

# CMSW.10.3 Analyze and Reconcile Accounts

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## Revision History

Version	Date	Revision Notes
0.1	04/23/2020	Initial Submission

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## Business Process Overview

The Analyze and Reconcile Accounts business process addresses the execution of the period close and the allocation process for apportionment of interest.

The business subprocesses included are:

- 10.3.1 Perform Month-End Close
- 10.3.2 Perform Allocations

DFS opens the accounting period based on the predetermined schedule. Transactions process on a continuous basis within Florida PALM. During the period, transactions that are in exception status within Florida PALM are proactively reviewed, monitored, and corrected. Period close within Florida PALM occurs monthly and is controlled by Department of Financial Services (DFS). DFS communicates with agencies if changes occur to the close schedule.

At the end of the period, DFS closes the source modules, based on the predefined schedule, to prevent further processing within the period. By utilizing Florida PALM reports, the GL Reconciler can perform the period end reconciliation to ensure balances are accurate and the GL can be closed. If balances require corrections, the correction can be directly entered into the GL for the prior period using a GL Journal or within the appropriate source module for the current period. DFS officially closes the prior period by closing the GL for the prior period.

Upon having the prior period data, DFS Treasury accesses the data to perform interest allocations. Treasury reviews and analyzes the data to ensure accuracy. If corrections are needed, the data is corrected within Florida PALM. Florida PALM offers an allocation process, which calculates the allocation amount, creates the journal entries, and posts balanced allocation entries. Once the allocation process is completed, DFS Treasury creates GL Journals to have the allocated amounts posted within Florida PALM.

## Dependencies and Constraints

- Source Modules will close once the book to bank reconciliation process is complete and identified reconciling items have been addressed.

## Business Process Flow Details

Table 1: Process Steps Included on CMSW Business Process Model Flow

CMSW.10.3.1 – Perform Month-End Close	
<b>Swim Lanes – Definition</b>	<p><b>DFS Close Processor:</b> DFS role responsible for enterprise-level close activities</p> <p><b>GL DFS Reconciliation Processor:</b> Role responsible for reconciling the general ledger</p>

Process Step ID	Process Step Title	Description of Process
1	Open Current General Ledger and Source Module Period	A DFS Close Processor opens the GL and source module periods for the current month to allow agencies to transact as needed.
2	Review Exception Reports	Throughout the month, the GL Reconciliation Processor proactively reviews exception reports. Proactive reconciliation helps limit the number of corrections at month-end.
3	Resolve in Appropriate Source module	If exceptions are found during the review of exception reports, the GL Reconciliation Processor resolves the exception in the appropriate source module.  If there are no exceptions found during the review, the process will follow the Book to Bank reconciliation process outlined in CSM Wave Business Process 70.5 Reconcile Book to Bank Balances.
4	Run Generate Journal Process	Once the Book to Bank process has been completed, the Generate Journal Process is run for all relevant source modules.
5	Open Next Source Module Period	The DFS Close Processor updates the period dates for all the source modules. Updating the dates, opens the period and allows for transactions to post.
6	Close Current Source Module Period	Once the period dates are updated for the source module, the DFS Close Processor will close the current source module period.
7	Run and Review Preliminary Month-End Reports	The GL Reconciliation Processor runs preliminary month-end reports, including budgetary and financial reports and online queries.
8	Review and Analyze Month-End Reports	The GL Reconciliation Processor reviews and analyzes the month-end reports to identify any reconciling items. If reconciling items exist, the GL Reconciliation Processor determines if the correction should be made in the GL or in the source module. If the correction should be in the GL, the GL Reconciliation Processor creates a GL Journal via the Enter and Process Journals Business Process. Once corrections are made, the GL Reconciliation Processor re-runs the preliminary month end reports to look for reconciling items.
9	Update Source Module	If the correction should be made in the source module, the GL Reconciliation Processors coordinate with the Source Module Reconcilers to input corrections into the proper source module during the current period.
10	Close Current General Ledger Period	If this process does not occur at fiscal year end, the DFS Close Processor closes the GL period for the prior month.

