

80.1 Manage Cash Checking

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

- All transactions that record Fund cash movement are subject to Cash Checking.
- All trust fund disinvestment transactions are subject to Invested Balance Checking.
- Agencies track and record transactions impacting cash at the lowest level as required to support financial reporting needs.
- Transactions recorded to support management of cash by the Department of Financial Services (DFS), Division of Treasury (Treasury) are not subject to Cash Checking.

Business Process Overview

The Manage Cash Checking business process is within the Cash Management (CM) business process grouping. CM includes a collection of business processes that:

- Ensure adequate cash balances to support disbursements and alignment of State and federal cash management requirements;

- Support the forecast and management of cash balances within agency and General Revenue Funds, including managing Fund loans; and
- Support the management for Revolving Funds located within and outside the State Treasury.

This business process addresses how balances will be checked for transactions disbursing cash from Trust Funds or General Revenue (GR) as the disbursements are generated. This includes validating cash is sufficient for vouchers prior to the creation of payments or for journal entries prior to those entries posting to the General Ledger (GL). This business process addresses how invested balance is checked for disinvestments.

The business subprocesses included are:

- 80.1.1 – Manage Cash Checking
- 80.1.2 – Manage Invested Balance Checking

Section 215.32, Florida Statutes (F.S.), requires all monies received by the State to be deposited in the GR Fund, agency Trust Funds, or the Budget Stabilization Fund, unless specifically provided otherwise by law. GR cash balances are controlled at a statewide level and are managed by DFS Division of Accounting and Auditing (A&A). Trust Fund cash balances are managed at the agency level and are controlled at the Fund level by A&A. Certain agencies are required by law to track and report cash at levels lower than the Fund level (e.g., entity, activity, and funding source).

The Manage Cash Checking business subprocess accounts for the control and movement of all cash in and out of Florida PALM. The system provides a real-time cash balance for allowing or disallowing all cash outflow transactions. Cash is controlled at the Chart of Accounts (COA) level using a hierarchy of ChartField values (e.g., Business Unit, Fund, and Organizational Code). The inflow and outflow of cash is updated real-time to determine available cash. Cash is continuously monitored at the Fund level and overriding system controls for outflows at the Fund level are managed by A&A. Overriding system controls for outflows at a level lower than Fund are managed at the agency level.

The Invested Balance Checking business subprocess addresses how invested cash balances are checked and updated. Invested cash balances are updated as investments and disinvestments are made. The Invested Balance Checking process compares disinvestments to the available invested cash balance. GL journal entries without an invested balance account type (i.e., equity, liability, and revenue) are excluded from this process and proceed with the transaction lifecycle. When there is an insufficient invested balance, the transactions fail the Invested Balance Checking process and generate errors. Errors can be resolved via an update, a deletion, or a request for override can be made to DFS.

Business Process Flow Details

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

The Business Process Flow Diagram uses 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 within Department of Financial Services (DFS), and in some cases, are representative of an external entity 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: Manage Cash Checking

80.1.1 - Manage Cash Checking		
Swim Lanes – Definition	<p>DFS AP Payment Processor: DFS role responsible for overriding scheduled payments</p> <p>DFS Override Processor: DFS role responsible for overriding transactions at the Fund level</p> <p>Fund Cash Checking Processor: agency or DFS role responsible for reviewing and resolving exceptions to Cash Checking</p> <p>Transaction Processor: agency or DFS role responsible for processing transactions in Florida PALM that are subject to Cash Checking</p>	
Process Step ID	Process Step Title	Description of Process
1	Run Fund Cash Checking	Fund Cash Check compares the transaction from the Create/Modify Journal Business Process and/or Process Pay Cycle and/or Deposit and Apply Receipts business processes to the available Fund cash. If there is cash available, the transaction continues processing as described in the Create/Modify Journal Business Process and/or Process Pay Cycle and/or Deposit and Apply Receipts business processes. If cash is not available, the transaction fails Fund Cash Check.
2	Delete Transaction in Source Module	If the Fund Cash Check errors cannot be corrected and is not a returned deposit, the Transaction Processor deletes the transaction in the appropriate submodule and does not proceed with managing Fund Cash exceptions.
3	Manage Fund Cash Checking Errors	If cash check errors can be corrected, the Transaction Processor works with the Fund Cash Checking Processor to resolve the Fund Cash Check exception. There are various methods of resolution based on the source transaction and the exception. For AP transactions, the Transaction Processor can manage payment schedules to resolve the Fund Cash Check exceptions. This may include updating the scheduled pay date or requesting an override for a scheduled payment via the Override Request Form.

