10.2 Enter and Process Journals

Florida PALM
Planning, Accounting, and Ledger Management

Revision History

Version	Date	Revision Notes
1.0	07/30/2019	Accepted Version
2.0	04/29/2021	Accepted Departmental Version

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General Information

This document describes and depicts the process steps and supporting information for the identified State of Florida financial management business process. This information should be read in conjunction with the Business Process Flow Diagrams.

The Dependencies and Constraints section describes any conditions or criteria that impact how or when the business process should be executed. These could be set within Florida PALM or from external sources (i.e., Law or Rule).

The Business Process Overview section summarizes the business process and provides context for understanding the objectives and desired outcomes of the described business process.

Within the Business Process Flow Details section, included for each process step are:

- **Process Step ID** – A unique number assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Process Step Title** – A short description assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Description of Process** – A detailed narrative description of the process step, which provides additional information and context for understanding the process step

Also described below are the Ledger Impacts and Reports, which are displayed as icons on the Business Process Flow Diagrams. Ledger Impacts describe where there is an update to one of the ledgers used to track activity for accounting, budget management, or financial reporting purposes. Reports describe where a report is identified to be produced at a particular process step or is used to support the completion of a process step.

Finally, included in the Terminology section are definitions of terms which will help the reader to better understand the document. These are terms that are used within this document that may be new or that require a description for common understanding.

Dependencies and Constraints

- Summarized transactions from source modules are recorded in the general ledger (GL).
- Direct entry into the GL is budget and cash checked prior to posting the journal.
- GL journals are subject to approval workflow, based upon the needs of the agency, prior to posting the journal.

Business Process Overview

The Set Up and Maintain Chart of Accounts business process is within the Account Management and Financial Reporting (AMFR) business process grouping. AMFR includes a collection of business processes that:

- Establish the statewide accounting framework and provide for agency-specific accounting and reporting needs;
- Update to the general ledger and maintain the integrity of the financial activities; and
- Perform month-end and year-end closing and reporting activities.

This business process addresses how to create and post journal entries within the GL. The GL is the module, within Florida PALM, to record, summarize, and report financial data.

The business subprocesses included are:

- 10.2.1 – Create and Approve Journals
- 10.2.2 – Edit Check
- 10.2.3 – Source Module Journal Entry

Journals are created via an online journal, using the spreadsheet upload tool, or imported from external systems. The GL reflects summarized entries from source modules within Florida PALM. Agencies may use the GL journals for accruals, closing entries which do not originate in the source module, corrections as needed, allocations, encumbrances not against a supplier, investment transactions (Trust Fund investing or disinvesting activity), and revenue to revenue transfers between agencies.

Business Process Flow Details

The table below describes steps in the business subprocess as reflected on the Process Flow diagrams. The table also reflects information associated with each step describing the intent of the specific process.

The Business Process Flow Diagrams use horizontal swim lanes to depict where activities are performed by different parties or systems. Each swim lane is titled with a role, either agency-based or enterprise-based, and in some cases, are representative of an external party or system. The swim lanes may change from page to page within a single business subprocess as more or fewer roles are required to execute sections of the business subprocess. Optionally, the process flow diagram may reflect vertical swim lanes to further designate information such as systems or time intervals.

