ALL AGENCIES CONFIRMATION:
SESSION 3
THURSDAY, MAY 9, 2019
TUESDAY, MAY 14, 2019

Agenda

- Introduction and Background
- Overview of All Agencies Confirmation Process
- Business Process Models
- Solution Overview
- Overview of Business Process Grouping
  - Revenue Accounting
  - Accounts Receivables
  - Treasury Management
- Wrap Up
Introduction and Background

Welcome

- Housekeeping
  - Facilities logistics
  - Cell phone on silent
  - Participant questions
  - Public meeting with published minutes
- Introductions of Florida PALM Team
- Today’s schedule
Implement a statewide accounting system that enforces standardization, acts as a scalable foundation to evolve as business needs change, and positions Florida for future innovation as it considers a true enterprise-wide solution.

Introduction and Background

Vision

Established in July 2014 when the Legislature appropriated funds to begin the replacement of Florida Accounting Information Resource subsystem (FLAIR) and the Cash Management subsystem (CMS) after the completion of the business case in March 2014

Florida PALM will replace the four components of FLAIR (Central, Departmental, Information Warehouse, Payroll) and select components of CMS
Introduction and Background

Project Overview

- Since 2014, through collaboration across the State, we have:
  - created Business Requirements, which document what we want the capabilities of the new solution to be
  - produced Level 2 Standardized Business Process Models, which document what we want the State’s business processes to be
  - enhanced our understanding of the Solution capabilities by partnering with other local entities that use the same software
Introduction and Background

Project Overview

- Implementation will occur in Waves
- Agencies will transition for Finance functions over three Waves (Pilot, Wave 1, Wave 2)
- Payroll functions for all agencies will be implemented in one Wave (Wave 3)
- Phase 2 will add remaining functionality for all agencies

**Phase 1**

- Initial Functionality (Select agencies)
- Design-Build-Test
- Pilot

**Phase 2**

- Initial Functionality (all agencies)
- Design-Build-Test

**Phase 3**

- Initial Functionality (all agencies)
- Design-Build-Test

**Build/Test**

- Wave 1
- Wave 2
- Wave 3

**Support**

- Production Support
- 72 Months

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**Introduction and Background**

**Project Overview**

**2018**

- FY 18/19 (Year 1)
- Initiate

**2019**

- FY 19/20 (Year 2)
- Establishes approach
- Adopts approach

**2020**

- FY 20/21 (Year 3)
- Deploys the Solution, Training, and Help Desk
- Validates

**2021**

- Pilot (39 months)
- Design-Build-Test (36 months)
- Deploys the Solution, Training, and Help Desk
- Validates
- Supports users and the business

**DDI Phase 1 (81 months)**

- Fiscal Year
  - 2019/2020
  - 2020/2021
  - 2021/2022
  - 2022/2023
  - 2023/2024

**Timeline**

- Wave 1
- Wave 2
- Wave 3

**Competency**

- Pilot
- Design-Build-Test

**Support**

- Production Support
- 72 Months
Introduction and Background

Solution Analysis and Design

- Creation of the Standardized Business Process Models will occur in segments over 12 months
- Segments include activities focused on defining/refining the solution and communicating with impacted stakeholders

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<tr>
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<tbody>
<tr>
<td>Project Recommended Solution</td>
<td>Representative Agencies Workgroups</td>
<td>All Agencies Confirmation</td>
<td>Project and Executive Steering Committee Review and Approval</td>
<td>All Agencies Workshops</td>
</tr>
</tbody>
</table>

Chart of Accounts Design* 12/2018 – 11/2019

We are here

Introduction and Background

Solution Analysis and Design

- Project Recommended Solution – The Project Team reviewed the Business Requirements, worked in Prototype 1, and began drafting the Process Models
- Representative Agencies Workgroups (RAW) – The Project Team worked with a small group of agencies to refine the Process Models
- All Agencies Confirmation (AAC) – The Project Team will share the draft Process Models with all agencies for continued refinement
- Project and Executive Steering Committee Review and Approval – The Project Team will work with the ESC to obtain approval for the proposed Solution design
- All Agencies Workshops – The approved Process Models will be communicated to all agencies through Business Process Workshops
- COA Design – The Project has been working to draft the chart of accounts (fields and uses) and budget structures (controls)
Introduction and Background
Solution Analysis and Design

- The Standardized Business Process Models is part of the Solution design
- The Project Team is organized by Workstream
- The Solution discussion with agencies is organized around Business Process Groupings

Introduction and Background
Solution Analysis and Design

Business Process Groupings

- 10.0 Account Management and Financial Reporting
- 80.0 Cash Management
- 70.0 Treasury Management
- 60.0 Accounts Receivables
- 50.0 Revenue Accounting
- 40.0 Asset Accounting and Management
- 20.0 Budget Management
- 30.0 Disbursements Management
**Introduction and Background**

**Project Recommended Solution**

- Defined the Solution
  - Drafted Standardized Business Process Models
  - Met with DFS Divisions of Accounting and Auditing and Treasury
- Conducted Strategic Design Sessions
  - Conducted Leading Practice Workshops in December 2018
  - Discussed 35 Leading Practices over the following topics:
    - Chart of Accounts Design
    - Approach for Managing Customer Record
    - Billing and Accounts Receivable Chain of Activities
    - Accounts Payable Chain of Activities
    - Approach to Reporting and Business Intelligence

**Introduction and Background**

**Representative Agencies Workgroups**

- RAWs were held over six weeks starting in late February and ended in early April
- Supporting materials were uploaded to the Project website and organized into Business Process Groupings
- 106 representatives from 24 organizations attended and participated
- Participants reviewed and helped refine draft Process Models for 30 Business Processes and 62 Subprocesses
Introduction and Background
Representative Agencies Workgroup

