Master Balance Files Data Management – Best Practices

The Department of Financial Services, Division of Accounting and Auditing (A&A) has combined efforts with the Florida PALM Agency Advisory Council to collect information to develop guidance and best practices for agencies to analyze and manage legacy data in preparation for implementation into Florida PALM. The information contained in this list discusses the best practices identified by multiple agency subject matter experts for Master Balance Files and data management.

General Information:

- Every transaction affects one or both the General Ledger Master Balance Files or the Contract and Grant Master Files.
- The information within the Master Files provides the balances within the agency's Trial Balance.
- Agency's Trial Balance and Schedule of Allotment Balance Reports should be monitored regularly to identify errors as they occur.
    - Frequent monitoring and correcting helps keep Master Balance File records clean.
- For Master Balance File cleanup, it is suggested to start with the agency's Trial Balance.
- If a discrepancy is identified, determine what needs to be corrected.
    - In some cases, transactional information will need to be reviewed and further historical research may be needed to determine the why the GL is incorrect.
    - It may be helpful to sort by Fund, Budget Entity and Category.
- Some general ledgers, such as expenditures and revenues, only carry temporary balances, where other general ledgers, such as cash, account receivables and payables, have balances that will move forward each year.
    - A list of our current state standard general ledgers can be found on the Accounting and Auditing website.
    - Transaction 8s will be associated with balances that moved forward each year.
- Review your data codes on the Title File to determine if the codes are still active or if they will need to be added back or re-activated.
    - If the code is managed by DFS, agencies will not have the ability to reactivate or add.
- Always research data codes to see how they may be using used, if there are any subsidiary records or property that may still be using the data code(s) before deleting or inactivating records.
- Agencies should collaborate between the individuals researching and correcting the Master Balance Files, the Financial Reporting staff, and the individuals who monitor the trial balances (if different) to ensure that information is relayed as necessary.
- It is best practice for agencies to establish an internal process for cleaning up Master Balance Files, as well creating desk procedures to capture the process.

Things to consider when correcting entries:

- What data elements are incorrect?
- Does Central need to be aware of this correction?
    - Is the FLAIR Account Code changing?
    - Is cash being affected?
    - Is the object code classification changing?
    - Does Departmental reconcile with Central?

- What transaction needs to be used?
    - TR10 – General accounting transaction can be used to record an entry directly into the General Ledger. When inputting a TR10, there must always be two transactions entered: the debit and the credit.
    - TR51 – The unencumbered disbursement transaction should be used if Central needs to be updated as well.
    - TR58 – Disbursement correction transaction that can be used to update Departmental records only.
- Map out correcting entries before processing.
    - When backing out an entry that is incorrect, use all data fields that were originally used on the transaction. If not done correctly, additional correcting entries will be needed to correct the Master Balance Files.
- Always check your work!

Things to consider when closing out a Master Balance Record:
- Identify balances that need to be removed.
    - Determine the type of general ledgers related to the balances. Does the general ledger carry balances that roll forward or are they tied to a specific period of time (ex. revenue and expenditures).
    - Determine if there are any subsidiary or active property items that are tied to the record.
- Identify where remaining balances should go.
- Identify which codes are inactive or have been deleted. Are they agency unique or state standard?
    - If needed, activate agency unique codes and make correcting entries.
- Log research of Master File Balances records that cannot be corrected, such as records with inactive state standard code(s).
- Process TR10s to update Master Balance Files
- Always check your work!
- Once corrections have been made to clean up the Master Balance File, deactivate or delete any necessary codes used for clean-up so they are not used in any more transactions.
- Data elements that are put into D status will be purged 13 to 18 months later. Once purged, the title of the data code will no longer be available.

For additional information on A&A's Data Management's Workgroups, as well as available resources to assist with data management, please visit our Data Management Workgroups webpage.