

Payment Cash Checking Overview

Cardinal’s payment cash checking process ensures all payments (vouchers, employee expenses, and cash advances) are checked against available cash, before being released for payment each night.

The payment cash checking process runs in the nightly batch schedule after the pay cycle selection process, but before the pay cycle creation process. Cardinal transactions (Accounts Receivable (AR) Direct Journals, AR Applied Payments, AR Maintenance, and General Ledger (GL) Journals) that may impact available cash balances on the ledger are posted to the ledger before the start of the payment cash checking process each night.

The payment cash checking process ensures all payments have available cash in the respective business unit (agency)/fund combinations to be paid for that night. Based on system priority, payments are bounced against the applicable ledger cash account balances, and a running total is maintained until all payments are cleared or marked for insufficient funds during the batch run. All payments that successfully pass the payment cash checking process run through regular Cardinal payment processing, including Comptroller’s Debt Setoff (CDS) Offset.

The process deselects vouchers and employee expenses from that night’s pay cycle when they are marked for insufficient funds. Results for insufficient funds can be reviewed in Cardinal using online inquiries or queries. Vouchers, employee expenses, and cash advances rejected for pay cycle are not paid until they successfully pass the payment cash checking process. They are reset and made available for processing again before the next night’s pay cycle selection run.

It is important to note, the payment cash checking process does not prevent non-payment transactions that impact the ledger cash account from posting (i.e., an AR Cash Receipts adjustment or a GL online journal entry that causes the cash account to go negative are not stopped by the process). It only stops payment transactions (voucher, employee expense, and cash advance payments only) when there is insufficient cash.

Special payments produced by the Department of Accounts (DOA) using the Cardinal Express Check functionality do NOT use the payment cash checking process. Instead, DOA manually reviews the applicable ledger cash account balances prior to processing the related voucher for the **Special** payment. The cash balances are updated for the **Specials** after the completion of the nightly pay cycle process.

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DOA Controlled Configuration Settings

The payment cash checking process utilizes several system configuration settings to provide some flexibility in how the payment requests are analyzed by the system.

Settings controlled by the DOA include:

- **Account**
- **Processing Order**
- **Bypass**
- **Override**
- **Apply FY (Fiscal Year)**
- **Transaction Level Override**

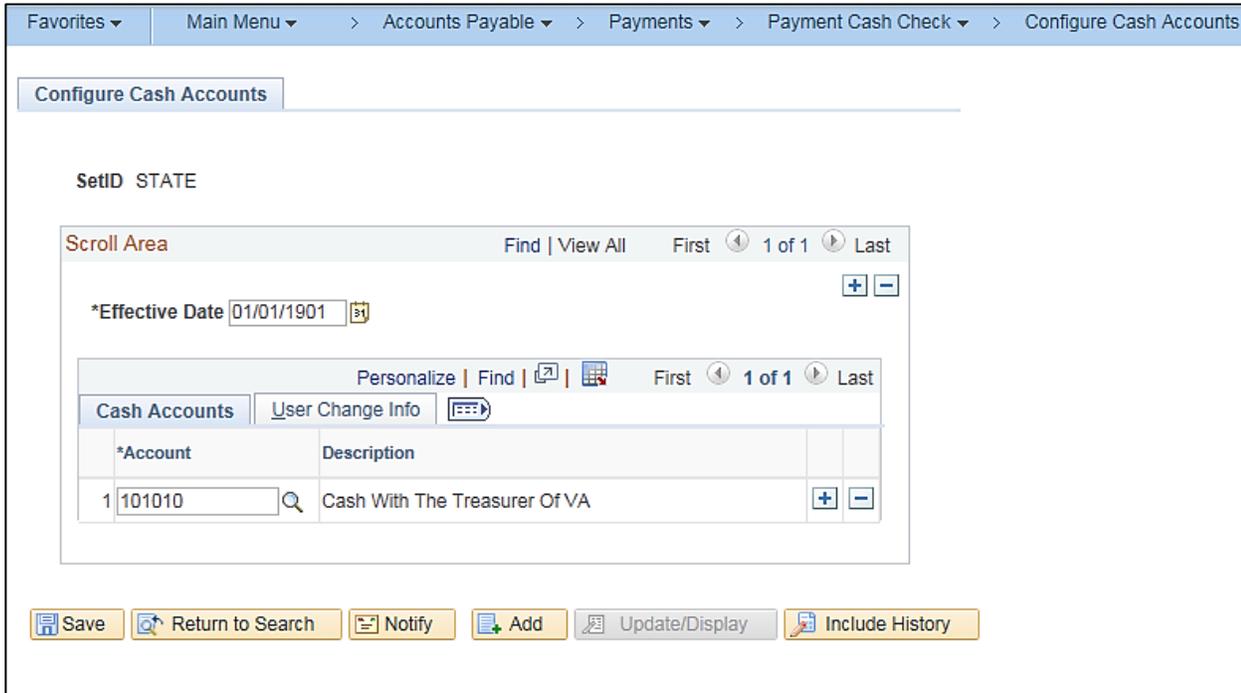
Illustrations and examples shown in this job aid correlate to the configuration settings initially established in Cardinal at the onset of the payment cash checking process.