AHCA    DEP    DOS    LAS/PBS
DACS    DFS    DOT    Lottery
DBPR    DLA    EOG    MFMP
DCF    DMS    FDLE    Auditor General
DEM    DOH    FWC    A&A
DEO    DOR    HSMV    Treasury

COA Design includes the ChartFields and the Budget Structure
The COA design began in November 2018, then refined by engaging targeted stakeholders in April and May

Upcoming activities planned:
- COA Usage Survey – July 2019
- COA Design Workshop Kickoff – August 2019
- COA Design Workshops – September 2019
- Update COA Design – October 2019
- Submit COA Design – November 2019
CONFIRM THE PROCESS MODELS THROUGH REVIEW BY ALL AGENCIES AND FFMIS PARTNERS

ORGANIZE MEETINGS WITH RELATED BUSINESS PROCESS GROUPINGS:
- Session 1 – AMFR, BM, and CM
- Session 2 – DM and AAM
- Session 3 – RA, AR, and TM
AAC Process
Business Process Grouping Overview

- Overview of each Business Process
  - Description of the Business Process and any Subprocesses
  - Description of similarities to current processes
  - Description of the Roles, both within and outside of Florida PALM
- Relationships between Business Processes
- Solution Previews

AAC Process
Attendee Role

- Review the draft Standardized Business Process Models
  - Apply an enterprise-wide lens that supports the design of standardized business processes for Florida
  - Provide insight into what drives the process for your organization (i.e., compliance, statute, agency practice)
- Seek clarification through AAC Sessions or working meetings by asking questions of the Project Team
  - Have constructive dialogue on the process, be open to what is possible
  - Be mindful of your organization’s business system and reporting needs to ensure they’re captured in the design
- Provide session feedback at the conclusion of today
- Contribute to your agency’s collective feedback
AAC Process
Agency Collective Feedback

- One feedback form per agency from the designated point of contact for the agency
- Word document organized by the Business Process Groupings, with space provided to include specific feedback by Business Process or Business Subprocess

AAC Process
Agency Collective Feedback

- Agency collective feedback should consider:
  - How well do the standard flows align with your agency’s major financial management activities?
  - Are your reports related to the defined processes documented in the standard flows?
  - Are your anticipated information exchanges depicted on the standard flows?
  - Are there control points or internal control activities on the standard flows that need to be modified or added?
## AAC Process

### Session Calendar

<table>
<thead>
<tr>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
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<tbody>
<tr>
<td>5/6</td>
<td>5/7 Session 1 (9am-4pm)</td>
<td>5/8 Session 2 (9am-4pm)</td>
<td>5/9 Session 3 (9am-4pm)</td>
<td>5/10 Clarification Working Meeting Week 1</td>
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<tr>
<td>5/13</td>
<td>5/14 Session 3 (9am-4pm)</td>
<td>5/15 Session 1 (9am-4pm)</td>
<td>5/16 Session 2 (9am-4pm)</td>
<td>5/17 Clarification Working Meeting</td>
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<tr>
<td></td>
<td>Meeting for Session 1 Topics</td>
<td>Meeting for Session 2 Topics</td>
<td>Meeting for Session 3 Topics</td>
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<td>(10-11am) (in person)</td>
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<td>(10-11am) (in person)</td>
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<td></td>
<td>Meeting All Sessions</td>
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<td>(10-11am) (via phone)</td>
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</tr>
</tbody>
</table>

**Feedback Form Due:**

## BUSINESS PROCESS MODELS
Business Process Models Overview

- Collectively, represent the functional design of the Solution
- Individually, represent the design of each Business Process
- Includes one or more flow diagrams and a narrative
- Posted in .pdf under Agency and Meetings & Workshops

Fiscal Year 18-19

- All Agencies Confirmation Sessions
  - All Agencies Confirmation sessions are designed to walk agency representatives through the draft business process models.
- Session 1 - Accounting Management and Financial Reporting; Budget Management; Cash Management
  - May 7, 2019 | Agenda
- May 15, 2019 | Agenda
- Flows and Narratives
  - Accounting Management and Financial Reporting
    - AMFR 10.3 – Analyze and Reconcile Accounts | AMFR – 10.3 – Flows | AMFR – 10.3 – Narratives
    - AMFR 10.4 – Close General Ledger and Consolidate Results | AMFR – 10.4 – Flows | AMFR – 10.4 – Narratives

https://www.myfloridacfo.com/floridapalm/agency/meetings-workshops/
Business Process Models
Reading the Business Process Flow

- Each flow is numbered to indicate the Business Process and Subprocess

```
60.2 Deposit and Apply Receipts
60.2.1 Direct Journal Deposits
```

**AA.B.C**
AA = Business Process Grouping  
B = Business Process  
C = Business Subprocess

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Business Process Models
Reading the Business Process Flow

- Shapes indicate an event or activity in the process

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**Shape Key**

- **Start**
- **End**
- **Process Activity**
- **System Activity**
- **Decision or Process Branch**
- **Florida PALM Manual Activity**
- **Florida PALM System Activity**
- **Florida PALM Display**
- **Database**
- **Interface File**
**Business Process Models**

**Reading the Business Process Flow**

Indicates the start and end points in a process. The start is used to depict a trigger action that sets the process in motion.

Indicates a process or action step being performed. If the process or action is performed in Florida PALM, the icon is shaded grey.

Indicates a process or action step in a partner system. The title designates in which system the process occurs.

