

30.4 Process Payments

This document is a draft and subject to change

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	4
Dependencies and Constraints	4
Business Process Overview	5
Business Process Flow Details	5
30.4.1 – Process Pay Cycle.....	5
30.4.2 – Process Warrant Payments	8
Ledger Impacts	10
Key Reports	10
Conversions	11
Interfaces	11
Forms	12
Workflows	12
Agency Configurations	13
Terminology	14

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 Agency 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 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

- Payment terms are identified in the supplier record.
- Payment terms may be updated on the voucher.
- Suppliers must have an approved record and have no holds to receive payment.
- Posted vouchers identify the applicable schedule date for payment processing.
- The Pay Cycle includes selection parameters to process applicable payments.
- An interface between the bank and Florida PALM Financial Gateway is established.

Business Process Overview

The Process Payments business process is within the Disbursements Management (DM) business process grouping. DM includes a collection of business processes that:

- Manage supplier information, including demographic and payment information for tax withholding and reporting purposes;
- Support the disbursement process for State obligations from encumbrance through payment request, payment creation, and escheatment; and
- Perform month-end and year-end closing activities.

The Process Payments business process includes the payment of scheduled payments in the pay cycle process, the application of any payment flags and holds, and the creation of warrants and electronic payments.

The business subprocess included are:

- 30.4.1 – Process Pay Cycle
- 30.4.2 – Process Warrant Payments

The Process Payments business process consists of business subprocesses that include selecting vouchers scheduled for payment, creating electronic and warrant payments, verifying sufficient cash is available for creating the payments, transmitting Electronic Funds Transfer (EFT) and Automated Clearing House (ACH) files to the bank, and creating payment registers, remittance advices, and information required for transparency sites.

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.

30.4.1 – Process Pay Cycle

Table 1: Process Pay Cycle

30.4.1 – Process Pay Cycle	
Module	Accounts Payable
Related Module(s)	N/A
Swim Lane – Definition	Agency AP Processor – agency role responsible for entering invoices, voucher corrections and issuing and maintaining disbursements in Florida PALM

This document is a draft and subject to change

<p>Bank: (Non-Florida PALM role) any financial institution providing banking services to the State of Florida DFS AP Payment Processor: enterprise role responsible for managing and issuing disbursements of warrants and ACH/EFT payments across all agencies</p>		
Process Step ID	Process Step Title	Description of Process
1	Eligible Vouchers Ready for Payments	<p>All approved disbursements (vouchers, travel, etc.) are loaded for payment scheduling based on the payment terms from the supplier profile or on the voucher.</p> <p>The Process Pay Cycle business subprocess schedules payments when the vouchers are posted.</p>
2	Suppliers Ready for Prenote Validation	Suppliers that add or update their payment method to Automated Clearing House/Electronic Funds Transfer (ACH/EFT) are scheduled for prenote validation.
3	Schedule Payment	<p>Florida PALM selects vouchers for payment based on the payment terms from the supplier profile, or on the voucher, and the criteria for the pay cycle, such as: pay through date, bank account, agency, and payment method (ACH/EFT or warrant).</p> <p>A Scheduled Payments Report identifies the payments that are scheduled as part of the pay cycle.</p>
4	Run Pay Cycle Payment Selection	<p>This step initiates the pay cycle, determines the vouchers for payment based on the payment selection criteria, and processes all scheduled vouchers for payment creation.</p> <p>The Wire Payments Report shows any payments in which the payment method was changed to wire, as this is not a standard payment method.</p>
5	Run Cash Check	The selected payments must pass cash checking to continue processing. If cash is not available, the applicable payment transaction fails cash checking. Cash check errors are resolved via the Manage Cash Checking business subprocess.
6	Review Cash Check Exceptions	<p>Cash exceptions are addressed in the Manage Cash Checking business process. The Agency AP Processor may update or close the voucher, as needed within the Enter and Process Voucher business process.</p> <p>The Budget and Cash Checking Exceptions Report is available for review.</p>
7	Run Payment Creation Process	Supplier payments are generated in accordance with the prescribed payment format (ACH/EFT or Warrant) If the payment method is warrant, then a Positive Pay File is created. The Positive Pay File is an input for the book to bank reconciliation, and is a control used by the bank to validate the warrants when presented to the bank.