Account

The **Account** configuration setting controls which cash account ledger balances are included in the evaluation process. **Account** settings selected in Cardinal only include the ledger account 101010 from the ACTUALS ledger.

Navigate to the **Configure Cash Accounts** page using the following path:

Main Menu > Accounts Payable > Payments > Payment Cash Check > Configure Cash Accounts



The screenshot shows the 'Configure Cash Accounts' page in a web browser. The breadcrumb trail at the top reads: Favorites > Main Menu > Accounts Payable > Payments > Payment Cash Check > Configure Cash Accounts. The page title is 'Configure Cash Accounts'. Below the title, there is a 'SetID STATE' label. A 'Scroll Area' contains a search bar with '*Effective Date' and a date field set to '01/01/1901'. Below this is a table with columns '*Account' and 'Description'. The table contains one row: '1 101010' with the description 'Cash With The Treasurer Of VA'. At the bottom of the page, there is a toolbar with buttons for 'Save', 'Return to Search', 'Notify', 'Add', 'Update/Display', and 'Include History'.

*Account	Description
1 101010	Cash With The Treasurer Of VA

Fund Level Processing Rules Bypass

The Bypass configuration setting identifies payments by selected Fund (or Business Unit/Fund combination) that are exempt from the payment cash checking process. Payments are released regardless of the ledger cash balance. Running cash balances are NOT maintained for the impacted combination.

This option might be used when there is a clear business process that warrants allowing the cash account for a particular Fund (or Business Unit/Fund combination) to go negative. One example of this might be a fund that is supported by bonds, where the cash is requisitioned after the expenses are incurred. The timing of the cash replenishment may cause the fund's cash to be negative at regular points in the process.

For more detailed information, see the job aid entitled **SW AP312 Payment Cash Checking – Fund Level Processing Rules Updates**, located on the Cardinal website in **Job Aids** under **Training**.

Override

The Override configuration allows for ALL payments for the selected Fund (or Business Unit/Fund combination) to be processed via the payment cash checking process, however, payments will be released regardless of the ledger cash balance. Unlike the fund level Bypass option, running cash balances **WILL** be maintained for the impacted combination.

No business scenarios requiring this configuration setting were identified at the initial onset of the payment cash checking process in Cardinal.

For more detailed information, see the job aid entitled **SW AP312 Payment Cash Checking – Fund Level Processing Rules Updates**, located on the Cardinal website in **Job Aids** under **Training**.



Apply FY (Fiscal Year)

The Fiscal Year configuration controls which fiscal year’s cash balances are verified during the payment cash checking process when multiple General Ledger fiscal years are open concurrently.

When the FY setting is **NOT** Enabled, the payment cash checking process will evaluate the new fiscal year payment transactions against a combined cash balance for both fiscal years (this simulates a cash roll forward that will not occur until the prior fiscal year is closed and balances are rolled forward, which typically occurs near the end of July). When DOA anticipates cash balances will be rolled forward for a particular Fund (or Business Unit/Fund combination), the configuration is set as **FY Not Enabled**.

When the FY setting is Enabled, the payment cash checking process evaluates the new fiscal year payment transactions against the independent cash balance for just the new FY (this simulates cash balances that will not roll forward in the system – General Fund cash balances are a good example of this type). When DOA anticipates cash balances will NOT be rolled forward for a particular Fund (or Business Unit/Fund combination), the configuration should be set as **FY Enabled**.

