



South Carolina Enterprise Information System

LESSON 9: MANAGING CASH STATUS

STATE INFORMATION
TECHNOLOGY



SC BUDGET AND CONTROL BOARD

Lesson 9 Learning Objectives

- 🔄 Upon completion of this lesson, you should be able to:
 - Understand SCEIS cash accounts.
 - Understand how to review cash balances.
 - Understand what affects cash balances.
 - Understand how to manage your cash balances.
 - Understand the differences in budget status and cash status.

Key Transactions

- 🌀 FAGLB03 – General Ledger Balance Report
- 🌀 FAGLL03 – General Ledger Line Item Report
- 🌀 ZGLA – GL Fund Account Analysis



SCEIS Cash Accounts & Purposes



There are several “cash” accounts in SCEIS

- 1000000000 Cash Due To/From
- 100001xxxx Undeposited Cash**
- 1000020000 IDT Cash Clearing
- 1000030000 Cash on Deposit – STO
- 1000040000 Cash Disbursements – STO
- 1000050000 Petty Cash

The Undeposited Cash must be zero at year-end.

SCEIS Cash Balance



=

1000000000

100001xxxx

1000020000

1000030000

1000040000

SCEIS Cash Balance, cont.

- To determine the cash balance for a particular fund, all cash accounts must be totaled.
- If your agency has specific cash accounts set up in SCEIS, these accounts must also be included to obtain the true cash balance.
- Note, however, that you cannot expend the cash in 100001xxxx until the cash has been moved to 1000030000.
- The cash edit check does not included cash in 100005xxxx.

SCEIS Cash Balance cont.

How does cash move from 100001xxxx to 1000030000?

- 🌀 When you scan a validated deposit slip, it produces an F-04 transaction where you reference the STO bank account and check “Transfer Posting with Clearing.”
- 🌀 This triggers the cash transfer from 100001xxxx to 1000030000 which then workflows to the STO for approval.
- 🌀 Cash is not available to spend until approved by the STO.

SCEIS Cash Balance cont.

- ④ 1000020000 is used to record “Live and Non-Live” agency IDT receipts and payments to “Live” agencies.
- ④ At the time of billing, an AR and Revenue are recorded.
- ④ These IDT billings are open A/R until matched with an IDT payment.
- ④ Cash is not recorded until both sides of the IDT are matched – the billing and the payment – by means of the AR reference document.

SCEIS Cash Balance cont.



Billing BA Posting at time of Billing:

Dr Accounts Receivable
 Cr Revenue

Payment BA Posting at time of Payment:

Dr Expenditure
 Cr Accounts Payable

SCEIS Cash Balance cont.

Match in Nightly Cycle:

Billing BA	Dr	1000020000	
		Cr	Accounts Receivable
Paying BA	Dr	Accounts Payable	
		Cr	1000020000

Generated Clearing Entry:

Billing BA	Dr	1000000000	
		Cr	1000020000
Paying BA	Dr	1000020000	
		Cr	1000000000

SCEIS Cash Balance cont.

- ④ The IDT cash receipt and cash disbursement are posted simultaneously in the **1000020000** account when the payment is initiated.
- ④ The IDT Revenues are matched with the IDT Expenditures automatically by the reference number nightly.
- ④ It is imperative to this matching process that when an IDT payment is made the billing reference document number is not changed.

SCEIS Cash Balance cont.

- With this process, 1000020000 is an automatic clearing account and should be zero (-0-) at year-end.
- Amounts remaining in the account may be partial payments and are being cleaned up by SCEIS staff.
- Agency staff should NOT try to clear this account and should NOT make entries directly to this account.

SCEIS Cash Balance cont.

- ❶ Petty cash 1000050000 is excluded; since it is actual cash on hand and not in the bank. However, petty cash is a cash balance for the agency.
- ❷ If your agency has petty cash that has not yet been loaded into SCEIS, please do so before year-end.

Entry : Debit 1000050000 (*Petty Cash*)

Credit 7000002000 (*Financial
Reporting Conversion*)

SCEIS Cash Balance cont.

- ☛ When you process a vendor payment, expenditures and accounts payable (not cash) are recognized.
- ☛ Cash balances do not reflect vendor payments that have been processed in SCEIS by your agency, but not paid by the STO, until they are paid by the STO.
- ☛ Cash is not decreased until the check is processed by the STO.
- ☛ There may be a lag of several days from the time the invoice is processed until the check is processed by the STO for payment.

Payment Process



PR/PO
approved



Goods & Invoice
Received and
Payment Processed
By Agency & CGO



Payment
Processed by
STO

Budget/funds encumbered,
set aside, as a result of the
PR/PO, but cash not paid
out and expenditures not
recognized.

Dr **Expenditures**
Cr Accounts Payable

Expenditure recognized,
but cash not yet paid out.

Dr Accounts Payable
Cr **Cash**
Cash decreased as a result
of the CGO approval for
check to be cut by the STO.

Managing Your Cash Balance

Three important things in managing cash:

1. You must include **ALL cash accounts** in determining balances.
2. You must take into account **accounts payable** (expenditures processed, but not yet paid).
3. **Best reports** to use for obtaining cash balance is
ZGLA – Set **SC_CASH_AVAIL_EDIT_CBF** excludes petty cash and 100001xxxx and set **SC_CASH** includes petty cash and 100001xxxx
FAGLB03 - The FAGLB03 is better than the FAGLL03 because it includes cash carryforward amounts – FAGLL03 does not.

Determining Cash Available

Cash Available =
Cash Balance – Accounts Payable

Cash balance = 1000000000 – 100004000

Undeposited cash accounts 100001xxxx must be excluded as they are not available to spend

A/P = 2000010000 – 2000050000

For vendors, employees, & IDTs. (Sales and use tax payables are 2010010000 & 2010020000)

New Year and Old Year Balances

Cash is somewhat “pooled” for purposes of processing new year transactions.

☛ SCEIS will look back to 2011 and pool the cash if there is not sufficient cash in the new year fund to process a payment for non-state funds.

☛ SCEIS does not look forward to 2012 if there is not sufficient cash in the old year fund to process a payment for state funds.

New Year and Old Year Balances

- 🌀 Edits for Cash are handled differently depending on the year and fund.
- 🌀 On-line and Payment Run transactions are handled differently.

TRANSACTION CATEGORY	YEAR	STATE FUNDS 1001 & 2XXX	NON-STATE FUNDS 3XXX – 5XXX
On-Line	PY & CY	Doc posting year and month	Current cumulative cash balance as of entry date and time.
Payment Run	PY & CY	Doc posting year and month	Cumulative cash balance as of Payment Run Date

Cash Status vs. Budget

- ➊ Cash and Budget are not the same.
- ➋ Both balances need to be monitored regularly throughout the year and especially at year-end.
- ➌ Cash balances are based on actual cash receipts and disbursements.
 - Cash receipts are not available until verified by the STO.
 - Disbursements do not occur until checks have been paid by the STO.
 - Cash balances do not reflect accounts payable not yet paid by the STO. You must take these into account in looking at cash balances.
- ➍ Expenditure budget balances are based on authorized amounts, encumbrances and actual expended amounts.
- ➎ Revenue budget balances are based on estimated revenues compared to accrual based receipts.

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