Table 1: Create and Approve Journals

10.2.1 – Create and Approve Journals		
Swim Lanes – Definition	**DFS GL Journal Approver:** DFS role responsible for approving journals subject to audit **BU1 Agency GL Journal Approver:** agency role responsible for approving journals **BU1 Agency GL Journal Processor:** agency role responsible for creating journals **BU2 Agency GL Journal Approver:** agency role responsible for approving revenue to revenue journals	
Process Step ID	**Process Step Title**	**Description of Process**
1	Prepare to Record Journal	Requestors provide GL journal requests and supporting documentation to the GL Journal Processor through established agency processes. The GL Journal Processor receives the request and reviews the supporting documentation. The GL Journal Processor can create a GL journal using three different methods: direct online journal through Florida PALM, spreadsheet upload tool in Florida PALM, or importing from an external system. Florida PALM Financial sub-modules also create GL journals through an automated process.
2	Prepare Journal Using Spreadsheet Upload	Using the spreadsheet upload tool, which is based on Microsoft's Excel application, the GL Journal Processor inputs necessary transactional information into the template. The spreadsheet template contains prepopulated ChartField column headers and allows the GL Journal Processor to quickly create a journal with many lines.
3	Import Spreadsheet Journal	Once a journal is prepared using the spreadsheet upload tool, the journal can be imported to Florida PALM.
4	External System Journals	Journals are also imported into Florida PALM from external systems. This includes allocations from in external systems.

Process Step ID	Process Step Title	Description of Process
5	Create/ Modify Journal	Successful imports or online entries within Florida PALM create GL journals. If errors occur, the GL Journal Processor reviews the Load/Import Reconciliation report for further information. Before posting to the GL, the journal must go through the Edit Check process to verify that the ChartField values and combinations are valid, the journal is balanced, and the appropriate entries are generated. If the journal passes Edit Check, it continues processing. If the journal does not pass Edit Check, the GL Journal Processor reviews the error and corrects the issue. After passing edit check, the journal entry is subject to Budget Pre-Check. This process allows journal entries to verify budget prior to posting and does not consume budget.
6	Route for Approval	A valid journal, which results from a successful Edit Check routes to the BU1 Agency GL Journal Approver.
7	Deny Journal and Recommend Deletion	If a journal is denied, the BU1 Agency GL Journal Approver decides if the journal is needed. If not, the BU1 Agency GL Journal Approver denies the journal and enters a comment to recommend journal deletion. If the journal is needed, the journal routes to the originating BU1 Agency GL Journal Processor for modification.
8	Delete Journal	The BU1 Agency GL Journal processor reviews the journal to determine if the journal needs to be modified or deleted. If the journal needs to be deleted, the BU1 Agency GL Processor deletes the journal.
9	Approve Journal	Journals appear in the BU1 Agency GL Journal Approver's queue via workflow. The GL Journal Approver reviews the journal to decide if the journal is approved or denied. If journals are related to a Revenue to Revenue transfer to another agency, the journal is routed to the BU2 Agency GL Journal Approver for review and approval. Journals may be subject to sampling and audit by DFS based upon pre-established requirements. Approved journals are Budget Checked and Cash Checked. Budget Check compares the transaction to available spending authority. If there is available spending authority, the journal continues processing. If there is not available spending authority, then the journal fails Budget. Check. Budget Check exceptions are resolved via the Budget Execution and Management Business Process.

Process Step ID	Process Step Title	Description of Process
		Cash Check compares the transaction to the available fund cash. If there is cash available, the journal continues processing. If cash is not available, then the journal fails Cash Checking. Cash Check exceptions are resolved via the Cash Checking business process. Journals that are not approved may be denied or returned to the Agency GL Journal Processor to determine if the journal is still needed.
10	Approve Journal	The BU2 Agency GL Journal Approver reviews the revenue to revenue journal. If the journal is not sufficient, the BU2 Agency GL Journal Approver has the ability to deny and add a comment relating to the corrections that are needed. The journal is routed back to the BU1 Agency GL Journal Processor for correction and reapproval. If the journal is approved, the journal is subject to audit by DFS.

Approved journals are Budget Checked and Cash Checked. Budget Check compares the transaction to available spending authority. If there is available spending authority, the journal continues processing. If there is not available spending authority, then the journal fails Budget Check. Budget Check exceptions are resolved via the Budget Execution and Management Business Process.