This FY setting also controls beginning cash balances reported on the inquiries and reports related to the payment cash checking process.

The illustration that follows assumes two General Ledger fiscal years are open concurrently, and also assumes that at the time the payment cash checking process begins, the ACTUALS ledger cash balance in the fund for the closing FY (FY14) is \$4,000 and the actual ledger cash balance in the same fund for the new FY (FY15) is \$1,000.

FY CONFIGURATION SETTING	PAYMENT PROCESSING TRANSACTIONS	FY14 CASH ACTUALS BALANCE	FY15 CASH ACTUALS BALANCE	FY14 CASH CHECKING BEGINNING BALANCE	FY15 CASH CHECKING BEGINNING BALANCE	EXPLANATION
FY NOT ENABLED		\$4,000	\$1,000	\$4,000	\$5,000	PAYMENT CASH CHECKING BALANCE FOR THE CLOSING FY IS COMBINED WITH THE BALANCE OF THE NEW FISCAL YEAR - SIMULATING A CASH ROLL FORWARD
	FY14	ACTUALS TRANSACTION APPLIED HERE		PAYMENT CASH CHECKING TRANSACTION APPLIED HERE		TRANSACTIONS FOR CLOSING FY ARE PAYMENT CASH CHECKED AGAINST THE FY14 CASH
	FY15		ACTUALS TRANSACTION APPLIED HERE		PAYMENT CASH CHECKING TRANSACTION APPLIED HERE	TRANSACTIONS FOR THE NEW FY ARE PAYMENT CASH CHECKED AGAINST THE COMBINED FY14 AND 15 CASH
FY ENABLED		\$4,000	\$1,000	\$4,000	\$1,000	PAYMENT CASH CHECKING BALANCE FOR THE CLOSING FY IS NOT COMBINED WITH THE BALANCE OF THE NEW FISCAL YEAR - SIMULATING CASH BALANCE NOT ROLLING FORWARD
	FY14	ACTUALS TRANSACTION APPLIED HERE		PAYMENT CASH CHECKING TRANSACTION APPLIED HERE		TRANSACTIONS FOR CLOSING FY ARE PAYMENT CASH CHECKED AGAINST THE FY14 CASH
	FY15		ACTUALS TRANSACTION APPLIED HERE		PAYMENT CASH CHECKING TRANSACTION APPLIED HERE	TRANSACTIONS FOR CLOSING FY ARE PAYMENT CASH CHECKED AGAINST THE FY15 CASH

For more detailed information, see the job aid entitled **SW AP312 Payment Cash Checking – Fund Level Processing Rules Updates**, located on the Cardinal website in **Job Aids** under **Training**.

Transaction Level Override

This configuration feature provides the ability to flag SPECIFIC vouchers/employee expenses/cash advances to be processed via the payment cash checking process, but allows the payment to be released, even if the business unit/fund combination cash balance has gone negative. The payment cash checking process updates the running cash balance with amounts associated with overridden vouchers/employee expenses/cash advances.

For more detailed information, see the job aid entitled **SW AP312 Payment Cash Checking – Updating Transaction Level Overrides**, located on the Cardinal website in **Job Aids** under **Training**.



How It All Works Together

All the payment transactions ready for payment are evaluated each night at the start of the nightly batch process. Debit/Credit Memo vouchers (by supplier) ready for payment are combined for assessment.

Also, each voucher, employee expense, and cash advance is evaluated in its entirety. A single payment transaction may contain multiple accounting distribution lines. If one of the accounting distribution lines on the payment transaction does not pass the payment cash checking process, the entire transaction will be rejected for payment during the nightly batch process.

After these initial evaluation steps, any payment transaction where all distribution lines are associated with a fund level Bypass Rule, a fund level Override Rule, or a Transaction Level Override will pass the payment cash checking process. Remaining payment transactions are then evaluated in accordance with the configured processing orders set by DOA and the processing agencies. Remember, illustrations and examples shown in this job aid correlate to the configuration settings initially established in the Cardinal system at the onset of the payment cash checking process.

This processing order is configured in Cardinal as follows.