This document is a draft and subject to change

Process Step ID	Process Step Title	Description of Process
		<p>Payments created as part of prenote validation are sent the bank in the outbound files for validation.</p> <p>The Payment Register Report lists all payments made as part of the Pay Cycle.</p>
8	Outbound ACH/EFT CTX	An outbound interface containing detailed ACH/EFT information to send to the bank in the CTX format.
9	Outbound ACH/EFT CCD+	An outbound interface containing detailed ACH/EFT information to send to the bank in the CCD+ format.
10	Process ACH/EFT Files at the Bank	The bank receives the ACH/EFT files and processes them and sends an acknowledgement and return payment file to Florida PALM within the Manage Payments business process.
11	Remittance Advice Email	A supplier that has an email address set up in their supplier profile can be emailed payment advice for electronic payments. A payment advice report can be generated during the payment creation which can then be printed and mailed to the supplier.
12	Outbound Payment Remittance Advice Data	An outbound interface file containing payment remittance data is provided to external systems.
13	Payment Post	<p>Payment Post creates accounting entries from payment-related transactions, such as manual payments, drafts, ACH/EFT payments, and cancelled payments. These accounting entries are stored in the General Ledger.</p> <p>Following Payment Post, automatic bank reconciliation is initiated within the Manage and Reconcile Bank Statements business process.</p> <p>The DFS AP Approver uses the Post Audit Sampling Report to manage payments subject to post audit sampling.</p> <p>Florida PALM produces a Prompt Payment Compliance Report that identifies agency prompt payment compliance and interest paid.</p> <p>The Payment Discounts Report identifies cash discounts received for payments made in compliance with supplier payment terms.</p> <p>The Payment Detail Report is a listing of warrant and electronic payment details and statuses (cleared, outstanding, cancelled, or reissued) for all payments.</p> <p>Auto deposits are processed using the Direct Journal Deposits or AR Deposits business subprocesses.</p>

This document is a draft and subject to change

Process Step ID	Process Step Title	Description of Process
14	Outbound Payment Extract	An outbound interface flat file or web service that provides payment detail information to FFMS and agency business systems, as well as internally and externally managed transparency websites and source data systems, including: State of Florida Transparency Portal, Vendor Payment History, and FACTS. .
15	Create Annual Calendar File	A file of eligible working days is created outside of Florida PALM and sent to agencies to process payments as part of year end activities.

30.4.2 – Process Warrant Payments

Table 2: Process Warrant Payments

30.4.2 – Process Warrant Payments		
Module	Accounts Payable	
Related Module(s)	N/A	
Swim Lane – Definition	Bank: (Non-Florida PALM role) any financial institution providing banking services to the State of Florida DFS AP Payment Processor: enterprise role responsible for managing and issuing disbursements of warrants and ACH/EFT payments across all agencies DFS Warrant Printer: (Non-Florida PALM role) enterprise role responsible for printing warrants	
Process Step ID	Process Step Title	Description of Process
1	Create Positive Pay File	The DFS AP Payment Processor produces the Positive Pay File in Florida PALM for the payments created.
2	Create Warrant Print File	If there are warrants to be printed, a warrant file is generated to be sent to the printer. Payment is made through warrant when a supplier's payment method is set to warrant, if the prenote validation is not complete, or if an electronic payment has been returned.
3	Outbound Warrant Data Print Extract	Florida PALM processes the Warrant Data Print Extract file and sends the warrants for that particular Pay Cycle to the warrant printer.
4	Print Warrants	The DFS Warrant Printer prints the warrants received in the Warrant Data Print Extract file and provides them to the DFS AP Payment Processor for distribution. The DFS Warrant Printer uses the count of warrants to be produced within the Warrant Data Print Extract file validate the number of warrants printed.
5	Receive/Sort/Distribute Warrants	After all warrants have been printed, they are distributed and mailed to the suppliers.
6	Outbound Positive Pay File	The Positive Pay File identifies all warrants issued for the Pay Cycle and is sent to the issuing bank.
7	Process Positive Pay File at the Bank	The bank uses the Positive Pay File to match the warrants issued with those presented to the bank to be

This document is a draft and subject to change

Process Step ID	Process Step Title	Description of Process
		deposited or cashed. The bank compares the information it has on file with each warrant presented and any warrant considered to be potentially fraudulent is sent back to the issuer for examination.

