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and Fiscal Services*



Streamlined Banking  
Local Depository Accounts  
June 21<sup>st</sup>, 2007

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# Streamlined Banking Local Depository Accounts

## Agenda

### Introductions

### Local Depository Accounts

- Initial Procedures to be Performed on Day 1 for Streamlined Banking
- Ongoing Operations with Streamlined Banking

**This presentation was specifically prepared for GPDSC acknowledging that they do not remit funds to the treasury for revenue collections and that the LDA at Suntrust will be closed once ACH procedures have been fully set up with their customers and Bank of America**



# **Streamlined Banking Local Depository Accounts Introductions**

**Joyce Smith – Functional Lead – Cash  
Management Team**

**Donna Bowman – OTFS Accounting Director**



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# Local Depository Accounts

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# Streamlined Banking Local Depository Accounts

## Streamlined Banking and Local Depository Accounts

- ❑ Local depository accounts (LDAs) are used when:
  - Bank of America locations not conducive to business needs
  - Operational needs require a separate deposit account
- ❑ Objectives for LDAs within Streamlined Banking
  - LDAs used only for deposits
  - Timely moving of deposits from LDA to main depository account at BOA (weekly basis for collected balance over \$500)
  - Ability to identify funds held at all bank accounts in general ledger cash accounts
  - Ability to identify funds moved from LDA to main depository account at BOA



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## Local Depository Accounts

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**Initial Procedures to be  
Performed on Day 1 for  
Streamlined Banking**

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## Streamlined Banking Local Depository Accounts

### Initial Procedures for LDAs with Streamlined Banking

- ❑ All transfers from the LDA to the Agency Main Depository Account at BOA are initiated through ARIS
  - Use New Radio Button in ARIS: “Local Depository Remittance”
- ❑ OTFS requires the following ACH instructions for LDAs:
  - LDA Bank name, address
  - Account number
  - ABA routing number

### Agency To Do

Please give this information to OTFS (even if you have already) for the LDAs you are keeping by June 26<sup>th</sup>



## Streamlined Banking Local Depository Accounts Set Up LDA



**Beginning Scenario:  
Local Deposit Account  
(LDA) Has a \$10,000  
Balance**

**LDA Bank Balance \$10,000**



Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
Beg	\$10,000	\$0	\$0	\$10,000	\$0	\$0



## Streamlined Banking Local Depository Accounts Set Up LDA

**1. Convert LDA to “Deposit Only” (once outstanding checks clear)**



**2. Calculate Excess Amount Over Minimum Balance Needed to Cover NSF Deposits**

Bank Balance	\$10,000
Minimum Balance	<u>(1,000)</u>
Excess Balance	\$9,000

Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
1						
2						
<b>Total</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>



# Streamlined Banking Local Depository Accounts

## Determining Minimum Balance to Keep in LDA

### Agency To Do

Calculate a reasonable minimum balance to cover average NSF deposits, bank fees, bank requirements

Inform OTFS by June 26<sup>th</sup>:

Minimum balance amount for each LDA

Factors considered and calculation of minimum balance



## Streamlined Banking Local Depository Accounts Set Up LDA - continued

**3. Agency Submits  
Transaction in ARIS  
for OTFS to Move  
\$9,000 to Agency  
Main Depository  
Account at BOA**



**4. OTFS Moves Cash  
to Agency Main  
Deposit Account at  
BOA**



**5. Cash is Swept  
to State Main  
Concentration  
Account**

Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
3						
4	-\$9,000	\$9,000				
5		-\$9,000	\$9,000			
<b>Total</b>	<b>\$1,000</b>	<b>\$0</b>	<b>\$9,000</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>



## Streamlined Banking Local Depository Accounts Set Up LDA - continued

**6. Record Direct Journal for \$9,000 using FC1XXX in PeopleSoft AR to Move Cash to Agency Main Depository Account**



**7. AR Update, Journal Generator, Edit, and Post Run in Batch Nightly**

**8. Nightly Allocation Moves Amounts from Agency Account 102400 to Agency Cash Account 101005**

Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXX	102400	101005
6						
7				-\$9,000	\$9,000	
8					-\$9,000	\$9,000
<b>Total</b>	<b>\$1,000</b>	<b>\$0</b>	<b>\$9,000</b>	<b>\$1,000</b>	<b>\$0</b>	<b>\$9,000</b>