First Level	DOA has configured the Transaction Type Processing Order as (1) Vouchers, (2) Expenses, (3) Advances								
Second Level	DOA has configured the Payment Method Processing Order as (1) ACH, (2) EFT and (3) GE (ePayables) and (4) CHK for all transaction types								
Third Level	The system default order of Scheduled Due Date is utilized (no Transaction Level Priority has been configured)								
Fourth Level	The system default order of Transaction ID is utilized (no Transaction Level Priority has been configured)								
Sorting Level									
First	Transaction Type								
	<table border="1"> <tr><td>Voucher</td></tr> <tr><td>Expense</td></tr> <tr><td>Advance</td></tr> </table>				Voucher	Expense	Advance		
Voucher									
Expense									
Advance									
Second	Transaction Type	Payment Method							
	Voucher	<table border="1"> <tr><td>ACH</td></tr> <tr><td>EFT</td></tr> <tr><td>GE (ePayables)</td></tr> <tr><td>CHK</td></tr> </table>			ACH	EFT	GE (ePayables)	CHK	
ACH									
EFT									
GE (ePayables)									
CHK									
Third	Transaction Type	Payment Method	Scheduled Due Date						
	Voucher	ACH	<table border="1"> <tr><td>7/1/2013</td></tr> <tr><td>7/2/2013</td></tr> </table>		7/1/2013	7/2/2013			
7/1/2013									
7/2/2013									
Fourth	Transaction Type	Payment Method	Scheduled Due Date	Transaction ID					
	Voucher	ACH	<table border="1"> <tr><td>7/1/2013</td></tr> <tr><td>7/2/2013</td></tr> </table>	7/1/2013	7/2/2013	<table border="1"> <tr><td>00000007</td></tr> <tr><td>00000013</td></tr> <tr><td>00000015</td></tr> </table>	00000007	00000013	00000015
7/1/2013									
7/2/2013									
00000007									
00000013									
00000015									
The sorting process illustrated above would be repeated for each additional Transaction Type.									



The example below illustrates how processing order might work with the settings previously shown.

Business Unit	Transaction Type (1)	Payment Method (2)	Scheduled Due Date (3)	Transaction ID (4)	Processing Order
15100	Voucher	ACH	7/1/2013	00000007	1
15100	Voucher	ACH	7/2/2013	00000013	2
15100	Voucher	ACH	7/2/2013	00000015	3
15100	Voucher	EFT	7/1/2013	00000001	4
15100	Voucher	EFT	7/1/2013	00000002	5
15100	Voucher	EFT	7/3/2013	00000004	6
15100	Voucher	GE	7/1/2013	00000017	7
15100	Voucher	CHK	6/30/2013	00000006	8
15100	Voucher	CHK	7/1/2013	00000001	9
15100	Voucher	CHK	7/1/2013	00000003	10
15100	Expense	ACH	7/1/2013	000000001	11
15100	Expense	ACH	7/1/2013	000000004	12
15100	Expense	EFT	7/1/2013	000000012	13
15100	Expense	EFT	7/3/2013	000000002	14
15100	Expense	CHK	7/3/2013	000000006	15
15100	Expense	CHK	7/3/2013	DOA0000006	16
15100	Advance	EFT	7/1/2013	000000003	17
15100	Advance	EFT	7/3/2013	000000005	18

If fund level Bypass, Fund level Override, or Transaction Override rules apply to the transaction, processing orders are irrelevant.

Pre-processing Payment Cash Checking Management

Reports are available to help you monitor the payment cash checking process before the beginning of the nightly pay cycle process. Key reports include:

- **Transactions Ready for Processing Report**
- **Transactions in Pending Status Report**

For more detailed information on running these reports, see the **AP Cardinal Reports Catalog**, located on the Cardinal website in **Reports Catalog** under **Resources**.

Post Processing Payment Cash Checking Review

All Agencies are expected to monitor errors (rejected payments) and negative cash accounts, and to ensure these issues are addressed promptly. Reports are available to help you view the payment cash checking process results online by Business Unit/Fund or by individual transaction for up to 60 days. Some of the key reports include:

- **Notify Negative Cash Balance Process**
- **Payment Cash Checking Results Online Inquiry**
- **Review Results by Transaction Online Inquiry**
- **V_AP_PYMNT_CASH_CHECK_RESULT Query**

For more detailed information, see the job aid entitled **SW AP312 Payment Cash Checking – Reports**, located on the Cardinal website in **Job Aids** under **Training**.