

70.3 Manage and Forecast Bank Cash Position

Revision History

Version	Date	Revision Notes
1.0	07/30/2019	Accepted Version

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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.

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

Also described below are the Ledger Impacts and 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. 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.

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

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

Business Process Overview

The Manage and Forecast Bank Cash Position business process is within the Treasury Management (TM) business process grouping. TM includes a collection of business processes that:

- Manage banking relationships;

- Manage investments and interest apportionment for agencies and external entities;
- Support reconciliation of the concentration bank account, agency sub-accounts, and the bank account balances to general ledger balances;
- Support the management of cash transfers between bank accounts; and
- Support agency requests of Treasury.

This business process addresses how the Department of Financial Services (DFS), Division of Treasury (Treasury) and agencies will generate and review bank cash forecasts to determine if movement of cash between bank accounts is necessary to cover upcoming disbursement or to invest excess cash.

The 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 presented payments is moved to the disbursement account, first, from the Concentration Account. When daily receipts are less than presented payments, then cash is moved from the Custodial Bank account to the disbursement account. 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 that they do not have authority to perform the movement.

Business Process Flow Details

The table below describes steps in the business subprocess 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 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.

Table 1: Manage and Forecast Bank Cash Position

70.3 - Manage and Forecast Bank Cash Position		
Swim Lanes – Definition		Bank: (Non-Florida PALM role) the banking partner by which bank accounts are provided Cash Position Processor: 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	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	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 and the current day bank statements daily.
4	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 dashboard to analyze cash needs.

Process Step ID	Process Step Title	Description of Process
8	Record Manual Position	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.
9	Determine Balance Required from Custodial Bank	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 business subprocess.
10	Determine Transfer Amount	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. Treasury records the transfer between bank accounts as described in the Process Bank Cash Transfer process.

Ledger Impacts

Table 2: Ledger Impacts Included on Business Process Flow Diagrams

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

Reports

Table 3: Reports Included on Business Process Flow Diagrams

Report Number	Report Description	Report Frequency	Audience
N/A			

Terminology

Accounts Payable (AP) – a source module containing detailed disbursement transactions.

Accounts Receivables (AR) – a source module containing detailed receipt transactions.

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

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 sub-accounts 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.