Indicates a process in Florida PALM that is scheduled to run automatically.

Indicates a question or branch in the process flow. This icon is used in flow and will **not** carry a Process Step ID number. Discussion about the alternative path is included in the step preceding or succeeding the decision point.

Indicates that a business event results in a financial transaction that is captured in the ledger. These are **not** used in the flow.

Indicates the use of a database in the process flow.

Indicates when an interface file is exchanged, either to Florida PALM or from Florida PALM.
Business Process Models
Reading the Business Process Flow

Indicates a process step where information is displayed to a person (e.g., PC user, machine operator).

Indicates designated points in the process flow to identify when a report is generated, received, or used in completing a step of the process.

Indicates a loop in the process flow to another step on the same page. It will contain an indicator to the location where the process will resume.

Indicates continuation of the same flow on another page. Icon will be used as the last step of the process flow on a given page before transitioning to a new page.

Roles that work within a business process are indicated by a swim lane

May be a system role or a non-Florida PALM role

For example:
  ◦ Agency Deposit Processor
  ◦ Agency Deposit Approver
  ◦ DFS Audit Approver
  ◦ DFS Bank Reconciliation Processor
Business Process Models
Reading the Business Process Narrative

- General Information – overview of the sections of the document
- Dependencies and Constraints – conditions and criteria that impact how or when the business process should be executed
- Business Process Overview – summarizes the business process and provides context for understanding the objectives and desired outcomes
- Business Process Flow Details
  - includes the detail about the process steps that supports the flow diagram
  - includes a table for each business subprocess

Ledger Impacts – describes the effects to one or more of the planned ledgers
  - Actuals Ledger – used to capture actual accounting detail across all ChartFields and fiscal periods (months and years)
  - Budget Ledger – used to capture and control appropriation and allotment budget by budget period (fiscal year) and to record revenue estimate details
  - Financial Reporting Ledger – used to capture year end reporting and financial statement activities

Reports – describes the identified report’s objective, audience, and frequency

Terminology – includes definitions that will help to better understand the document
Solution Overview

Software

- PeopleSoft v9.2
  - PeopleSoft Financials
  - PeopleSoft Payroll
- Oracle Business Intelligence Enterprise Edition (OBIEE)

<table>
<thead>
<tr>
<th>Solution Functions by Phase and Wave</th>
<th>Phase 1</th>
<th>Phase 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot / Wave 1 / Wave 2</td>
<td>Wave 3</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>Deal Management</td>
<td>ePay (to support employee self-service)</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>General Ledger</td>
<td>Human Resources (to support payroll)</td>
</tr>
<tr>
<td>Asset Accounting</td>
<td>Grant and Project Accounting</td>
<td>Payroll</td>
</tr>
<tr>
<td>Billing</td>
<td>Oracle Business Intelligence</td>
<td></td>
</tr>
<tr>
<td>Cash Management</td>
<td>Purchasing (for integration with MFMP and encumbering)</td>
<td></td>
</tr>
<tr>
<td>Commitment Control</td>
<td></td>
<td>Asset Management</td>
</tr>
<tr>
<td>Contract Accounting (for integration with FACTS)</td>
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<td>Grants Management</td>
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<td></td>
<td></td>
<td>Project Management</td>
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<td></td>
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<td>Contract Management</td>
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</tbody>
</table>
Solution Overview
Anticipated Structure

At the end of Phase 1

Solution Overview
Software Module Relationships
Solution Overview

Reporting Hierarchy

- Functions performed by Central FLAIR, Departmental FLAIR, and CMS are combined into one system, including one chart of account
- Accounting is recorded on a modified accrual basis, with reporting available for cash basis needs
- Data entry is done one time with integration between modules
  - accounting entries go to the general ledger
  - other data is available in other modules
- Budget and cash are updated by different business and accounting processes (e.g., at time of vouchering, at time of payment)
Solution Overview
Key Concepts

- Many features are enabled in the Solution through configuration.
- Business and accounting transactions are captured through the configuration of multiple ledgers (e.g., actuals, budget, financial reporting).
- Interfacing with external systems will occur through more modern approaches.
- Journals are entries that impact a ledger (i.e., general ledger journal, budget journal).
- Agencies appear as Business Units within the system.

Solution Overview
Key Concepts

- The user experience will include:
  - Web-based access
  - Adaptive screen presentation for desktop or mobile browsers
  - Work that may be managed through WorkCenters
  - Upload of attachments to support transactions
  - Approvals facilitated in the system through workflow
  - Reporting capabilities through online inquiries (screens), prepared reports, and data downloads (i.e. to Excel).
Solution Overview

Key Concepts

- Budget checking and cash checking are:
  - common functions performed as part of many Business Processes
  - shown in detail in the 20.2 Budget Execution and Management and 80.1 Manage Cash Checking
- Transfers and payments between agencies will be accomplished through:
  - interunit transactions (50.2.3 & 80.2.4);
  - standard voucher (30.3.1); or
  - standard billing (50.2.1), receivables (60.1.1), and deposit (60.2.1)

Questions About Materials
BREAK

Ready for a shared place for data, fewer workarounds, less reconciliations, and robust reporting? It’s possible with Florida PALM.

