

Meeting Details

Meeting Date	Tuesday, April 27, 2015	Meeting Time	1:30 pm to 4:30 pm
Meeting Location	Betty Easley Conference Center, Room 166		
Meeting Objective	Procurement to Payment (P2P) - Level 2 - Workgroup #2: Review and Discuss Draft Level 2 Flows and Narrative		
Attendees:	<p><u>Level 2 SMEs:</u> Sharon Bussey (FWC); Rachel Bozeman (FWC); Darinda McLaughlin (DEP); Kelly McMullen (DMS); Maureen Livings (DMS); Anne Rabon (DMS-MFMP); Masumi Das (JAC); Dina Kamen (JAC); Wayne Mayer (JAC); Vicki Nichols (JAC); James Dewayne Baxley (HSMV); Barbara Vaughn (HSMV); Vonda Murray (DOS); Lee Ann Hebenthal (DOS); Kim Holland (DFS); Angie Martin (DFS); Debra Owens (DACS); Vianka Apellaniz (DACS); Christy Hutchins (DACS); Joanne Lane (DOH); Roger Twitchell (DOH); Nancy Quaney (DOH)</p> <p><u>Florida PALM BPS P2P Team:</u> Deb Gries, State Lead; Alden Schiller, EY Lead; Robin Chichester, EY Process Analyst; Mark Fairbank, Gary Schneider, Nathan Frey, Anja Allen, EY; Julian Gotreaux, Angie Robertson, Deana Metcalf, Stanton Beazley, Robert Hicks, State</p>		
Attachments/ Related Documents	P2P Level 2 Process Flows: <ul style="list-style-type: none"> Revised Workflow #2: Payment Process – Invoice (PCard, Direct Load) through Voucher, Workflow #3: Payment Process – Voucher through Payment P2P Level 2 Process Narrative - Draft		

Meeting Topics

Topic	Presenter	Allotted Time
<ul style="list-style-type: none"> Introduction and Welcome General Housekeeping / Introduction 	Julian Gotreaux	15 min (1:30 pm-1:45 pm)
<ul style="list-style-type: none"> Review Workgroup Meeting 1 Discussion and Meeting Notes Discuss Resulting Changes to Draft L2 Flows: <ul style="list-style-type: none"> Workflow #2: Payment Process – Invoice (PCard, Direct Load) through Voucher 	Deb Gries	30 min (1:45 pm-2:15 pm)
<p>Process Workflow #2: Invoice through Voucher Deb started the discussion by re-reviewing Workflow #2 Process Flow: Invoice through Voucher which now included the PCard and Direct Load processes and renamed the flow document. However, at the conclusion of the meeting, it was decided a separate workflow will be designed for these two processes.</p>		

Deb identified an oversight that we missed correcting which was “attaching” the “Off Page Establishing Encumbrances” symbol to the “Start” symbol. *It is not necessary to have an encumbrance to start the process for Invoice through Payment although it is strongly recommended.*

Comments, questions and points for consideration for the revised workflows are those listed below.

P2P AE 2.3

Invoice/Credit Submitted

(One-Time Request to pay Vendor by Wire)

- A change with Florida PALM to enhance the Vendor Relations area of DFS that maintains the Statewide Vendor file is to add the vendor’s registered payment method to their FEID, address, etc., info.
- This is to have the ability to select to pay the vendor via wire if appropriate justification is included.
- The presented method would allow the *Invoice Processor* the ability to populate the field requesting a change to wire.
- The group discussed and the majority want the ability to select the field to be paid via wire be limited to the **Invoice Approver (P2P 2.9)**.
 - By selecting the one-time payment to be wire, this will then populate the approval flow with a Treasury Approver
 - If the Treasury Approver does not approve, the vendor will be paid by their registered method of payment
- **CHANGE:** Since this meeting it has been decided that a Treasury Approver will not be added to approve these “one-offs”. However they will populate in the Voucher to Payment Approval Flow and be required to approve ALL payments to be made by wire. They are to be auto-populated into the flow immediately prior to P2P CP 3.3 (Payment Offsets).

P2P 2.2 and P2P AE 2.3

Authorized Invoice/Credit Received and Invoice/Credit Submitted

(Credit Memo from Vendor)

- The addition of “credit” was added to the Invoice portion of the approval flow for discussion with the workgroup; specifically, to discuss if a credit memo not received with an invoice go through an approval flow.
- There are dependencies that must be considered when determining if a credit gets applied should go through the approval process.
- A vendor may send a credit memo due to an overpayment, but the credit may not be due as the agency paid the appropriate amount and not the amount the vendor charged. *This should not be submitted as a “pending” credit to be applied to a new invoice.*
- If a credit memo is appropriate, and this is a vendor that the agency normally does business with and knows they will receive future invoices, ***the credit should be submitted but have an abbreviated approval flow.***
 - The credit will remain pending until a future invoice is submitted and the credit will be automatically applied to the new invoice

- If a credit memo is appropriate but there are no new invoices expected to apply the credit against, the agency would request a refund from the vendor

Action Item: confirm this is the final request from the workgroup and make the process of a credit a separate workflow.