Process Step ID	Process Step Title	Description of Process
4	Override Schedule Payment	A DFS AP Payment Processor can override a scheduled payment. The Fund Cash Checking process will automatically process payments that are overridden. Scheduled payments that are overridden during Pay Cycle processing will require an agency to still submit the Override Request Form for tracking purposes, with the exception of payroll payments.
5	Modify Source Transaction	<p>If the source transaction needs an accounting adjustment or should be modified, the transaction is updated at the source through the Create/Modify Journal Business Process and/or the Process Vouchers business subprocesses.</p> <p>If the Cash Checking error is on a returned deposit, and the agency has not made the updates to the source transaction in a timely manner, DFS updates the source transaction in Florida PALM.</p>
6	Monitor Fund	If the source transaction does not need an adjustment to the accounting and the decision is made to transfer cash to cover, the Fund Cash Processor returns to the Monitor Trust Fund Cash Balance Business Process to review disinvestment or loan alternatives for Trust Fund cash shortages.
7	Hold Transaction Until Cash Is Available	If there is a future deposit that provides enough cash to cover the transaction, then the transaction is held until the deposit is verified. After the deposit is verified, the transaction automatically passes Cash Check the next time the process runs.
8	Request Loan	If the anticipated cash shortage is not short-term and a deposit is not coming, the Fund Cash Checking Processor can request a loan as described in the 80.2.6 Manage Fund Loans business subprocess.
9	Override Cash Exception	<p>If the Cash Check error has not been resolved, the Fund Cash Checking Processor can decide if the Cash Check error should be overridden. If it will not be overridden, the Fund Cash Checking Processor returns to the Monitor Trust Fund Cash Balance Business Process to monitor and resolve the Cash Check error.</p> <p>If the cash check error is at a level lower than the Fund (e.g. sub fund, organizational code, project, or grant), the Fund Cash Processor can override the cash exception and the transaction continues processing. If the cash check error is at the Fund ChartField level, the Fund Cash Processor does not have the ability to override the cash check exception themselves and will proceed with submitting the override request form.</p>

Process Step ID	Process Step Title	Description of Process
10	Submit Override Request Form	If the Cash Check error is at the Fund level and the transaction exists outside an activity pay cycle run, the Fund Cash Checking Processor submits an override request form for a Fund Cash override to the DFS Override Processor to review and approve accordingly.
11	Override	The DFS Override Processor reviews the request to override cash and determines if an override may be granted. In limited cases where override is granted, the DFS Override Processor approves the request and overrides the fund cash check exception. The source transaction continues its transaction lifecycle.
12	Update Fund Cash Balance	Once the transaction is overridden, it is reprocessed through Fund Cash Checking to update the Fund Cash balance and then posts to the GL following the 10.2.1 Create and Approve Journals.
13	Notify Agency of Approval	After the DFS Override Processor approves the Override Request Form, the requester receives a notification.
14	Deny Request	If the DFS Override Processor determines that the override should not be granted, the request is denied.
15	Notify Agency of Denial	After the DFS Override Processor denies the Override Request Form, the requester receives a notification and the agency will need to monitor the Trust Fund cash balance.

