

LESSON 9: MANAGING CASH STATUS

STATE INFORMATION TECHNOLOGY



Lesson 9 Learning Objectives



- Output 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.





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

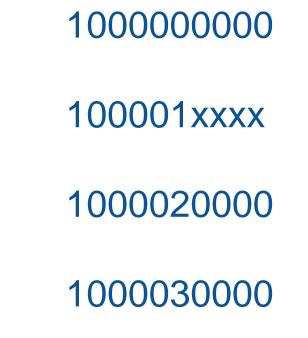
- @ 100000000 Cash Due To/From
- @ 100001xxxx Undeposited Cash
- @ 1000020000 IDT Cash Clearing
- @ 1000030000 Cash on Deposit STO
- @ 1000040000 Cash Disbursements STO
- @ 1000050000 Petty Cash

The Undeposited Cash must be zero at year-end.

SCEIS Cash Balance









- To determine the cash balance for a particular fund, <u>all</u> 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.



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.



- I000020000 is used to record "Live and Non-Live" agency IDT receipts and payments to "Live" agencies.
- At the time of billing, an AR and Revenue are recorded.
- These IDT billings are open A/R until matched with an IDT payment.
- Cash is not recorded until both sides of the IDT are matched – the billing and the payment – by means of the AR reference document.





Billing BA Posting at time of Billing:

Dr Accounts Receivable Cr Revenue

Payment BA Posting at time of Payment:DrExpenditureCrAccounts Payable



Match in Nightly Cycle:

Billing BA	Dr	1000	1000020000		
		Cr	Accounts Receivable		
Paying BA	Dr	Accounts Payable			
		Cr	1000020000		
Generated Clearing Entry:					
Billing BA	Dr	100000000			
		Cr	1000020000		

- Paying BA Dr 1000020000
 - Cr 100000000



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



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



- 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.
- 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)

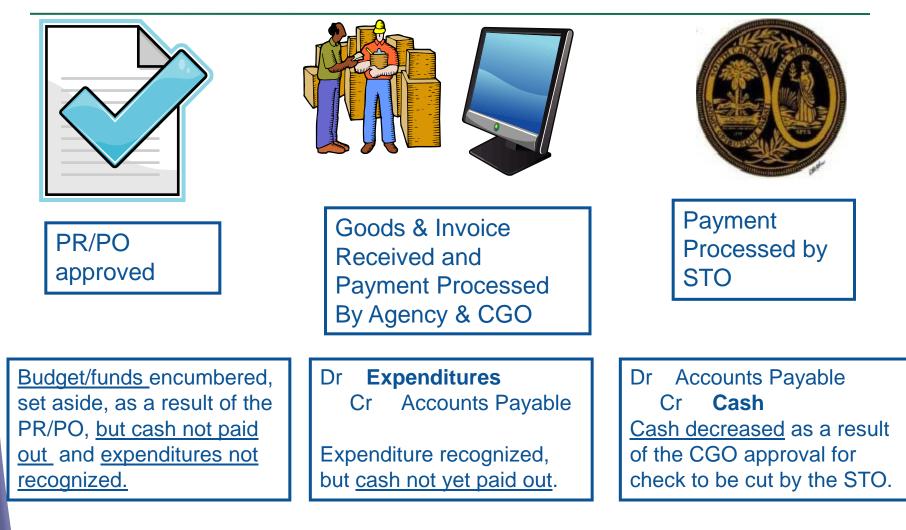
Credit 7000002000 (Financial Reporting Conversion)



- 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, <u>until they are paid by the STO.</u>
- Cash is not decreased until the check is processed by the STO.
- There may be a <u>lag of several days</u> from the time the invoice is processed until the check is processed by the STO for payment.

Payment Process





Managing Your Cash Balance



Three important things in managing cash:

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

Determining Cash Available



Cash Available = Cash Balance – Accounts Payable

Cash balance = 100000000 - 100004000Undeposited cash accounts 100001xxxx must be <u>excluded</u> as they are not available to spend A/P = 2000010000 - 2000050000For vendors, employees, & IDTs. (Sales and use

tax payables are 2010010000 & 2010020000)



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

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

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

New Year and Old Year Balances



- Control Con
- 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



- Cash and Budget are not the same.
- Both balances need to be monitored regularly throughout the year and especially at year-end.
- 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.
- Construction Co
- Revenue budget balances are based on estimated revenues compared to accrual based receipts.

Lesson 9 Learning Objectives



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