Agencies – please review and advise by cob 5/18/15

P2P AE 2.3 (continued)

Invoice Submitted

(Create Accounting Event)

- T accounts to describe the accounting events were sent out on the minutes to the 4/17/15 workgroup.
- A question was raised by one of the workgroup members regarding the definition of Budget Check. Mark Fairbank, EY, stated that it appeared there were one too many “minuses” in the definition.
- During the meeting, that discussion that appeared to be accurate. However, after a 2nd review it was decided that the definition for encumbrance is correct, but has been more clearly defined for payment as follows:
 - For a non-encumbered **disbursement**, the Budget Check involves calculating allotments from appropriations, minus encumbrances, minus disbursements, minus scheduled disbursements, minus payables/ AKA accrued expenses such as utility bills (not yet approved for payment) to determine the available balance.
 - For an encumbered **disbursement**, the Budget Check involves calculating allotments from appropriations, minus disbursements, minus scheduled disbursements, minus payables/ AKA accrued expenses such as utility bills (not yet approved for payment) to determine the available balance.

P2P AE 2.3 (continued)

Invoice/Credit Submitted

(Direct Load warrants and PCard Web Solution added to approval flow)

Direct Load:

- Several agencies will need to continue to send files to process payments to payees without having the payees’ information entered into FLAIR or for each payee’s payment to be considered as an invoice and go through the proposed workflows for payment process.
 - These are considered as Direct Load files and are for payments such as:
 - Re-Employment Assistance (DEO)
 - Public Assistance (DCF)
 - Retirement (DMS)
 - Payroll (ALL Agencies)
 - Payment of employee benefits (ALL Agencies)
 - Sales Tax Refunds (DOR)
 - Worker’s Compensation (DFS)
 - Medicaid Providers (AHCA)
- The file will be integrated at P2P AE 2.3 and go through an abbreviated approval flow.

Agencies – please advise of other agencies and types of “direct load” warrants I may have missed by cob 5/18/15

P-Card Web Solution:

- A web based system (not yet designed) will be built and used to approve PCard charges. Cardholder information (agencies will set up cardholders as they do now in the new system) and accounting information will be populated nightly from Florida PALM.
- Nightly the bank will send Florida PALM a file with all the charges, requiring the file to enter Florida PALM at P2P AE 2.3 and go through an abbreviated approval flow.

Action Item: Both Direct Load Payments and PCard Web Solution Payments will be taken out of this workflow and flowed separately. The revisions will be presented during the final workgroup, #4.

P2P 2.9

**Invoice Approver
 (Scheduled Payment Dates)**

- The system will be designed to determine the date of prompt payment, as determined by F.S. 215.422 and upon final approval and voucher creation, the invoice will be scheduled for payment to meet that date.
 - The ability to make payment to a vendor as they will allow a discounted rate if paid by their net terms, e.g. a discount if the vendor is issued payment by the 30th day is a new concept and *DFS may need to be involved in making a policy decision and designating criteria for advanced payment requests.*
 - This change is to allow agencies/the state to earn interest by paying invoices as required by Florida Statute, versus when the invoice is processed, which could be 20 or more days earlier than payment is “officially” due.
- Question raised:
 - Although not written in the terms of the contract, there may be state term contract vendors, e.g. Office Depot, that provide a discount on pricing already as they get paid promptly by “flipping” their purchase order into an electronic invoice in MFMP.

Action Item: DFS, DFS Florida PALM and DMS State Purchasing will need to discuss implications.

P2P CP 2.11

DFS Audits Transaction:

- **CHANGE:** DFS is required to approve ALL payments UNLESS the invoice meets criteria to not be audited in advance, e.g. object codes that allow DFS to approve the payment to “post and pay”. The list of object codes will be provided in advance of our final workgroup meeting.

Topic	Presenter	Allotted Time
• Process Workflow #3: Voucher through Payment	Deb Gries	85 min (2:45 pm – 4:00pm)

P2P 3.1 and P2P CP 3.2

Identify Items for Payment and Check Cash

Deb stated she thought that the Payment Scheduler should run 1-2 business days prior to the date the payment is to be made for the following reasons:

- Cash must be available to make the payment
 - If it is not, the agency will need to disinvest the funds and notify the Treasury to move the funds so payment(s) can be made***
 - Treasury Approver must approve all payments to be made by wire
 - If offsets are to be made, the Agency Payment Offset Approver must timely act on the request
- *** If cash is not immediately available in the agency, it was requested that Florida PALM auto-calculate amount to invest / re-invest. Deana Metcalf, Treasury Lead, was attending the workgroup and stated that this request had been raised during her workgroups and that a policy decision is required re: the automatic move, but Florida PALM is being designed to auto-calculate for the agency.