Table 2: Invested Balance Checking

80.1.2 Invested Balance Checking		
Swim Lanes – Definition	DFS Investment Override Processor: DFS role responsible for overriding trust fund investment adjustment, redistribution, and disinvestment transactions GL Journal Processor: Agency or DFS role responsible for reviewing and resolving exceptions	
Process Step ID	Process Step Title	Description of Process
1	Run Invested Balance Checking	The Invested Balance Checking is an automated process or can be initiated on demand by the GL Journal Processor. Trust fund investment and disinvestment transactions created as described in the 10.2.1 Create and Approve Journals process are subject to invested balance checking. Investment and disinvestment journal entries will reflect a designated account type for invested balance checking. Account Types not applicable are excluded from this process and proceed with the transaction lifecycle.
2	Update Invested Balance	If the transaction does not generate an error, the transaction updates the invested balance and then proceeds with the transaction lifecycle via the 10.2.1 Create and Approve Journals.

Process Step ID	Process Step Title	Description of Process
3	Review Invested Balance Checking Errors	<p>If there is insufficient invested cash balance, the transaction fails Invested Balance Checking. The GL Journal Processor reviews the Invested Balance Checking errors to either update, request override, or delete the disinvestment journal entry.</p> <p>If the disinvestment needs to be updated or deleted, the GL Journal Processor completes the update following the 10.2.1 Create and Approve Journals business process.</p>
4	Submit Cash and Budget Override Request Form	If requesting an override, the GL Journal Processor submits the Cash and Budget Override Request Form to request DFS assistance and routes to the DFS Investment Override Processor via Workflow.
5	Override	If the disinvestment needs to be overridden, the DFS Investment Override Processor reviews the disinvestment transaction and overrides the transaction within Florida PALM.
6	Update Invested Balance	Once the disinvestment is overridden, the transaction updates the invested cash balance and then posts to the GL following the 10.2.1 Create and Approve Journals business process.
7	Notify Agency of Approval	After approval, the requester is notified that the transaction was overridden.
8	Deny Request	If the DFS Investment Override Processor determines that the override should not be granted, the request is denied.
9	Notify Agency of Denial	After the Override Request Form is denied, the requester is notified the transaction was denied. The requester determines the appropriate next step, following the 10.2.1 Create and Approve journals business process

Ledger Impacts

Table 2: Ledger Impacts Included on Business Process Flow Diagrams

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Cash Ledger – Cash Check	Decrease Spendable Cash
LI2	Invested Balance Ledger – Disinvestment Journal	Decrease Invested Cash
LI3	Cash Ledger – Disinvestment Journal	Increase Spendable Cash
LI4	Invested Balance Ledger - Investment Journal	Increase Invested Cash
LI5	Cash Ledger - Investment Journal	Decrease Spendable Cash

Reports

Table 3: Reports Included on Business Process Flow Diagrams

Report Number	Report Description	Report Frequency	Audience
R1	Cash Checking Exceptions – display cash check exceptions, including reasons for exceptions, and the length of time outstanding	Periodic	DFS Agencies
R2	Invested Balance Exceptions (online inquiry screen) – displays invested cash exceptions, including reasons for exceptions, and the length of time outstanding	Periodic	DFS, Agencies
R3	Invested Balance Override – all transactions for which the invested balance checking has been overridden	Periodic	DFS

Terminology

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.

Chart of Accounts (COA) – compilation of uniform data codes that are used for reporting governmental assets, liabilities, equities, revenues, and expenditures to the CFO. Uniform data codes capture specific details of the assets, liabilities, equities, revenues, and expenditures that are of interest to the public.

ChartField – the Florida PALM field that stores COA information and provides the basic structure to segregate and categorize transactional and budget data.

Fund – used by governmental units to control, monitor, and report on specific resources allocated/budgeted for a specific purpose.

General Revenue (GR) Fund – a Fund of all monies received by the State of Florida from every source, except for monies authorized by law to be deposited into Trust Funds and the Budget Stabilization Fund.

Invested Balance Check – the process by which Florida PALM validates that a sufficient invested balance is available in a Fund to cover a disinvestment, redistribution, or investment adjustment transaction.

Trust Fund – state account(s) established by the Legislature consisting of monies received by the State, which under law or under trust agreements are segregated for a purpose authorized by law.