10.3 Analyze and Reconcile Accounts

Florida PALM
Planning, Accounting, and Ledger Management

Department of Financial Services

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Revision: 2.1

Revision History

Version	Date	Revision Notes
1.0	07/30/2019	Accepted Version
2.0	04/29/2021	Accepted Departmental Version
2.1	01/24/2022	Updates per Financials Wave Module Workgroup Sessions

Table of Contents

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

Florida PALM screenshots are included within the sections following the Business Process Flow Diagrams to allow connections to be made from specific business subprocess steps to screens within Florida PALM.

Also described below are the Ledger Impacts, Interfaces and Key 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. Key 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. Interface IDs are provided for each interface identified on the Business Process Flow Diagrams.

Tables are included to identify the Conversions, Forms, Workflows, and Stakeholder Configurations related to this Business Process. These items may not be included within the Business Flow Diagrams; however, these items are important elements of each Business Process as a whole.

Finally, included in the Terminology section are definitions of terms to 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

- The Department of Financial Services (DFS) is the owner of Florida PALM
- State agencies and the judicial branch are responsible for maintaining accounting records necessary for the effective management of their programs and functions
- The Department of Financial Services (DFS) publishes fiscal year (FY) end closing memorandums that provide instructions, guidance, and deadlines
- The DFS State Expenditure Guide provides agencies guidance on classifying the obligations the state has incurred

- The DFS Statewide Financial Statements Guidance provides agencies additional guidance on accounting policies related to performing close.
- The Government Accounting Standards Board establishes accounting and financial reporting standards for U.S. state and local governments that follow the Generally Accepted Accounting Principles (GAAP)

Business Process Overview

The Analyze and Reconcile 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.

The Analyze and Reconcile Accounts Business Process addresses the execution of the period close, and the corresponding agency reconciliation process. Period close within Florida PALM occurs monthly and is controlled by DFS. DFS communicates with agencies if changes occur to the close schedule. This business process includes optional functionality for the allocation of costs.

The business subprocess included are:

- 10.3.1 Perform Month-End Close
- 10.3.2 Perform Allocations

To begin the fiscal month recording and processing, DFS opens the accounting period for agencies. Transactions process in the source modules on a continuous basis within Florida PALM. During the open period, agencies proactively review, monitor, and correct transactions that are in an exception status. For example, a voucher that fails budget check does not post within Florida PALM and is held in an exception status until either the voucher is deleted, modified, or the budget deficit is addressed.

At the end of the period, DFS closes the source modules to prevent further processing within the period. By utilizing Florida PALM reports, inquiry screens, and drill down capability, agencies can perform the period end reconciliation to ensure transactions and balances are accurate and reportable. If balances require corrections, agencies can enter a correcting transaction within the appropriate source module for the current period. If the source module period has closed, agencies can alternatively make adjustments to balances directly in the general ledger (GL) for the prior period using a GL journal entry. GL balances update as agencies process corrections and are available for reporting purposes. Adjustments made directly in the GL will not be reflected in source modules. DFS officially closes the prior period by closing the GL for the prior period.

Florida PALM offers an allocation process, which calculates the allocation amount, creates the journal entries, and posts balanced allocation entries. DFS and agencies must establish the criteria for allocations, test and deploy the criteria prior to use. DFS and agencies may access the data to perform allocations throughout the period. Agencies will review and analyze the data to ensure accuracy. If corrections are needed, the data is corrected within Florida PALM. Agencies

decide how to perform the allocation process, either within Florida PALM or by using an agency business system. Agencies using agency business systems to perform the allocation will export the data from Florida PALM for use by agency business systems. Once the allocation process is complete within the agency business system, agencies create GL Journals to have the allocated amounts posted within Florida PALM.

Business Process Flow Details

The tables below describe steps in each business subprocess as reflected on the Business Process Flow Diagrams. The tables also reflect 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 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.

10.3.1 – Perform Month-End Close

Table 1: Perform Month-End Close

10.3.1 – Perform Month-End Close	
Module	**General Ledger**
Related Module(s)	**Commitment Control, Accounts Payable, Accounts Receivable, Billing, Project Costing/Grants, Fixed Assets**
Swim Lanes – Definition	**Agency GL Reconciliation Processor:** agency role responsible for GL close activities **DFS GL Close Processor:** DFS role responsible for enterprise-level GL close activities