P2P 3.3 – P2P 3.6

Payment Offsets

The interface file from the Accounts Receivable and Billing (ARB) area will only have vendors that agencies have identified are in debt, and who do not meet an offset exemption.

At the request of ARB, the paying agency must approve any offsets to payment before payment is issued.

Please note that the payment offset process will include DOR, but a separate process will have to be established for IRS Levies.

Discussion points:

Q. Will the receivables file include agencies that owe other agencies? What about agencies that issue POs to other agencies through MFMP but cannot pay through MFMP?

A. *These questions will be a separate process flow identified as "Due to/ Due From" in the ARB and P2P process areas and the workflow and narrative will be provided during workgroup #4.*

Q. Can the visibility in Florida PALM be limited to all agencies if there is a DOR or IRS levy to eliminate the agency notifying the vendor in advance? (Agencies mentioned that a vendor could set themselves up under another name and FEID if they know in advance.)

A. ***This request cannot be answered at this time.***

Action Item: provide this question to Florida PALM management to discuss with the DFS A&A and DOR for a policy decision.

Q. Can payment offsets include those payments made to vendors that are not exempt from the 1% MFMP transaction fee?

A. Deb advised this had not yet been a topic of discussion and DMS stated they were told that would be a function of Florida PALM.

- **NOTE:** Anne Rabon, DMS-MFMP, provided the below language from Florida Statutes 287.057(23), (2002)...

- "For payments within the State accounting system (FLAIR or its successor), the Transaction Fee shall, when possible, be automatically deducted from payments to the vendor."

- In researching the Florida Statutes today (5/11/15), this statute is no longer in place and Ms. Rabon has been asked to research further to find current authority.

Action Item: Follow up on the statutory authority and if none in place, present question to Florida PALM management to present to DFS A&A to make a policy decision and designate criteria for advanced payment requests.

- Q. How and when is DFS notified of a DOR and IRS levy?
- A. Currently files are received from both entities and FLAIR coding requirements are to add the letter “R” next to the vendor’s name in the SW Vendor File. Reductions are processed if there are no exceptions or if the levy is equal to \$150 or greater. DFS Vendor Management also adds a sequence to the vendor’s FEID to show vendor name and FEID and payment issued to IRS.

Action Item: Design how this could be more easily identified and processed under Florida PALM.

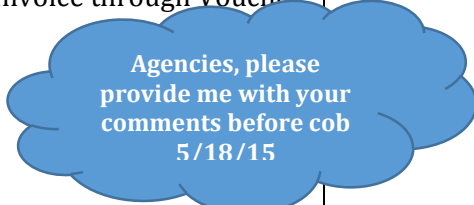
- Q. Can we include the payment offset earlier in the process (e.g. Invoice through Voucher flow) by the Invoice Approver?
- A. This question has been discussed since the meeting. The decision made is “no” as an offset file could come in a day or two before payment is to be made that would not have been identified earlier in the process. (Also see P2P CP 3.5)

P2P CP 3.5

Paying Agency Approval

- Q. Should the Paying Agency Approval activity move to the first part of the process.....
- A. See last bullet directly above (P2P 3.3 – 3.6)

Action Item: Agencies need to re-visit and advise if they want the payment offset approval to be the Agency Invoice Approver since the offset will not be calculated in the Invoice through Voucher flow.



P2P 3.14 (New #)

1099 Reporting

- It was identified during the workgroup that several agencies pay for services provided by vendors that are 1099 reportable out of Revolving Funds. Therefore all eligible expenditures are not being captured to issue 1099s by DFS.

Action Item: Present question to DFS A&A to make a policy decision and designate criteria for advanced payment requests.

Topic	Presenter	Allotted Time
Close Meeting <ul style="list-style-type: none"> • Next Meeting Date / Time / Location 	Deb Gries	10 min (4:20 pm-4:30 pm)

Next Meeting Subject/ Date / Time / Location

Next workgroup meeting: Contracts (movement of FACTS to Florida PALM) and Travel
 Thursday, May 7th from 9:00am-12:00 pm at the Betty Easley Center, Room 180

Additional Action Items not addressed in the Meeting Minutes

Action Items	Assigned To	Due Date
Insert Integration Points – all workflows	Deb Gries/ Warren Bone/ Robin Chichester	05/18/15
Insert Reports – all workflows	Deb Gries/ Warren Bone/ Robin Chichester	05/18/15