Embrace the Journey
Overview of Business Process Grouping

RA Overview

- RA includes a collection of business processes that:
  - manage customer information, including demographic and billing information
  - support the billing process for State revenues
50.1 Set Up and Maintain Customer

50.2 Enter and Maintain Bills

50.2.1 Customer Billing

50.2.2 Refund/Credit Invoice

50.2.3 InterUnit Billing
Overview of Business Process Grouping

50.1 Set Up and Maintain Customer

- Description of Business Process
  - Establishes a customer record structure that allows each agency to maintain its own customer records
  - Allows capture of unique customer information
  - Provides security for confidential or sensitive customer data
  - Provides ability to interface customer information from other systems
  - Similar to the Accounts Receivable (AR) customer file used in FLAIR today, however captures significantly more customer information

- Roles
  - Agency Customer Processor
  - Agency Customer Approver
Overview of Business Process Grouping
50.1 Set Up and Maintain Customer

- Key Business Process Concepts (continued)
  - Notes are added to the records to document customer interactions or conversations
  - Effective dating can be used for proactively changing information such as contact names, addresses, and billing options
  - A customer record can be linked to a supplier record if they are the same entity
  - Workflow allows approval for establishing a new customer record

- Terminology
  - Customer – individual or entity, including grantors, that conducts business and/or financial transactions with the State of Florida or otherwise is obligated to pay funds or incurs debt to the State
Overview of Business Process Grouping
50.1 Set Up and Maintain Customer

- Relationship with Other Business Processes
  - Once the customer records are established, they can be used to generate customer invoices, monitor AR, apply deposits, perform collections, and write-off bad debt
Description of Business Process

- Describes process for agencies to issue invoices to customers, including grantors and other agencies, for money due to the State
- Allows distributing invoices via email and/or mail
- Provides ability to interface billing information from other systems
- Includes billing WorkCenter to organize and address daily tasks (e.g., bills not finalized, invoices pending approval, and invoices in error status)
Overview of Business Process Grouping
50.2 Enter and Maintain Bills

Key Business Process Concepts
- Allows agencies to standardize, automate, and maintain billing activities, so that invoices receive proper review, approval, and generate accounting entries
- Approval workflow includes a Pro Forma invoice and drill down capability for transaction details
- Ability to generate installment, recurring, and consolidated bills
- Bill Types and Bill Line Identifiers allow categorization of billing activities and can be unique to each agency
- Revenue Budget Structure tracks recognized revenue when a customer is billed

Overview of Business Process Grouping
50.2 Enter and Maintain Bills

Description of Business Subprocesses
- 50.2.1 Customer Billing – the process to create an invoice to a customer for goods or services
  - Multiple invoice templates can be configured
  - Includes billing for projects, grants, and expenditure refunds

Roles
- Agency Billing Processor
- Agency Billing Approver
Description of Business Subprocesses

50.2.2 Refund/Credit Invoice – the process to create a credit invoice or refund the customer

- Credit invoices reduce customer account balances and can be applied against current or future invoices
- Overpayment balances can be refunded. Refund process generates Accounts Payable (AP) vouchers to produce payments to the customer

Roles

- Agency Billing Processor
- Agency Billing Approver

Description of Business Subprocesses

50.2.3 InterUnit Billing – the process to create an invoice for goods or services incurred between agencies or within their agency

- Approval workflow includes receiving agency review and approval with a Pro Forma invoice and drill down capability for transaction details
- Receiving agency can update their accounting ChartField values
- Billing agency adjusts or finalizes invoice after receiving agency review
- Workflow is optional for InterUnit billing within an agency
- Finalized invoices can be emailed to multiple contacts
- InterUnit Billing generates AP voucher for processing by receiving agency AP staff. Instead of generating an actual payment, accounting entries reflect cash movement
Overview of Business Process Grouping
50.2 Enter and Maintain Bills

Roles
- Agency Billing Processor
- Agency Billing Approver
- Receiving Agency Billing Approver

Terminology
- **Credit Invoice** – a type of credit adjustment made to the customer account
- **Expenditure Refund** – monies returned from a supplier or individual after payment for goods or services
- **InterUnit Invoice** – an invoice for goods or services incurred between agencies or within agency units
- **Maintenance Worksheet** – a workspace for adjusting posted receivables or recording a refund for a credit balance
- **Pro Forma** – a temporary invoice before finalization
Overview of Business Process Grouping
50.2 Enter and Maintain Bills

- Relationship with Other Business Processes
  - Once invoices are finalized, they are recorded as AR and are monitored for aging, collections, and payment application
  - Customer refund payments are generated through the voucher process in AP
  - The InterUnit billing process sends billing data to AP for generating accounting entries that move cash between agencies or agency units
Questions About The Process Models
Revenue Accounting (RA)

Overview of Business Process Grouping
Accounts Receivables (AR)
Overview of Business Process Grouping

AR Overview

- AR includes a collection of business processes that
  - manage accounting, reporting, and collection of outstanding State revenues
  - support the intake and accounting for cash receipts
  - ensure the write-off of outstanding debt is appropriately approved
60.1 ENTER AND MAINTAIN RECEIVABLES

Overview of Business Process Grouping
60.1 Enter and Maintain Receivables

Description of Business Process
- Describes the process for agencies to record receivable transactions to customers and perform period closing
- Receivables are recorded at a detailed invoice level or summarized balance level
- Provides ability to interface receivables information from other systems
- Includes receivables WorkCenter to organize and address daily tasks
- Similar to the AR subsidiary ledger used in FLAIR today but with more monitoring and reporting capabilities
**Key Business Process Concepts**
- Allows agencies to establish receivables by creating a bill in the system, manually entering the receivable, uploading a spreadsheet, or interfacing from other systems
- Pending transactions must be accounted for prior to closing the accounting period

**Description of Business Subprocesses**
- **60.1.1 Record Accounts Receivable** – the process to create and update receivables for customers
  - Includes receivable balances for projects, grants, and expenditure refunds
  - Approval workflow for creating and updating receivables
  - Revenue Budget Structure tracks recognized revenue when an AR that was not previously billed through Florida PALM is recorded