DRAFT

This document is a draft and subject to change

Ledger Impacts

Table 3: Ledger Impacts Included on Business Process Flow Diagrams

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Budget Ledger – Cash Check	Decreases Cash Decreases Liability This entry posts for payments that pass the cash check.
LI2	Actuals Ledger – Record Payments	Decreases Asset Decreases Liability

Key Reports

Table 4: Key Reports Included on Business Process Flow Diagrams

Report Number	Report Description	Report Frequency	Audience
R1	APR007 - Scheduled Payments Report – a listing of payments scheduled to be made as part of the Pay Cycle	Periodic	Agency, DFS
R2	APR029 - Wire Payments Report – a listing of suppliers with payment method changed to wire for the current Pay Cycle	Periodic	Agency, DFS
R3	KKR058 - Budget and Cash Checking Exceptions Report – lists budget and cash check exceptions along with balances.	Periodic	Agency, DFS
R4	APR021 - Payment Register Report – a listing of electronic, warrant, or manual payments made as part of the Pay Cycle	Periodic, Monthly	Agency, DFS
R5	APR015 - Remittance Advice Report – a report that contains remittance advice details (i.e., business unit, invoice number, and invoice date) for payments generated during a particular payment cycle	Periodic	Agency, DFS
R6	APR098 - Post Audit Sampling Report – a report to manage payments subject to post audit sampling	Periodic, Monthly	DFS
R7	APR001 - Prompt Payment Compliance Report – a report that measures the time elapsed between receipt of invoice, receipt of goods and services, approval of goods and services and payment date by Business Unit	Periodic, Monthly, Annually	Agency, DFS

This document is a draft and subject to change

Report Number	Report Description	Report Frequency	Audience
R8	APR034 - Payment Discounts and Discounts Lost Report – A report that lists discounts received for payments made in compliance with supplier payment terms and payments made that were not in accordance with supplier payment terms	Periodic, Monthly, Annually	Agency, DFS
R9	APR032 - Payment Detail Report – a report that lists warrant and electronic payment detail and status (cleared, outstanding, cancelled, or reissued) for all payments	Periodic, Monthly	Agency, DFS

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
API004	Outbound Payment Extract File – Outbound interface containing payment information to FFMS and agency business systems, as well as internally and externally managed transparency websites and source data systems, including: State of Florida Transparency Portal, Vendor Payment History, and FACTS	TBD	Florida PALM	Agency Business Systems, Transparency Sites
API005	Outbound Positive Pay File – Outbound interface containing detailed warrant information to	TBD	Florida PALM	JPM Chase

¹ <https://app.smartsheet.com/b/publish?EQBCT=a8d51896f0144ef6a87314b3c7824ba5>

² <https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQJh4wvP676gf2h4mf57hP1>

This document is a draft and subject to change

Interface Number	Interface Description	Interface Frequency	Source	Target
	the bank to facilitate warrant clearance			
API007	Outbound Warrant Data Print Extract – Outbound interface containing warrant data for printing warrants via the external printer application system	TBD	Florida PALM	FLAIR
API010	Outbound Payment Remittance Advice Data – Outbound interface containing payment remittance data provided to external systems	TBD	Florida PALM	Agency Business Systems
API122	Outbound Payment Extract Web Service – Outbound Web Service that provides payment information to agency business systems by request	TBD	Florida PALM	Agency Business Systems
CMI002	Outbound ACH/EFT CTX – Outbound interface containing detailed ACH/EFT information sent to the bank in the CTX format	TBD	Florida PALM	JPM Chase
CMI016	Outbound ACH/EFT CCD+ – Outbound interface containing detailed ACH/EFT information sent to the bank in the CCD+ format	TBD	Florida PALM	JPM Chase

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	Frequency	Audience
N/A			

Workflows

Table 8: Workflows Included on Business Process Flow Diagrams

Workflow Number	Workflow Description	Frequency	Audience
N/A			

³ <https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQGjh4wvP676gf2h4mf57hP1>

Agency Configurations

Table 9: Configurations Defined and/or Maintained by Agencies

Configuration Number	Configuration Description	Frequency
N/A		

DRAFT

Terminology

Financial Gateway – a tool that facilitates payment transactions between Florida PALM and the bank.

Pay Cycle – the process of selecting eligible vouchers for payment creation.

Payment – an exchange of funds to compensate or discharge an obligation.

Prenote Validation – Florida PALM sends the supplier's bank account information to the bank for validation to allow the supplier record to be set up to allow the supplier to receive payments via the ACH/EFT payment method.

Supplier – all individuals or entities receiving a payment are referred to as suppliers in Florida PALM.

Supplier Location – defines how to conduct business with a supplier. Supplier location contains information such as payment terms, withholding configuration, payment method, and bank account details.

DRAFT