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Process Step ID	Process Step Title	Description of Process
11	Outbound Treasury Balances	After the GL is closed, Florida PALM sends Central FLAIR the Outbound Treasury balance file containing the cash balances as of the end of the period. The file undergoes translation using the COA Crosswalk and reflects legacy values back to FLAIR.
12	Prepare and Send Year End Reports	<p>If this process occurs at fiscal year end, the GL Reconciliation Processor prepares the year-end reports and data to submit for financial reporting. The data includes cash balance by fund, Pool 1, Pool 2, and Unverified Cash information. Treasury also provides more information from Florida PALM as needed for financial reporting.</p> <p>The GL Reconciliation Processor within Treasury sends the prepared year end reports and data to the Bureau of Financial Reporting for use in preparation of the Comprehensive Annual Financial Report outside of Florida PALM.</p>
13	Outbound Treasury Investment Balances	As a part of the year end process, Florida PALM provides General Revenue and Trust Fund beginning balances and summary transactional data to Central FLAIR to assist in producing budget and trust fund annual reporting. The file undergoes translation using the COA Crosswalk and reflects legacy values back to FLAIR.
14	Execute Year End Close Process	<p>Once DFS has determined all reconciliation activities between the source modules and the GL have been performed, the usual period-end reports, and any other special year end reports are produced prior to executing the close process.</p> <p>To close the old year, the Close Request page is used to close revenue and expense accounts and roll forward beginning balances to the new year. GL performs closing according to the options selected in the closing rules.</p> <p>The DFS GL Close Processor reviews and analyze the closing information that is produced to confirm that balances reflect the expected outcomes.</p> <p>If problems are identified, then the DFS GL Close Processor will run the Close Undo process to reverse all closing actions and return Florida PALM back to the previous state prior to Close execution. The DFS GL Close Processor may contact the GL Reconciler to verify the reason for the required correction.</p>

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Table 2: Process Steps Included on CMSW Business Process Model Flow

<b>CMSW.10.3.2 – Perform Allocations</b>		
<b>Swim Lanes – Definition</b>	<b>Agency Allocations Processor:</b> Agency role responsible for allocation activities	
<b>Process Step ID</b>	<b>Process Step Title</b>	<b>Description of Process</b>
1	Review Data for Prior Month/Period	The GL Processor reviews posted transactions in the GL to identify cash transactions for interest apportionment allocations as detailed in CMSW.70.7.2 Distribute Interest Apportionment.
2	Edit and Update Data	Upon review, the GL processor confirms whether corrections are required before proceeding with the allocation process. If there are identified modifications, the GL processor edits and updates the transactions as appropriate.
3	Run Allocations Process	<p>The GL Processor runs the allocation process based on the allocation rules and configurations to appropriately create and post additional transactions to affect balances appropriately.</p> <p>Once complete, the GL Reconciliation Processors import the allocation results into Florida PALM to be recorded in the ledger and update balances as GL Journals as detailed in the CMSW 10.2.1 Create and Approve Journals.</p>

## Ledger Impacts

Table 3: Ledger Impacts Included on CMSW Business Process Model Flow

<b>Ledger Impact ID</b>	<b>Ledger - Ledger Impact Title</b>	<b>Ledger Impact Description</b>
LI1	Actuals Ledger – Establish Beginning Balance	Decrease expense and revenue Increase in roll-forward Cash balances
LI2	Actuals Ledger – Interest Apportionment	Increase Cash in ChartField String 1 Increase Revenue in ChartField String 2

## Reports

Table 4: Reports Included on CMSW Business Process Model Flow

<b>Report Number</b>	<b>Report Description</b>	<b>Report Frequency</b>	<b>Audience</b>
R1	General Ledger Journal Entries Report – listing of Treasury accounting journal by type of entry.	Periodic	Agency, DFS
R2	GL Reconciliation Report – Report to display reconciled and unreconciled	Periodic	Agency, DFS

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Report Number	Report Description	Report Frequency	Audience
	balances by ChartField and source module.		
R3	Journal Inquiry – Online display of requested journals.	Periodic	Agency, DFS
R4	Ledger Inquiry – Online display of ledger balances by ChartFields.	Periodic	Agency, DFS
R5	Deposit Balancing Errors – display of deposits where control totals do not equal the sum of the payments entered, including regular and express deposits.	Periodic	Agency
R6	Direct Journal Accounting Entry Errors – identifies Direct Journal accounting entry edit errors.	Periodic	Agency
R7	Unreconciled Deposits Report – report that provides a list of unreconciled deposits.	Periodic, Annual	Agency, DFS
R8	Interim Schedule of Pooled Investments with State Treasury – provides a condensed financial statement for Investment Pools maintained by the State Treasury	Annual	DFS
R9	Interim for Treasury Statement of Net Assets - provides the Statement of Net Assets for balances recorded in the Treasury Business Unit	Annual	DFS
R10	Interim for Fair Value Report (CAFR) – provides the fair value of investments held with the State Treasury	Annual	DFS
R11	Interim for Schedule of Deposits with State Treasury (CAFR)	Annual	DFS
R12	Interim for State Treasury Credit Quality Ratings (CAFR)	Annual	DFS
R13	Interim for State Treasury Custodial Credit Risk (CAFR)	Annual	DFS
R14	Interim for Investment Schedules (CAFR) - required for Note disclosures and financial data to assist in the CAFR preparation.	Annual	DFS

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