**Roles**
- Agency AR Processor
- Agency AR Approver
Overview of Business Process Grouping
60.1 Enter and Maintain Receivables

Description of Business Subprocesses:
• 60.1.2 Period Close – the process to account for and reconcile all open transactions prior to closing the accounting period
  • Monitors and reviews WorkCenter for pending transactions and alerts
  • Resolves errors by adjusting transactions
  • Confirms all accounting entries have been posted to the General Ledger

Roles
• Agency Billing/AR Reconciler

Overview of Business Process Grouping
60.1 Enter and Maintain Receivables

Terminology
• Pending AR – unposted receivables that have been directly entered in AR or automatically created through billing in Florida PALM
Overview of Business Process Grouping
60.1 Enter and Maintain Receivables

- Relationship with Other Business Processes
  - Customer receivables are created and updated from invoices generated in Florida PALM, deposits including returned items are applied to customers, collection activities, and write-offs of bad debt are based on customer accounts
LUNCH

60.2 DEPOSIT AND APPLY RECEIPTS
Overview of Business Process Grouping
60.2 Deposit and Apply Receipts

Description of Business Process
◦ The process by which the State records and accounts for deposits
  • Provides ability to interface deposit data from other systems
  • Records and accounts for deposits (including returned items and expenditure refunds)
  • Deposits are reconciled to bank transactions
  • Workflow to review and approve deposit accounting entries
  • Revenue Budget Structure tracks collected revenue when payments are received
  • Similar to agencies entering deposits in FLAIR and Treasury verifying deposits against bank transactions through CMS

Description of Business Subprocesses
◦ 60.2.1 Direct Journal Deposits – The process by which the State records and accounts for deposits not associated to a receivable
◦ 60.2.2 AR Deposits – The process by which the State records and accounts for deposits, and applies payments to outstanding receivables for customers

Roles
◦ Agency Deposit Processor
◦ Agency Deposit Approver
◦ DFS Bank Reconciliation Processor
◦ DFS Audit Approver
### Overview of Business Process Grouping

#### 60.2 Deposit and Apply Receipts

#### Key Business Process Concepts

<table>
<thead>
<tr>
<th>Florida PALM</th>
<th>FLAIR/CMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits are recorded in the deposit location/sub-account where cash was deposited at bank</td>
<td>Bank record of deposit locations/sub-accounts are changed, consolidated or split in CMS upon agency request</td>
</tr>
<tr>
<td>Deposit number and amount should match the bank record</td>
<td>Deposit number and amount matches CMS</td>
</tr>
<tr>
<td>Agencies request assistance and claim deposits through the Treasury Assistance Request Form</td>
<td>Agencies enter request in CMS</td>
</tr>
</tbody>
</table>

### Overview of Business Process Grouping

#### 60.2 Deposit and Apply Receipts

#### Key Business Process Concepts (continued)

<table>
<thead>
<tr>
<th>Florida PALM</th>
<th>FLAIR/CMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>One deposit can be accounted for across multiple agencies and funds</td>
<td>Deposits are recorded separately for each agency</td>
</tr>
<tr>
<td>Direct journal deposit</td>
<td>Direct deposit receipts (TR30)</td>
</tr>
<tr>
<td>AR deposit</td>
<td>Direct deposit receivables receipts (TR33)</td>
</tr>
<tr>
<td>A deposit type will be created for Clearing Bank deposit activity for financial reporting</td>
<td>Clear the Clearing fund transactions (TR31 or TR34)</td>
</tr>
</tbody>
</table>
Description of Business Subprocesses
- 60.2.3 Returned Items – The process by which the State records and accounts for returned items

Roles
- Agency AR Processor
- Agency Deposit Processor
- Agency Deposit Approver
- DFS Bank Reconciliation Processor

Overview of Business Process Grouping
60.2 Deposit and Apply Receipts

Key Business Process Concepts

<table>
<thead>
<tr>
<th>Florida PALM</th>
<th>FLAIR/CMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative deposit to default fund to reduce spendable cash</td>
<td>Automated entry in Central FLAIR to default fund and Negative TR30 in Departmental FLAIR to reduce spendable cash</td>
</tr>
<tr>
<td>Deposits are coded to the correct accounting string before finalizing</td>
<td>Zero dollar Treasury receipt to move returns from default fund, when necessary</td>
</tr>
</tbody>
</table>
Overview of Business Process Grouping
60.2 Deposit and Apply Receipts

- Description of Business Subprocesses
  - 60.2.4 Offsets – The process by which the State offsets supplier payments with open receivables. DFS is responsible for identifying and approving the offset transactions
    - Links customers to suppliers
    - Reduces supplier payment and applies to outstanding receivable

- Roles
  - DFS Offset Processor
  - DFS Offset Configuration Maintainer
  - DFS Offset Approver

Overview of Business Process Grouping
60.2 Deposit and Apply Receipts

- Terminology
  - Payment Predictor – the automated process which compares and applies deposited payments to outstanding receivables in Florida PALM
  - Offset – a process that allows a supplier’s payment to be applied against an associated customer’s delinquent receivable
Overview of Business Process Grouping
60.2 Deposit and Apply Receipts

- Relationship with Other Business Processes
  - Deposits are supported by the Treasury bank reconciliation process, which includes requests to research bank corrections, claiming deposits, and manual deposit verification for large ACH or wire deposits
  - AR Deposits are received from External Collection Agencies from the Collections process
  - AR Deposits related to InterUnit Billing/Offset payments loads to Florida PALM based on approved AP transactions
  - Receivables are created/updated for Returned Item Deposits
  - Customer and Supplier are linked for Offset purposes through the enter/update processes for each

