

# 70.3 Manage and Forecast Bank Cash Position

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## Business Process Name

### General Information

This document describes and depicts the process steps and supporting information for the identified State business process. Within the *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

Also described below are the Ledger Impacts and *Reports*, which are displayed as icons on the *Business Process Flow Diagrams*. Finally, included in the *Terminology* section are definitions of terms which will help the reader to better understand the document.

### Dependencies and Constraints

- The bank provides previous and current day bank statements to support automated processing.
- Payment requests are recorded in Florida PALM and scheduled for payment when invoices are received.
- Federal draw requests are recorded when the request for payments are submitted.
- Payroll disbursement estimates are imported on a periodic basis.

### Business Process Overview

The Department of Financial Services (DFS) Division of Treasury (Treasury) staff monitors the cash position for all Treasury accounts daily. The cash position is used to determine and plan for immediate funding requirements. The cash position includes the amounts needed to cover payments and residual cash available for investment. The cash position is determined by viewing: 1) payments (current and planned); 2) receipts (unverified cash and receivables); 3) agency requests for movement of cash; and 4) bank account transactions and balance data. Cash needed to cover payments is moved from the Concentration account first and then from the Custodial Bank account if cash is still needed. Any excess cash is transferred to the Custodial Bank account and invested. The DFS Division of Accounting and Auditing (A&A) and agencies also monitor the cash forecast of bank accounts. Agencies move cash as needed between accounts or contact Treasury for accounts in which they do not have authority to perform the movement.

## Subprocess Flow Details

The table below describes steps in the business subprocess as reflected on the Process Flow diagrams. The table also reflects 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 enterprise-based, and in some cases, are representative of an external party 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.

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<b>Swim Lanes – Definition</b>	<b>Bank:</b> the banking partner that provides the bank accounts <b>Cash Position Processor:</b> agency or DFS role responsible for forecasting short term bank account balances

Process Step ID	Process Step Title	Description of Process
1	Current Day Bank Statement File	Each day, the banking partner generates a current day bank statement file containing all transactions that are scheduled to post to the bank account for that day. The bank makes this file available for retrieval three times a day.
2	Previous Day Bank Statement File	Each day, the banking partner generates a previous day bank statement (i.e., BAI2) file for each bank account. The bank statements contain all balances, deposits, and disbursements posted to each bank account.
3	Import Bank Statements	Florida PALM imports all previous day bank statements nightly and the current day bank statements daily.
4	Import Payroll Estimates	Payroll estimates are imported into Florida PALM at the frequency required to support processing.
5	Load Cash Position Data	Florida PALM loads cash position tables with the previous and current day bank statements, scheduled Accounts Payable (AP) disbursements, Accounts Receivable (AR) deposits, bank accounts transfers, imported payroll estimates, and scheduled investment maturities and interest payments.
6	Generate Cash Position	The Cash Position Processor enters the parameters for the cash position (e.g., date range, or view type).
7	Review Cash Position	The Cash Position Processor reviews the cash position to analyze cash needs.

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Process Step ID	Process Step Title	Description of Process
8	Record Manual Position	<p>When upcoming transactions are not reflected in Florida PALM (e.g., AP disbursement request of a significant amount that has not been entered as a voucher), the Cash Position Processor manually records those transactions and regenerates the cash position. Florida PALM displays the updated cash position containing the manual transactions.</p> <p>For agencies without authority to move cash between their accounts, the Cash Position Processor submits the Request to Transfer Cash to Treasury to cover insufficient balances or to move excess cash. For accounts managed by agencies with authority to transfer cash, the agencies record the transfer between bank accounts.</p>
9	Determine Balance Required from Custodial Bank	<p>After receiving notification of disbursement account cash needs, Treasury reviews the Concentration Account balance to determine the cash transfer amount needed. If the cash balance in the Concentration Account is insufficient, Treasury determines the amount needed from the Custodial Bank. If the Custodial Bank cash is insufficient, the balance is covered by the liquidation of investments as described in the Create Deals subprocess. Treasury records the transfer between bank accounts as described in the Process Bank Cash Transfer process.</p>

### Ledger Impacts

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
N/A		

### Reports

Report Number	Report Description	Report Frequency	Audience
N/A			

### Terminology

**Accounts Payable (AP)** – a submodule containing detailed disbursement transactions.

**Accounts Receivables (AR)** – a submodule containing detailed receipt transactions.

**Banking Partner** – any financial institution providing banking services to the State of Florida.

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**Cash Management (CM)** – a submodule containing detailed banking transactions.

**Custodial Bank Account** – account with a financial institution used by the Treasury to invest excess cash.

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

**Disbursement Account** – account at a financial institution used by the Treasury to fund disbursements (warrant and EFTs) issued by the state and presented for payment.

**Submodule** – a module within Florida PALM containing detailed transactions that impacts General Ledger balances (e.g., AP, AR, or CM).

## Business Process Flow Diagrams

Please see 70.3 Manage and Forecast Bank Cash Position located in the [D54 Standardized Business Processes > Working > Workstream D folder](#).