# Cash & Bank Management

**Core Business Process**

Under Cash Management FC Platinum Holdings generate reports on bank transactions and transaction history, cash receipt deposits, and fund transfers for a cash, cash account activity, and Cash Management transactions. For example, they can display current bank account balances or account balances by period, bank accounts balance in an alternate currency, and specific types of bank transactions for a cash code. This is basically the main objectives of this module.

## Prerequisites

Before setting up the bank accounts in the cash & bank module, you must setup several number sequences:

Number sequences must be created for the Bank parameters:

* Automatic number for “Deposit slip”
* Automatic number for “Prenotes”
* Automatic number for “Bank reconciliation”, allocated for voucher created in bank reconciliation.

1. **Bank accounts**

This allows the company and the customer to do transactions. Bank account needs to be setup before the company can do any transactions with the client. It is used for depositing and withdrawing money for between customer and company.

1. **Bank groups**

FC Platinum Holdings create a bank group if there are several bank accounts in the same bank. In the bank group the Accounting Officer can set up general information common to all bank accounts. When he/she creates a **bank account**, all general information from the **bank group** will be filled.

1. **Bank transaction types**

Bank transactions types are used in the bank reconciliation functionality. The Accounting Officer create bank transaction types for the transactions that are made in a bank account. The bank transaction type can be linked to a **method of payment** or enter in a bank transaction (AP, AR or GL journal). For the cash and bank parameter you need at least one **bank transaction type** for the unpaid transaction (not sufficient fund).

1. **Bank transaction groups**

Bank transaction groups are used in the bank reconciliation functionality. They are used in the reconciliation form to calculate subtotals. It can facilitate the bank reconciliation. For example, if in the bank statement where there is a subtotal for all the transfer, the Accounting Officer can create a **bank transaction group** that contain all the **bank transaction types** related to a transfer (like direct debit, internet transfer and paper transfer

1. **Journal names**

To do payment reversal, the Accounting Officer need to create several journal names.

## Creating Bank

### Precondition

1. Bank Details:

* Bank name
* Bank account number
* Branch name
* Branch code
* Account Currency.

1. General Ledger Bank Control Account

This is a General Ledger account that will be linked to bank account in cash and bank.

### Process description

After confirmation and acknowledgement from the bank, the Accounting officer creates General Ledger Account which is a control account for a specific bank. After creating the GL – Control Account the Accounting Officer creates a bank account capturing the following details:

|  |  |  |
| --- | --- | --- |
| **Field Name** | **Data type** | **Length** |
| Bank Control Account | Varchar | 30 |
| Routing number | Varchar | 20 |
| Branch name | Varchar | 20 |
| Branch Code | Number | 20 |
| Bank Account Number | Number | 30 |

The accounting officer links the Bank Account to the General Ledger through the Control Account and specify the type of currency to use for the bank account.

### Actors

* Bank
* Accounting Officer

### Workflow and notification

* Approval of Bank creation.

### Audit Trail

* Account number
* Currency

## Bank Reconciliation

### Pre-Condition

* Bank Copy of Bank Statement

### Process description

At FC Platinum Holdings (Pvt) Ltd bank reconciliation is the matching process between a company’s cash account balance and its bank account balance (displayed on the bank account statement). FC Platinum Holdings prepares bank reconciliations on a monthly basis.

The bank statement received by a company shows:

* the bank account balance at the beginning of the month,
* the deposits recorded by the bank for the account during the period (usually 1 month)
* the withdrawals that have been made from the bank account,
* the ending balance of the account on a specific date.
* Bank charges charged to account.

All transactions recorded in both the company’s records and the bank’s statement (with exact same data) have to be identified as cleared.

Transactions are matched based on transaction date and transaction amount. Other attributes of a transaction can also be considered for matching. The significance of this exercise is for the Accounting Officer to keep track of those attributes (transaction date, transaction amount) on the bank statement lines and bank documents that will be used for manual match. They will be used later to build rules for automatic matching.



### Registration Details

* Transaction date
* Transaction amount
* Reconciliation Id
* Currency
* Statement Id
* Cut-off date
* Ending balance
* Net amount
* Reconciled

### Actors

* Accounting Officer

### Workflow

* Bank Reconciliation Journal Approval Workflow

### Audit trail

* Reconciliation ID
* Statement ID

## Sub Ledger Bank Reconciliation

### Precondition

Bank Reconciliation done

### Process description

At the end of the month the Accounting officer downloads the Bank Transaction from the bank module. The Accounting Officer downloads the General Ledger Control Account for the specific bank. The Accounting Officer then reconciles the bank and the General Ledger Control Account and posts the adjustments into the GL.



### Actors

* Accounting Officer

### Workflow & Notification

* None required

### Audit Trail

* General ledger control code

## Expense Management

### Petty Cash Management

#### Precondition

* 1. Bona fide petty cash request.

#### Process Description

Originator raises a requisition for petty cash with the following details

* Date
* Department
* Amount
* Cost Centre
* Nature of Expenses

The Originator submits it for approval to the Head of Section. After approval the request is forwarded to the Accounting Assistance - Finance for review. The Accounting Assistance - Finance then submits the request to the Accounting Officer for Approval.

The Accounting Officer only approves expenses up to an amount of USD 500(Subject to review). Any amount above the threshold should be approved by the Finance Superintendent. Once Approved the end user is issued cash and Finance credits their debtors account until he/she does an acquittal of the receipts for all expenses incurred. If an acquittal is not processed within the same calendar the Accounting officer will treat the request as a personal cash advance and recover the amount from payroll at month end.



#### Actors

* Originator (End User or User requesting on behalf of Someone)
* Account Assistant -Finance
* Account Officer

#### Workflow & notification

* Originator approval request
* Head of Section Requisition approval
* Accounting Assistant Finance Review
* Accounting Officer / Finance superintendent approval

#### Audit Trail

* Petty cash requisition ID
* Cash Request & Issue ID