Process Step ID	Process Step Title	Description of Process
1	Open Current General Ledger and Source Module Period	A DFS Close Processor opens the GL and source module periods for the current month to allow agencies to transact as needed. As a part of the year end preparation activities, DFS creates and communicates the year end closing schedule and defines the closing rules. During the final month of the fiscal year, DFS opens the current GL and Source Modules for agency operations.
2	Proactively Monitor Transaction Exceptions	Throughout the month, Agency GL Reconciliation Processors proactively monitor transaction exceptions by reviewing and analyzing all transactions that have either Edit, Cash, or Budget exceptions. Processors review the GL workcenter to view Journals with Commitment Control Exceptions or Edit Errors. For other transactions that have errors, the Processor can run the Budget and Cash Checking Exception Report. Proactive reconciliation helps limit the number of corrections at month-end. Florida PALM

Process Step ID	Process Step Title	Description of Process
		inquiry screens such as the budget overview screen, budget detail, commitment control activity log, and journal inquiry screens are available for agency use in managing exceptions. As the month end is nearing, the Agency GL Reconciliation Processor reviews the worklist to see Journals Approaching Period End. The Agency GL Reconciliation Processor can work with the Agency GL Journal Processor to get the journals processed before the closing occurs.
3	Request Correction in Appropriate Source module	If exceptions are found during the review of exception reports, the Agency GL Reconciliation Processor requests or initiates corrections resolve the exception in the source module. Errors should be addressed prior to close of the period in source modules. If addressed subsequent to period close, the transaction will be reflected in the next open period.
4	Close Current Source Module Period	At the end of the month, the DFS Close Processor closes the source module period for the month based on the predetermined schedule. Agencies begin transacting in the GL and source module periods for the new month.
5	Run and Analyze Month-End Data	Agency GL Reconciliation Processors review and analyze data to ascertain if in compliance with agency accounting and reporting needs. Analyses may include system generated reports, inquiry screens, queries, and/or data provided by the Trial Balance Report, Budget and Cash Checking Exception Report, and the Journals Not Posted in Closed Period in the workcenter.
6	Request Correction	If reconciling items exist, Agency GL Reconciliation Processors determine if an adjustment is needed in the GL or if a correcting entry in the source module is appropriate. The Agency GL Reconciliation Processor requests or initiates corrections in the appropriate source module. Once corrections are made, the Agency GL Reconciliation Processors review data and reports to ensure corrected items were fixed appropriately and to make sure no additional reconciling items are outstanding. If the adjustment should be made in the GL, the Agency GL Reconciliation Processors initiate a GL Journal as outlined in Business Process Model 10.2.1 Agency Create and Approve Journals. Once corrections are made, the Agency GL Reconciliation Processors will review data and reports to ensure corrected items were fixed appropriately and to make sure no additional reconciling items are outstanding.

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Process Step ID	Process Step Title	Description of Process
7	Close Current General Ledger Period	If this process does not occur at fiscal year end, the DFS GL Close Processor closes the open GL period for the prior month. Once the prior period GL period is closed, the balances cannot be updated for this period.
8	Perform Year-End Activities	If this process occurs at fiscal year end, the Agency GL Processor performs year-end activities including initiating agency accrual entries, completing any necessary DFS forms, and performing final reconciliations to ensure balances are accurate for reporting purposes. Agencies analyze data from inquiry screens, queries, and data from any available reports. The Agency GL Reconciliation Processor works with the Agency Financial Statement Processer as outlined in Business Process10.4 Close GL and Consolidate Results to assist in compiling data needed to support accrual or adjusting entries.

Figure 1: Ledger Close Request Page

10.3.2 – Perform Allocations

Table 2: Perform Allocations

10.3.2 – Perform Allocations	
Module	**General Ledger**
Related Module(s)	**Commitment Control, Accounts Payable, Accounts Receivable, Billing, Project Costing/Grants,**
Swim Lanes – Definition	**DFS GL Allocation Processor:** role responsible for configuring and maintaining Enterprise or agency allocations

Process Step ID	Process Step Title	Description of Process
1	Determine need for Allocation	The agency or Enterprise determines the need for a new allocation or the need to modify an existing allocation configuration.
2	Configure or Update Allocation Steps	Based on the agency needs, the DFS GL Allocation Processor will create or update the configuration for the allocation following the appropriate system steps, i.e., selecting the type of allocation needed, defining the allocation pool, defining the allocation basis...
3	Test Allocation Steps	Once the allocation has been configured, the allocation must go through extensive testing to ensure the allocation is working appropriately. Allocations which do not yield the desired results must be reconfigured and tested. Allocations which pass testing are implemented and ready to be run based on agency needs.
4	Review Pool Data	The pool data identified for the allocation is reviewed by the agency. Pool data represents data stored within Florida PALM. The data can be ledger balances, data available on any table or a fixed amount, for example, expenditure transactions for cost allocations, cash transactions for interest apportionment allocations, etc.
5	Request Edit and Update Pool Data	Upon review, the DFS GL Allocation Processor confirms whether corrections are required before proceeding with the allocation process. If there are identified modifications, the GL Allocation Processor requests edits and updates the transactions as appropriate. Requests are completed by either inputting adjustments in the GL via a GL Journals or correcting source module transactions.
6	Run Allocations Process	Agencies have the option to run allocations in Florida PALM or externally in agency business systems. For allocations to be run in Florida PALM, the DFS GL Allocation Processor initiates the allocation process run based on the allocation rules and configurations to appropriately create and post additional GL Journal transactions to affect balances appropriately. The DFS GL Allocations Processor reviews the Allocation Calculation Log to confirm results of the allocation. Business Process Model 70.7.2 Distribute Interest Apportionment runs the appropriate interest allocation to create GL Journals to post the results of the interest apportionment.
7	Outbound Actuals Extract	For allocations that are run externally, the actuals ledger data is exported from Florida PALM to agency business systems, to establish the starting point to begin allocations.