System Preview
60.3 PERFORM COLLECTIONS AND AGING

Overview of Business Process Grouping
60.3 Perform Collections and Aging

- Description of Business Process
  - Describes the process for agencies to monitor outstanding AR, perform collection activities, and write-off uncollectible accounts
  - Provides ability to interface collections data from other systems
  - Includes a Collections Workbench which presents a complete overview of each customer
  - Similar to the manual write-off approval process used today but with an automated workflow for review and approval
Overview of Business Process Grouping
60.3 Perform Collections and Aging

› Key Business Process Concepts
  ◦ Provides agencies reports to monitor accounts
  ◦ Workflows for the collections and write-off processes

Overview of Business Process Grouping
60.3 Perform Collections and Aging

› Description of Business Subprocesses
  ◦ 60.3.1 Collections – the process to monitor AR aging analysis, send
    statements and delinquent notices to customers, and refer customers to
    external collection agencies
    ◦ Condition Monitor automatically calculates late fees based on predefined business
      rules
    ◦ Customer statements include an opening balance, new activities, and an ending
      balance. These statements can be mailed and/or sent automatically through email
    ◦ Delinquent notices include past due balances based on timeframes
    ◦ The collections process will interface with external collection agencies to exchange
      collection data
Overview of Business Process Grouping
60.3 Perform Collections and Aging

- Roles
  - Agency Collection Processor
  - Agency Collection Approver
  - External Collection Agency *(Non-Florida PALM Role)*

---

Overview of Business Process Grouping
60.3 Perform Collections and Aging

- Description of Business Subprocesses
  - 60.3.2 Write-Off – the process to write-off uncollectible debts
    - Workflow for review and approval of write-offs
    - Cash received can be applied to the customers account after the debt has been written off

- Roles
  - Agency Collection Processor
  - Agency Write-Off Approver
  - DFS Write-Off Approver

---
Overview of Business Process Grouping
60.3 Perform Collections and Aging

- Terminology
  - **Accounts Receivable** – money a customer legally owes the State with a reasonable expectation of collection
  - **Aging** – technique for evaluating the composition of accounts receivable by grouping according to length of time the accounts have been outstanding
  - **Collection Agency** – agency contracted by the State to pursue recovery of moneys due to the State accounts which have been deemed delinquent
  - **Condition Monitor** – a process that analyzes the schedules, customers, AR, and rules to determine what to monitor

- Terminology (continued)
  - **Delinquent Accounts Receivable/Debt** – account or claim due to an agency that remains unpaid on the day after the account or claim was due
  - **Legally Collectible** – obligation where this is no lawful restriction on pursuing collection
  - **Write-Off** – procedure for accounting for receivables deemed uncollectible
Overview of Business Process Grouping
60.3 Perform Collections and Aging

- Relationship with Other Business Processes
  - Collection activities begin when AR is created and updated in Florida PALM
  - During monitor AR aging analysis, eligible transactions can be identified for offset purposes
  - AR deposits received from customers or the collection agency reduces the customer’s outstanding balance
Questions About
The Process Models
Accounts Receivables (AR)

Break
Overview of Business Process Grouping

TM Overview

- 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.
Overview of Business Process Grouping

Business Process Grouping

- Fund Accounting
- CMS
- CRA
- Dis-Investments
- Warrant Processing
- Bank Accounts
- State Accounts
- Archive
- Investment Accounting

Florida PALM

Treasury Management

- 70.1 Manage Banking Relationships
- 70.2 Manage and Reconcile Bank Statements
- 70.3 Manage and Forecast Bank Cash Position
- 70.4 Process Bank Cash Transfer
- 70.5 Reconcile Book to Bank Balances
- 70.6 Create and Maintain Deals
- 70.7 Manage Investment Pools
- 70.6.1 Create Deals
- 70.6.2 Maintain Deals
- 70.7.1 Manage SPIA Balances
- 70.7.2 Distribute Interest Apportionment

Business Subprocess

- 70.1.1 Maintain Bank Account
- 70.1.2 Manage Treasury Correspondence
- 70.2.1 Maintain Bank Account
- 70.2.2 Manage Treasury Correspondence
70.1 MANAGE BANKING RELATIONSHIPS

Overview of Business Process Grouping
70.1 Manage Banking Relationships

- Description of Business Process
  - The process for managing banking relationships and correspondence with Treasury
- Critical Functions
  - Requesting location/subaccounts and outside banking services
  - Corresponding with Treasury (e.g., research request, supply orders)
- Similarities to Today
  - Agencies request location/subaccounts in CMS
  - Agencies submit request for supplies or research in CMS
Overview of Business Process Grouping
70.1 Manage Banking Relationships

- Description of Business Subproceses
  - 70.1.1 Maintain Bank Accounts – the process for requesting new locations/bank accounts/banking services or requesting changes to existing locations/bank accounts/banking services
    - All bank accounts will be maintained in Florida PALM

- Roles
  - Bank Account Request Processor
  - DFS Bank Account Maintainer

---

Overview of Business Process Grouping
70.1 Manage Banking Relationships

- Key Business Process Concepts (continued)

<table>
<thead>
<tr>
<th>Florida PALM</th>
<th>FLAIR/CMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Location/Subaccount/banking service request form with approval workflow</td>
<td>Replaces location/subaccount request form and outside services request form</td>
</tr>
<tr>
<td>Fund Questionnaire with approval workflow including Treasury will support requests for Local Funds (e.g., Clearing Funds, Revolving Funds)</td>
<td>Multiple requests forms are completed and sent to Treasury and A&amp;A</td>
</tr>
</tbody>
</table>
Overview of Business Process Grouping
70.1 Manage Banking Relationships

