

**STATE OF WISCONSIN  
STATE ACCOUNTING MANUAL**

<b>SECTION:</b>	VIII Treasury and Cash Management	<b>EFFECTIVE DATE:</b>	January 1, 2011
<b>SUB-SECTION:</b>	6 – Monitoring and Reconciling Electronic Lockbox Payments	<b>REVISION DATE:</b>	January 1, 2011
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**BACKGROUND**

The total amount of credit/debit card payments made through an electronic lockbox application is deposited to the established bank account early each morning. Credit/debit card payments received during the 24 hour period ending at 1:30 a.m. CT are deposited to the bank account at about 8:00 a.m. that same morning, or the next business morning if the day ends on a weekend or holiday. Electronic check payments received during the 24 hour period ending at 8:00 p.m. the previous day, are deposited around 8:00 am the next business morning. The e-payment remittance file, which lists the accepted credit/debit card and electronic check payments to be deposited that day, is available on the E-Payment System Administrative Site by 8:00 a.m.

Early in the morning on the business day following the deposit, the State Controller’s Office receives an electronic file from the bank listing the amount deposited to each State bank account. That file is used to create automatic cash receipt documents in WiSMART (see State Accounting Manual Section VIII, Sub Section 1: <http://www.doa.state.wi.us/docview.asp?docid=5819&locid=3>). Each cash receipt is coded to a single, predetermined accounting string (multiple strings can also be created based on predetermined allocation percentages). The cash receipt is uploaded preapproved and processed in WiSMART that day. The CR document appears in the WiSMART Suspense File the next business day. The following depicts the timing of the accepted electronic lockbox payments, the deposit and the processing of the automatic cash receipt document:

<b>Day 1</b>	<b>Day 2</b>	<b>Day 3</b>	<b>Day 4</b>
<ul style="list-style-type: none"> <li>Credit/debit card and e-check payments made through the e-payment system (1:30 am cut-off on Day 2 for credit/debt card and 8:00 p.m. cut-off on Day 1 for e-checks).</li> </ul>	<ul style="list-style-type: none"> <li>Deposit made to bank account at 8:00 am.</li> <li>Remittance file available on the E-Payment Administrative Site by 8:00 am.</li> </ul>	<ul style="list-style-type: none"> <li>Electronic deposit file received at the SCO.</li> <li>Auto-CR document uploaded to WiSMART pre-approved and processed.</li> </ul>	<ul style="list-style-type: none"> <li>Processed CR document appears in the WiSMART Suspense File.</li> </ul>

**PROCEDURES**

**A: REQUIRED FINANCIAL MONITORING**

Since the WiSMART Automatic-CR is based on the amount deposited to the bank account, the WiSMART accounting is automatically in agreement with the bank deposit each day. Agencies only need to monitor this and confirm that 1) the WiSMART CR is processed each day and; 2) that the amount agrees with the total of the remittance file. The State Controller’s Office can provide an MS Excel Workbook that can be used for this monitoring.

Optional revenue distribution (to be performed at least monthly)

Agencies may need to further distribute the revenue recorded on the single-line Automatic-CR to additional revenue accounts. Agencies may do that via a JR document in WiSMART. The detail revenue distribution can be based on either 1) a report of confirmed payments from their business application; or 2) the daily remittance files summarized by type of revenue. Using the daily

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remittance file as the source for the additional revenue distributions ensures that amount distributed always equals the amount of the daily confirmed payments.

**B: REQUIRED RECONCILIATION OF THE AGENCY'S BUSINESS APPLICATION TO THE CONFIRMED PAYMENTS**

Additionally, the agency business application must be reconciled daily to the confirmed payments, to ensure that agency customers receive their purchases in a timely manner, and that agency records are accurate.

Electronic Lockbox applications that utilize the Real Time Payment Confirmation (RTPC) functionality will be updating their business application in real-time as individual payments are confirmed. However, on rare occasions, an RTPC message may not be received by the agency due to a network error or other condition. Therefore, agencies must also reconcile the daily remittance file with their received RTPC confirmations to ensure that all confirmed payments are recorded. For those Electronic Lockbox applications that do not receive RTPC messages, the business application should be updated using the daily remittance file.

The Financial Monitoring/Reconciliation functions are depicted in the following diagram:

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**A: Required Financial Monitoring**

**B: Required Reconciliation of Agency Business Application with the Confirmed Payments**