Process Step ID	Process Step Title	Description of Process
8	Perform External Allocations	Once the agency business system receives the Florida PALM extract, agencies can begin allocations. Agencies are responsible to create and maintain allocation rules that are external to Florida PALM. Once complete, the Agency GL Processors import their allocation results into Florida PALM to be recorded in the ledger and update balances as GL Journals via the Enter and Process Journals Business Process.

Figure 2: Allocation Request Page.

Ledger Impacts

Table 3: 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

Key Reports

Table 4: Reports Included on Business Process Flow Diagrams

Report Number	Report Description	Report Frequency	Audience
R1	**KKR058 - Budget and Cash Checking Exceptions Report** – Report that lists budget and cash check exceptions along with balances.	Periodic	Agency
R2	**GLR134 - Journals Approaching Period End (WorkCenter)** – Used to display a list of journals that are not posted but are within a user-specific number of days from the current date to the period end date.	Periodic	Agency
R3	**GLR099 - Trial Balance Report** – Report that lists debit and credit activity by ChartField and date.	Periodic	Agency
R4	**GLR135 - Journals Not Posted in Closed Period** – Used to display a list of journals that are not posted and are in a closed accounting period where the journal date is less than the calendar Open From date.	Periodic	Agency
R5	**GLR100 - Reconciliation by ChartField Report** – report to display reconciled and unreconciled balances by ChartField and source module	On demand	Agency
R6	**GLR167 - Allocations Calculations Log** – Report which lists the allocation calculations that the specified process steps perform within a process instance	On demand	Agency

Note: A complete list of reports may be found in the Reports Catalog[1].

Conversions

Table 5: Data Converted from External System to Florida PALM

Conversion Number	Conversion Description	Conversion Frequency	Source
N/A			

Note: A complete list of conversions may be found in the Catalog of Conversion Offerings[2]. This is a protected publication that requires login. If your business or technical teams do not currently have access to the Smartsheet Florida PALM Dashboard, contact your Readiness Coordinator to request their access.

Interfaces

Table 6: Interfaces Included on Business Process Flow Diagrams

Interface Number	Interface Description	Interface Frequency	Source	Target
GLI002	**Outbound Actuals Extract** – Outbound interface containing transactions posted to the Actuals ledger for external systems.	Daily	Florida PALM	Agency Business Systems

Note: A complete list of interfaces may be found in the Catalog of Interface Offerings[3]. This is a protected publication that requires login. If your business or technical teams do not currently have access to the Smartsheet Florida PALM Dashboard, contact your Readiness Coordinator to request their access.

Forms

Table 7: Forms Included on Business Process Flow Diagrams

Form Number	Form Description	End User Role
N/A		

Workflows

Table 8: Workflows Included on Business Process Flow Diagrams

Workflow Number	Workflow Description	End User Role
N/A		

Agency Configurations

Table 9: Configurations Defined and/or Maintained by Agencies

Configuration Number	Configuration Description	Frequency
N/A		

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[2] https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQGjh4wvP676gf2h4mf57hP1
[3] https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQGjh4wvP676gf2h4mf57hP1

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Terminology

Accounting Period – represents fiscal month where detailed transactions from respective source modules and net activity in the GL is posted for a set of ChartField values. Accounting periods are segregated by respective sub modules and GL. This provides the ability to control and restrict recording and processing by modules.

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

Allocation – process of distributing cost to a cost object or revenue, using a rational basis of apportionment.

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.

Exception Report – system generated report listing transactions or journals that did not successfully pass Florida PALM requirements.

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 sub-ledgers or process areas.

GL Journal – accounting entries recorded directly in GL to update or transfer balances.

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

Reconciliation – the process of validating the State of Florida accounting balances are accurate and available for reporting.