Cash Check compares the transaction to the available fund cash. If there is cash available, the journal continues processing. If cash is not available, then the journal fails Cash Checking. Cash Check exceptions are resolved via the Cash Checking business process. Journals that are not approved may be denied or returned to the Agency GL Journal Approver to determine if the journal is still needed. |
| 11 | Approve Journal | A DFS GL Journal Approver reviews journals subject to audit. Approved journals are Budget Checked and Cash Checked. Denied journals are routed back to the originating agency for modification or deletion. List of deleted journals report is available to identify journals deleted over the selected duration for further review and analysis. |
| 12 | Post Journal | Valid and approved journals are posted manually, nightly via the Journal Generator process, or periodically via a scheduled automatic process. Upon posting, balances and appropriate ledgers update and are available for reporting purposes.

Journals originating within a source module are recorded into the GL and automatically posts via the Journal Generator process. The Journal Generator process systematically creates journals from accounting entries generated in the enabled source modules. The Journal |

Process Step ID	Process Step Title	Description of Process
		Generator process is a scheduled process. Source Module journals skip approval within the GL module since approval processes takes place within the respective source module.
13	Financial Balances for Transparency Reporting	Florida PALM provides financial balances to the Transparency Florida Site and the CFO Transparency Site, on-demand and nightly.
14	Posted Journals	Posted journals are made available for external systems.

Table 2: Edit Check

10.2.2 – Edit Check		
Swim Lanes – Definition	**GL Journal Processor:** role responsible for initiating and completing the Edit Check process **COA Maintainer:** role responsible for reviewing and assisting with researching Edit Check error	
Process Step ID	**Process Step Title**	**Description of Process**
1	Determine Edit Check Method	The Edit Check process is performed manually or via an automatic system process. The GL Journal Processor determines the preferred method of edit checking based on the business need driving the journal.
2	Manually Trigger Edit Check	If triggered manually, the GL Journal Processor performs the Edit Check upon saving the journal.
3	Edit Check Journal	If via automatic system process, Florida PALM performs the Edit Check on a periodic basis.
4	Review Edit Errors	Upon successful completion of the Edit Check, the journal status is valid. If the journal fails the Edit Check, the transaction does not post, and the errors must be examined and corrected.
5	Correct Edit Errors	The GL Journal Processor resolves the error with assistance from a COA Maintainer, if necessary. The corrected journal goes through the Edit Check Process manually when triggered by the GL Journal Processor or automatically as part of the scheduled process.
6	Assist with Error Correction	If the GL Journal Processor is not able to resolve the error, then a COA Maintainer within their agency or within DFS is consulted to assist with error correction. For example, a ChartField value was inactivated or was not established.
7	Delete Journal	If the edit errors cannot be corrected by the GL Journal Processor or the COA Maintainer, the GL Journal Processor deletes the journal.

Table 3: Source Module Journal Entry

10.2.3 – Source Module Journal Entry	
Swim Lanes – Definition	**GL Journal Processing:** system function responsible for generating the required journal entries to update the Actuals Ledger

Process Step ID	Process Step Title	Description of Process
1	Florida PALM Financials	Journals are created in the GL from accounting entries generated in the Florida PALM Financials source modules. Source modules within Florida PALM include: Accounts Payable, Accounts Receivable, Billing, Asset Management, Grants Management, Project Costing, Cash Management, and Deal Management. Journals from source modules are the result of an automated process.
2	Execute Journal Generator	The Journal Generator process creates journals from accounting entries from the enabled source modules. The Journal Generator process is scheduled to run nightly to post subsystem journals.
3	Journal Created	Once the Journal Generator process runs, the journal is created and posted in the GL without any additional approval.

