

# 70.4 Process Bank Cash Transfers

**Revision History**

<b>Version</b>	<b>Date</b>	<b>Revision Notes</b>
1.0	07/30/2019	Accepted Version

## Table of Contents

General Information .....	4
Dependencies and Constraints .....	4
Business Process Overview .....	4
Business Process Flow Details .....	6
Ledger Impacts .....	7
Reports .....	8
Terminology .....	9

## 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

- Suppliers are eligible for electronic payments via Automatic Clearing House (ACH), Electronic Funds Transfer (EFT), and wire as the business need arises
- Wires are requested directly in the banking platform and are not generated via interface

## Business Process Overview

The Process Bank Cash Transfers business process is within the Treasury Management (TM) business process grouping. TM includes a collection of business processes that:

- Manage banking relationships;
- Manage investments and interest apportionment for agencies and external entities;
- Support reconciliation of the concentration bank account, agency sub-accounts, and the bank account balances to general ledger balances;
- Support the management of cash transfers between bank accounts; and
- Support agency requests of Treasury.

This business process addresses how Treasury and agencies will record and request bank account transfers within Florida PALM. This process also includes transmitting to the bank ACH/EFT payments to suppliers and recording the disbursement of wires within Florida PALM.

Florida PALM records requests to transfer money between bank accounts via ACH, EFT, and wire. These requests go through an internal workflow to review and approve prior to transferring the money. Once supplier payments are issued, the electronic disbursements are combined with the transfers between accounts. For wire payments, the Department of Financial Services (DFS), Division of Treasury (Treasury) requests the wire directly with the bank. For ACH and EFT payments, payment files are generated and transferred to the bank. Once received, the bank returns an acknowledgement file. The acknowledgement file updates Florida PALM to show the payments and transfers as complete. Treasury updates the wire disbursements manually, once they have been completed by the bank.



## 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: Process Bank Cash Transfers

70.4 – Process Bank Cash Transfers		
<b>Swim Lanes – Definition</b>	<p><b>Bank:</b> (Non-Florida PALM role) the banking partner by which bank accounts are provided</p> <p><b>Cash Transfer Approver:</b> agency or DFS role responsible for approving transfers between bank accounts</p> <p><b>Cash Transfer Processor:</b> agency or DFS role responsible for requesting transfers between bank accounts</p> <p><b>DFS Transfer Approver:</b> DFS Treasury role responsible for approving transfers between bank accounts</p>	
Proc ess Step ID	Process Step Title	Description of Process
1	Determine Transfer Details	Based on cash position needs determined within the Manage and Forecast Bank Cash Position business subprocess, the Cash Transfer Processor determines the amount and timing needed for the transfer of cash.
2	Request EFT Cash Transfer	When the cash transfer is not needed the same business day, the Cash Transfer Processor enters an EFT request. These requests include the transfer amount, account from which the money is being transferred, and account to which the money is being transferred.
3	Request Wire Cash Transfer	The Cash Transfer Processor enters wire requests when the cash transfer is needed the same business day. These requests include the transfer amount, account from which the money is being transferred, and account to which the money is being transferred.
4	Select Settlement	The Cash Transfer Approver reviews the EFT and wire requests for accuracy. If modifications are needed, the Cash Transfer Approver sends the transaction back to the Cash Transfer Processor. If the cash transfer request is correct, the Cash Transfer Approver approves the transaction. This routes the transaction to the Treasury Cash Transfer Approver.
5	Approve Settlement	The Treasury Cash Transfer Approver reviews the EFT and wire requests for accuracy. If modifications are needed, the Cash Transfer Approver sends the transaction back to the Cash Transfer Processor.

Process Step ID	Process Step Title	Description of Process
		If the cash transfer request is correct, the Treasury Cash Transfer Approver approves the transaction. This step stages the transaction for dispatch.
6	Request Cash Transfer from Bank	Transfers via wire (both cash transfer requests and payments to suppliers as described in the Process Pay Cycle business subprocess) are requested directly with the bank by entering the request in the banking partner's web portal.
7	Process Wire Cash Transfer	Once the request is released in the banking partner's web portal, the bank processes the wire and transfers the cash between accounts.
8	Dispatch Settlement	The Treasury Transfer Approver dispatches EFT and wire cash transfer requests in Florida PALM.
9	ACH/EFT Payment Interface	Florida PALM automatically sends an ACH/EFT interface file to the banking partner containing cash transfer requests, payments to suppliers, and prenotes for supplier accounts.
10	Receive ACH/EFT Cash Transfer Request	The banking partner receives the ACH/EFT interface file and processes the request.
11	ACH/EFT Acknowledgement File	Once the banking partner's system processes the ACH/EFT interface file, it generates an ACH/EFT Acknowledgement file to send to Florida PALM.
12	Import ACH/EFT Acknowledgement File	Florida PALM automatically imports the ACH/EFT Acknowledgement file when it is received. This confirms the bank has received the requests.
13	Process Cash Transfer Confirmation	For EFT cash transfer requests, the import ACH/EFT acknowledgement file automatically creates the confirmation. For wire cash transfer requests, the Treasury Cash Transfer Approver updates the wire requests to confirm the transfer after confirmation is obtained from the banking partner's web portal. The confirmation step allows Florida PALM to generate accounting entries for the transfers.
14	Generate Treasury Accounting	Florida PALM generates accounting entries for accounting events associated with EFTs and wires not generated in the Process Payments 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	Actuals Ledger – Bank Account Transfer	Increases Bank Account 1 Cash Decreases Bank Account 2 Cash
LI2	Actuals Ledger – Wire Transfer	Increases Expense Decreases Bank Account Cash

## Reports

*Table 3: Reports Included on Business Process Flow Diagrams*

Report Number	General Journal Entries Report	Report Frequency	DFS
R1	General Journal Entries Report – listing of Treasury accounting journal by type of entry	Periodic	DFS

## Terminology

**Automatic Clearing House (ACH)** – debit transactions generated by Florida PALM to move money between accounts or pay suppliers using the ACH network.

**Concentration Account** – depository account used by the Treasury to deposit cash received by the State. The Concentration Account has sub-accounts with unique identifiers to track balances by agency and location.

**Electronic Funds Transfer (EFT)** – the electronic transfer of money from one bank account to another, either within a single bank or across banks. EFTs are used for internal transfers or supplier payments.

**Wire** – the direct and immediate electronic transfer of money from one bank account to another across banks.