› Key Business Process Concepts
  ◦ Form
    • Bank subaccount/Deposit Location/Banking Services will be requested on a consolidated form
    • Fund Questionnaire supports the request of Local Funds (Clearing and Revolving)
  ◦ Workflow
    • Banking Request Form and Fund Questionnaire will route to Treasury for approval and processing

Overview of Business Process Grouping
70.1 Manage Banking Relationships

› Description of Business Subproceses
  ◦ 70.1.2 Manage Treasury Correspondence – the process for requesting assistance from Treasury (e.g., research requests, supply orders)

› Roles
  ◦ Agency Requestor
  ◦ DFS Correspondence Processor
Overview of Business Process Grouping
70.1 Manage Banking Relationships

Key Business Process Concepts

<table>
<thead>
<tr>
<th>Florida PALM</th>
<th>FLAIR/CMS</th>
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</thead>
<tbody>
<tr>
<td>Treasury Assistance Request Form with workflow routing to Treasury</td>
<td>Research request form, supply order, and general correspondence</td>
</tr>
</tbody>
</table>

Relationship with Other Business Processes

- Request for new Local Funds (e.g., Clearing Fund, Revolving Fund) are requested through the Fund Questionnaire Form
- Revolving Fund Bank accounts are configured as supplier locations to allow for electronic replenishments
Overview of Business Process Grouping
70.2 Manage and Reconcile Bank Statements

- Description of Business Process
  - The process for reconciling bank statement transactions to transactions recorded in the Florida PALM source modules (e.g., Accounts Payable, Accounts Receivable, Cash Management)

- Critical Functions
  - Reconciling individual bank statement transactions and resolving exceptions

- Similarities to Today
  - Process of verifying deposits and updating warrant payment status to cleared
Overview of Business Process Grouping
70.2 Manage and Reconcile Bank Statements

Key Business Process Concepts

<table>
<thead>
<tr>
<th>Florida PALM</th>
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<tbody>
<tr>
<td>Bank account transactions and balances will be reconciled in the system</td>
<td>Bank account transactions and balances are reconciled in different systems</td>
</tr>
<tr>
<td>Banking errors will generate accounting transactions</td>
<td>Transactions are held until bank adjustments are received</td>
</tr>
<tr>
<td>Deposits will be automatically reconciled based on attributes on the AR deposit</td>
<td>Request deposit assignment</td>
</tr>
</tbody>
</table>

Roles
- Bank (Non-Florida PALM Role)
- Bank Reconciliation Processor

Overview of Business Process Grouping
70.2 Manage and Reconcile Bank Statements

Relationship with Other Business Processes
- Bank reconciliation updates system transactions in the source module where they are recorded (e.g., deposits, payments, bank cash transfers)
- Agencies work with Treasury on reconciliation exceptions through the Treasury Correspondence Form
- Bank statement reconciliation must be completed before month end balances can be reconciled
Overview of Business Process Grouping
70.3 Manage and Forecast Bank Cash Position

- Description of Business Process
  - The process for reviewing current bank cash positions, forecasting current day ending balance, and estimating short term bank account balances based on upcoming system transactions

- Critical Functions
  - Reviewing bank account balances and upcoming transactions to forecast bank cash needs

- Similarities to Today
  - Treasury forecasting the balance of bank cash to validate that there is sufficient cash to cover upcoming disbursements or invest excess cash
Key Business Process Concepts

<table>
<thead>
<tr>
<th>Florida PALM</th>
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</thead>
<tbody>
<tr>
<td>Forecast based on system transactions with manual inputs</td>
<td>Manual transaction and balance review in Excel spreadsheet</td>
</tr>
</tbody>
</table>

- **Interfaces**
  - Ability to import current day information to inform the forecast
- **Reports**
  - Interactive Dashboard to support bank cash position

Roles
- Bank *(Non-Florida PALM Role)*
- Cash Position Processor
Overview of Business Process Grouping
70.3 Manage and Forecast Bank Cash Position

- Relationship with Other Business Processes
  - Upcoming bank transactions (e.g., payments, deposits, bank cash transfers)
    inform bank cash position to determine transfer amount

70.4 Process Bank Cash Transfers
Description of Business Process
- The process for requesting, approving, and completing transfers of cash between bank accounts.

Critical Functions
- Processing the movement of money between bank accounts
- Managing transmission of electronic supplier payments

Similarities to Today
- Requesting the transfer of cash to cover bank account disbursements

Key Business Process Concepts

<table>
<thead>
<tr>
<th>Florida PALM</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Suppliers can be configured to receive wire transfers with Treasury approval</td>
<td>The warrant to wire process for vendors for Treasury approved vendors</td>
</tr>
<tr>
<td>Bank cash transfer request is in the system with an approval workflow</td>
<td>Email/phone call to Treasury requesting bank cash transfer</td>
</tr>
</tbody>
</table>

Roles
- Bank (Non-Florida PALM Role)
- Cash Transfer Approver
- Cash Transfer Processor
- DFS Transfer Approver
Overview of Business Process Grouping
70.4 Process Bank Cash Transfers

- Relationship with Other Business Processes
  - Bank cash position determines transfer amount
  - Electronic payments to the suppliers are dispatched
Overview of Business Process Grouping
70.5 Reconcile Book to Bank Balances

- **Description of Business Process**
  - The monthly process for reconciling bank statement balances to ledger balances

- **Critical Functions**
  - Reconciling ledger balances to bank account balances and resolving exceptions

