Posted JTs by SWDN within Benefiting and XX05/CNPPJT2 Posted JTs by SWDN within Initiating and your agency voucher audit screen to identify transactions that did not fully process in FLAIR.

Monthly Reconciliation Activities

All agencies should complete a reconciliation of Departmental FLAIR records to Central FLAIR records monthly. Monthly reconciliations should include a complete analysis of an agency's revenue, expenditure, and cash balances. Correcting entries should be made timely to ensure that funds are in balance. This will allow agencies to have an accurate trial balance in preparation for conversion to Florida PALM and the validation activities that will be required.

It is recommended that agencies reconcile throughout the month of December to ensure Central FLAIR and Departmental FLAIR stay in balance. Agencies will be able to make Departmental only transactions between December 21 and 23 to record payroll accounting entries, debit memos, warrant cancellations, and other reconciliation items. Outstanding reconciliation balances not corrected by December 23, 2026, will have to be addressed in Florida PALM.

FLAIR Trial Balance Report

It is recommended that each agency schedules a FLAIR Trial Balance Report to be produced on December 24, 2026, to account for all December activity up to that point.

FLAIR Interfaces and Reports

FLAIR reports that are scheduled as recurring reports will continue to be produced on schedule: daily, weekly, monthly, etc. FLAIR will produce all outbound files on schedule: daily, weekly, monthly, etc. Agencies that receive reports and files scheduled for the last day of the month will receive them on schedule. Agencies who receive reports and files for the month when the monthly closing is processed will receive these reports and files when the month of December is closed, likely in early January. For daily files and reports, please be mindful that we do not expect to have activity in FLAIR after December 23, 2026.

12-Month Warrant Stale Dating

December stale dating will be processed on Friday, December 11, 2026.

Confirm Retirement Codes in People First

Agencies should confirm that accurate retirement codes are recorded for all active employees by December 18, 2026. This will allow for a more accurate conversion from People First to FL PALM and reduce the number of retirement variance invoices that will need to be processed for corrections.

Retirement Variance Invoices

All outstanding retirement variance invoices should be processed and sent to Bureau of State Payrolls for review by November 30, 2026. Any variance invoices generated in December will need to be processed and sent to Bureau of State Payrolls by December 15, 2026. This will allow time for the employee records to be adjusted and for any needed vouchers to be processed by December 17, 2026.

Please see [Agency Addressed Memorandum No. 8, 2026-2027](#) for all dates related to cutover to Florida PALM.

DIRECT QUESTIONS TO:	
Bureau / Office & Phone	Email Address
Bureau of Financial Reporting - (850) 413-5511	NewAccountCode@myfloridacfo.com , or SFRS@myfloridacfo.com
Bureau of Auditing - (850) 413-5512	Audit.Info@myfloridacfo.com
Bureau of State Payrolls - (850) 413-5513	BOSPMManagementTeam@myfloridacfo.com
Bureau of Vendor Relations - (850) 413-5516	StatewideVendorFile@myfloridacfo.com
Office of Florida Financial Education - N/A	DFSFinancialEd@myfloridacfo.com
Bureau of Funds Management (Treasury) - (850) 413-3166	BureauofFundsManagement@myfloridacfo.com