

## 30.7 Manage AP/PO Transactions

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## Revision History

Version	Date	Revision Notes
1.0	10/19/2020	Accepted Version
1.1	01/24/2022	Updates per Financials Wave Module Workgroup Sessions

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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 located as appendix to this document.

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
- **Process Step Title** – A short description assigned to each process step
- **Description of Process** – A detailed narrative description of the process step
- **Ledger Impacts ID** – The number assigned to the documented accounting entry associated with the 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

- Any Accounts Payable (AP) transactions not completed prior to period close are completed in the subsequent period
- The Manage Accounts Payable Transactions Business Process is dependent on transaction processing in the normal course of business and resolution of failed transactions in the appropriate period.
- Journal entries are accounted for as part of the normal business processes.

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- An Agency AP Processor is responsible for the generation of journals for the Accounts Payable Module and for updating the accounting dates.
- Payments are issued and cancelled in Florida PALM.
- Agencies use inquiry access in Florida PALM to monitor reports for transaction errors.
- Agencies review Florida PALM reports to manage AP transaction errors or delays (i.e., pending DFS voucher approvals).
- AP transaction errors may be resolved in Florida PALM through completion of activities in other modules, closing or deleting the voucher, or updating the ChartField values on a voucher.

## **Business Process Overview**

The Manage AP/PO Transactions business process is within the Disbursement 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 Manage AP/PO Transactions business process highlights the activities to be completed in preparation to close the Accounts Payable Module and Purchasing Module. The Manage AP/PO Transactions business process is applicable to both the month end and year end close. The completion of these closing tasks monthly facilitates a timely year end close for the AP and PO modules. The Agency AP Processor oversees the completion of accounts payable and encumbrance tasks such as the following: collecting and paying all outstanding invoices and expense payments, monitoring and managing encumbrance balances, resolving accounting and budget exceptions for vouchers and payments, recording revolving fund payments or other manual payments, and completing required voucher approvals to schedule payments (and corrections) prior to the last pay cycle for the period to be closed.

The period close activities are intended to monitor and manage agency business operations and facilitate statewide reporting purposes. Monthly review and close-out of pending transactions are performed by authorized agency users. System jobs are run to update pertinent modules and the Accounts Payable Module is reconciled to the General Ledger.

At the end of the period, DFS closes the source modules to prevent further processing within the period.

## Business Process Flow Details

The table below describes steps in the business process 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 either an agency or an enterprise role. 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 Business Process Flow Diagram may reflect vertical swim lanes to further designate information such as systems or time intervals.

### 30.7 – Manage Accounts Payable Transactions

Table 1: Process Steps Included in Business Process Model Flow

30.7 Manage Accounts Payable Transactions		
Module	Accounts Payable and Purchasing	
Related Module(s)	Purchasing Commitment Control	
Swim Lanes – Definition	<b>Agency AP Processor:</b> agency role responsible for managing accounts payable transactions <b>Agency PO Encumbrance Processor:</b> agency role responsible for entering encumbrances into Florida PALM	
Process Step ID	Process Step Title	Description of Process
1	Review Payment Register Report	Review the Payment Register report in Florida PALM to identify electronic, warrant, or manual payments that have been issued.
2	Review Accounts Payable Aging Report	Review the Accounts Payable Aging report in Florida PALM to identify vouchers that are pending approval.
3	Review Budget Exceptions	Review the Budget Exceptions Inquiry Page in Florida PALM and the Budget and Cash Exceptions Report to identify vouchers with budget exceptions.
4	Review Cash Exceptions	Review the Cash Exceptions Inquiry Page in Florida PALM and the Budget and Cash Exceptions Report to identify vouchers with cash exceptions.
5	Resolve Exceptions	<p>The Agency AP Processor uses the information provided in the reports to determine appropriate actions needed to resolve budget, cash, and accounting exceptions. Refer to the Process Vouchers, the Budget Execution and Management, and the Manage Cash Checking business processes for information on resolving exceptions.</p> <p>The Agency AP Processor may close a posted voucher to resolve an error or delete an unposted voucher.</p>
6	Manage Encumbrances	Review available encumbrance reports (i.e., Outstanding Encumbrance Errors report and the Match Exceptions report) to determine if there are outstanding encumbrance errors to resolve, if encumbrances need to be closed, or new encumbrances need to be recorded.

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Process Step ID	Process Step Title	Description of Process
7	Resolve Exceptions	The Agency PO Encumbrance Processor uses the information provided in the reports to determine appropriate actions needed to resolve budget and accounting exceptions for encumbrances. Refer to the Create and Maintain Encumbrances and the Budget Execution and Management business processes for information on resolving exceptions.

## Ledger Impacts

Table 2: Ledger Impacts Included on Business Process Model Flow Diagrams

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Actuals Ledger – Close Voucher	Decreases Expenditure Decreases Liability

## Key Reports

Table 3: Key Reports Included on CW Business Process Model Flow

Report Number	Report Description	Report Frequency	Audience
R1	<b>APR021 - Payment Register Report</b> – a listing of electronic, warrant, or manual payments made as part of the payment cycle, and any offsets applied to those payments	Periodic, Monthly	Organizations
R2	<b>POR009 - Outstanding Encumbrance Errors Report</b> – a report which lists unresolved encumbrance exceptions	Periodic, Monthly	Organizations
R3	<b>KKR058 - Budget and Cash Checking Exceptions Report</b> – A list of budget and cash exceptions along with balances		

**Note:** A complete list of reports may be found in the [Reports Catalog](#)<sup>1</sup>.

## Conversions

Table 4: 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](#)<sup>2</sup>. This is a protected publication that requires login. If your business or technical teams do not currently

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

<sup>2</sup> <https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQGjh4wvP676gf2h4mf57hP1>

have access to the Smartsheet Florida PALM Dashboard, contact your Readiness Coordinator to request their access.

## Interfaces

Table 5: Interfaces Included on Business Process Flow Diagrams

Interface Number	Interface Description	Interface Frequency	Source	Target
N/A				

**Note:** A complete list of interfaces may be found in the [Catalog of Interface Offerings](#)<sup>3</sup>. 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 6: Forms Included on Business Process Flow Diagrams

Form Number	Form Description	Frequency	Audience
N/A			

## Workflows

Table 7: Workflows Included on Business Process Flow Diagrams

Workflow Number	Workflow Description	Frequency	Audience
N/A			

## Agency Configurations

Table 8: Configurations Defined and/or Maintained by Agencies

Configuration Number	Configuration Description	Frequency
N/A		

## Terminology

**Accounts Payable Period Close** – the process that clears the balances of temporary accounts to be ready for the next accounting period.

**Basis Date** – a date field in Florida PALM used to calculate compliance with the prompt pay criteria and to calculate any interest due to suppliers for late payments.

**Budget Check** – compares the transaction to available spending authority. If there is available spending authority, the transaction continues processing. If there is not available spending

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



authority, then the transaction stops. Budget Check exceptions are resolved via the Budget Execution and Management business process.

**Business Unit** – an operational subset of an organization, which enables tracking of specific business information for reporting and other data consolidation.

**Encumbrance** – amount of budget committed for the payment of goods and/or services.

**General Ledger** – a master set of accounts in which an entity's financial transactions are recorded in detail or in summary format. Serves as a central repository for accounting data transferred from all sub-ledgers or process areas.

**Posting** – the process that posts journal data to the General Ledger (the LEDGER table).

**Voucher** – a digital record created within Florida PALM to make a payment to an external entity such as a supplier.

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