- **Similarities to Today**
  - Treasury reconciling Central FLAIR to their State Accounts, Fund Accounting, and Bank Accounts applications

---

Overview of Business Process Grouping
70.5 Reconcile Book to Bank Balances

- **Key Business Process Concepts**

<table>
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<tr>
<td>Bank account transactions and balances will be reconciled in the system</td>
<td>Bank account transactions and balances are reconciled in different systems</td>
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</tbody>
</table>

- **Roles**
  - Bank (*Non-Florida PALM Role*)
  - Book to Bank Reconciliation Processor
Overview of Business Process Grouping

70.5 Reconcile Book to Bank Balances

- Relationship with Other Business Processes
  - Bank statement reconciliation must be completed before month end balances can be reconciled
  - Book to bank reconciliation validates ledger balances generated by source module transactions (e.g., deposits, payments, bank cash transfers) reconcile to bank balances
Overview of Business Process Grouping
70.6 Create and Maintain Deals

- Description of Business Process
  - The process for recording and tracking investments through the lifecycle of each investment

- Critical Functions
  - Recording and accounting for investments including:
    - Purchase/Sell Trade
    - Amortization

- Similarities to Today
  - Treasury managing the State’s investment portfolios
Overview of Business Process Grouping
70.6 Create and Maintain Deals

Key Business Process Concepts

<table>
<thead>
<tr>
<th>Florida PALM</th>
<th>FLAIR/CMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment data will be interfaced daily</td>
<td>Trades and investment activity are manually keyed into Investment Accounting Application</td>
</tr>
<tr>
<td>Internal and external manager investment details will be recorded in the system</td>
<td>Only internal manager investment details are recorded in Investment Accounting Application</td>
</tr>
<tr>
<td>The ability to capture floating rate investments</td>
<td>Floating rate investments must be tracked manually</td>
</tr>
<tr>
<td>Amortization calculated automatically</td>
<td>Amortization is calculated and recorded manually</td>
</tr>
</tbody>
</table>

Roles
- Custodial Bank *(Non-Florida PALM Role)*
- DFS Investment Accounting Processor
- DFS Investment Section *(Non-Florida PALM Role)*
- External Managers *(Non-Florida PALM Role)*
Overview of Business Process Grouping
70.6 Create and Maintain Deals

- Terminology
  - **Deal** – an individual investment security held by the State of Florida

- Relationship with Other Business Processes
  - Investment opportunities are based on bank cash position results
  - Monthly and yearly reporting include investment information
70.7 MANAGE INVESTMENT POOLS

Overview of Business Process Grouping
70.7 Manage Investment Pools

› Description of Business Process
  ◦ The process for tracking investment participant balances and distributing interest apportionment

› Critical Functions
  ◦ Recording daily balances for SPIA participants
  ◦ Apportioning interest to Trust Funds, GR, and SPIA participants

› Similarities to Today
  ◦ Treasury managing SPIA participant transactions and balances
  ◦ Monthly interest apportionment
Description of Business Subprocesses

- 70.7.1 Manage SPIA Balances – the process for integrating SPIA balances from the SPIA application with Florida PALM to support interest apportionment
- 70.7.2 Distribute Interest Apportionment – the process for distributing interest to Trust Funds, SPIA participants, and GR based on the participants’ average daily balance

Key Business Process Concepts

<table>
<thead>
<tr>
<th>Florida PALM</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Interest apportionment for CRA will be automatically distributed to the Advancing Fund</td>
<td>Interest apportionment to CRA is received. Checks are written from the CRA to the Advancing Fund</td>
</tr>
</tbody>
</table>

- Report
  - Apportionment Report – interest and administrative fee apportionment details by pool and participant
Overview of Business Process Grouping
70.7 Manage Investment Pools

- Roles
  - Custodial Bank *(Non-Florida PALM Role)*
  - DFS General Ledger (GL) Journal Processor
  - SPIA Application Processor *(Non-Florida PALM Role)*
  - SPIA Participant *(Non-Florida PALM Role)*

Overview of Business Process Grouping
70.7 Manage Investment Pools

- Terminology
  - **Average Daily Participant Balances** – an amount calculated by adding the amount of the participant balance for each day and dividing by the number of days in the month
  - **SPIA** – Special Purpose Investment Account
  - **Participant** – a Fund (Trust/GR) or entity investing through SPIA included in the Investment Pool
Overview of Business Process Grouping
70.7 Manage Investment Pools

- Relationship with Other Business Processes
  - Investment income is recorded. Agencies record investment/disinvestment transactions where authorized
  - Interest apportionment is recorded as a journal entry and included in month end processing
Wrap Up

Embrace the Journey
### Wrap Up

<table>
<thead>
<tr>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/6</td>
<td>5/7</td>
<td>5/8</td>
<td>5/9</td>
<td>5/10</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Clarification Working Meeting Week 1 (10-11am) (via phone)</td>
</tr>
<tr>
<td>5/13</td>
<td>5/14</td>
<td>5/15</td>
<td>5/16</td>
<td>5/17</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Clarification Working Meeting for Week 2 (10-11am) (via phone)</td>
</tr>
<tr>
<td>5/20</td>
<td>5/21</td>
<td>5/22</td>
<td>5/23</td>
<td>5/24</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td>Clarification Working Meeting for Session 3 Topics (10-11am) (in person)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clarification Working Meeting All Sessions (10-11am) (via phone)</td>
<td>Clarification Working Meeting All Sessions (10-11am) (via phone)</td>
<td>Agency Collective Feedback Due</td>
</tr>
</tbody>
</table>
CONTACT INFORMATION

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