Ledger Impacts

Table 4: Ledger Impacts Included on Business Process Flow Diagrams

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Actuals Ledger - Expenditure Transaction Reclassification Or Actuals Ledger - Revenue Transaction Reclassification	Decrease expense in ChartField String 1 Increase expense in ChartField String 2 Or Decrease revenue in ChartField String 1 Increase revenue in ChartField String 2
LI2	Budget Ledger - Expenditure transaction Or Budget Ledger - Revenue transaction	Decrease available spending authority Increase expense Or Increase total estimated revenue Increase recognized and collected revenue
LI3	Cash Ledger - Expenditure transaction Or Cash Ledger - Revenue transaction	Decrease cash Increase expenses Or Increase cash Increase recognized and collected revenue

Reports

Table 5: Reports Included on Business Process Flow Diagrams

Report Number	Report Description	Report Frequency	Audience
R1	Transactional Reports – listing of GL transactions completed	Periodic	Agency
R2	Trial Balance/Other Reports – provide a Trial Balance	Periodic	Agency, DFS
R3	Ledger Inquiry Report – listing of all successfully posted journals including inter/intra journals and revenue to revenue journals	Periodic	Agency, DFS
R4	Budget to Actuals (Before Posting) Report – Listing of all transactions that have not posted or consumed budget	Periodic	Agency, DFS
R5	Pending Journal Report – Listing of all journals that are waiting on approval	Periodic	Agency, DFS
R6	Deleted Journal Report – Listing of all deleted journals	Periodic	Agency, DFS

Terminology

Agency Business System – a system, database, or other source of data wholly owned and operated by a State agency.

Budget Check – the method of verifying adequate appropriations available at the time of journal entry or payment. Budget Check values include: Valid Budget, Not Budget Checked, Error in Budget Check, and Warnings.

Cash Check – the process by which Florida PALM validates that sufficient cash is available in a Fund to cover the disbursement associated with a transaction.

Cost Allocations – process of assigning a cost, or a group of costs, to one or more cost objectives, in reasonable proportion to the benefit provided or other equitable relationship.
An amount or portion of a resource assigned to a recipient, which includes expense allocations, revenue allocations, indirect allocations for grants, and miscellaneous GL allocations (e.g., service fees).

Edit Check – process which checks the journal to verify that the ChartField values and combinations are valid, that the journal is balanced, and the appropriate entries are generated.

Florida Financial Management Information System (FFMIS) – statutorily defined collection of information systems providing fiscal, management, and accounting support for state decision makers. It provides a means of coordinating fiscal management information and information that supports state planning, policy development, management, evaluation, and performance monitoring. FFMIS is the primary information resource that provides accountability for public funds, resources, and activities. FFMIS is described in Sections 215.90 – 215.96, F.S. as the following:

- LAS/PBS - the planning and budgeting subsystem's functional owner is the EOG;
- Florida PALM - the planning, accounting, and ledger management subsystem's functional owner is the Chief Financial Officer; and
- MyFloridaMarketPlace and People First, the purchasing and personnel subsystems' functional owner is DMS.

Florida PALM Financials – single enterprise accounting system where agencies record and process operational activities in respective source modules that are reconciled in the general ledger from which statewide and agency reporting is accomplished.

General Ledger (GL) – master set of accounts in which the State of Florida's financial transactions are recorded in detail or in summary form. This serves as a central repository for accounting data transferred from all source modules.

GL Journal – accounting entries recorded directly in GL to update or transfer balances or used to record accounting entries from the source modules.

Journal Generator - process transforms accounting entries generated from source modules into GL journals.

Ledger – permanent summary of amounts entered in supporting journals, which list individual transactions by date.

Posting – this is the process that posts journal data to the general ledger.

Reclassification – used to allocate an expense or revenue from one ChartField string to another ChartField String.

Statewide Cost Allocation Plan (SWCAP) – prorated share of the cost of services provided by state central service agencies which are reimbursable to the state pursuant to the provisions of Office of Management and Budget (OMB) Uniform Guidance. Preparation of the Statewide Cost Allocation Plan and coordination thereof with all applicable parties is the responsibility of the Department of Financial Services.

Source Module – one of the supporting modules within Florida PALM that captures business transaction information and provides accounting or other information to other modules (e.g. to the general ledger for posting).

Workflow – orchestrated and repeatable patterns of business activity enabled by the systematic organization of resources into processes with specific approvals that transform materials, provide services, or process transactional information.