## Streamlined Banking Local Depository Accounts Accounting Balances

Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
Beginning Balance	\$10,000			\$10,000		
Total Activity of Set Up	-\$9,000	\$0	\$9,000	-\$9,000	\$0	\$9,000
Ending Balance	\$1,000		\$9,000	\$1,000		\$9,000

### New Query

0GL074\_LOCAL\_DEP\_FUNDS\_AGENCY

This query shows the posted total amount in the Ledger per business unit, fund, and funding source for the Local Depository Cash Accounts



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## Local Depository Accounts

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**Ongoing Operations with  
Streamlined Banking**



## Streamlined Banking Local Depository Accounts Deposit to LDA

**1. Agency Deposits  
\$1,500 in Local  
Depository Bank**



**2. Agency Submits  
Transaction in ARIS for  
OTFS to Move \$1,500 to  
Agency Main Depository  
Account at BOA**

Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
1	\$1,500					
2						
<b>Total</b>	<b>\$1,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



## Streamlined Banking Local Depository Accounts Deposit to LDA - Continued



**3. OTFS Moves Cash to  
Agency Main Deposit  
Account at BOA**

**4. Cash is Swept to  
State Main  
Concentration Account**

Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
3	-\$1,500	\$1,500				
4		-\$1,500	\$1,500			
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



## Streamlined Banking Local Depository Accounts Deposit to LDA - Continued

5. \$1,500 Deposit  
Recorded in  
PeopleSoft To  
Local Depository  
Account (101060)  
Using FC1XXX



6. Direct Journal Entered in AR to Move  
\$1,500 Entered in ARIS to Agency Main  
Deposit Account Using FC1XXX and  
Retaining Chartfield Values

7. Nightly Allocation Moves Amounts from  
Agency Account 102400 to Agency Cash  
Account 101005

Step	Agency LDA	ROA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXX	102400	101005
5				\$1,500		
6				-\$1,500	\$1,500	
7					-\$1,500	\$1,500
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>

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# Streamlined Banking Local Depository Accounts Accounting Balances



Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
<b>Beginning Balance</b>	<b>\$10,000</b>			<b>\$10,000</b>		
<b>Activity of Set Up</b>	<b>-\$9,000</b>	<b>\$0</b>	<b>\$9,000</b>	<b>-\$9,000</b>	<b>\$0</b>	<b>\$9,000</b>
<b>Activity Dep. #1</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>
<b>Ending Balance</b>	<b>\$1,000</b>		<b>\$10,500</b>	<b>\$1,000</b>		<b>\$10,500</b>



## Streamlined Banking Local Depository Accounts NSF Check Returned to LDA

1. \$200 Check  
Returned to LDA for  
Insufficient Funds



2. Return of Deposit  
Recorded in  
PeopleSoft AR Against  
LDA (101060) Using  
FC1XXXX



Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
1	-\$200					
2				-\$200		
<b>Total</b>	<b>-\$200</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$200</b>	<b>\$0</b>	<b>\$0</b>



## Streamlined Banking Local Depository Accounts Accounting Balances



Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
<b>Beginning Balance</b>	<b>\$10,000</b>			<b>\$10,000</b>		
<b>Activity of Set Up</b>	<b>-\$9,000</b>	<b>\$0</b>	<b>\$9,000</b>	<b>-\$9,000</b>	<b>\$0</b>	<b>\$9,000</b>
<b>Activity Dep. #1</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>
<b>Activity NSF</b>	<b>-\$200</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$200</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Balance</b>	<b>\$800</b>		<b>\$10,500</b>	<b>\$800</b>		<b>\$10,500</b>



## Streamlined Banking Local Depository Accounts 2<sup>nd</sup> Deposit to LDA

1. Agency Deposits  
\$2,500 in Local  
Depository Bank



2. Agency Submits Transaction  
in ARIS for OTFS to Move \$2,300  
to Agency Main Depository  
Account at BOA (\$2,500 Deposit  
Less \$200 Needed to Replenish  
Minimum Balance)

Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
1	\$2,500					
2						
<b>Total</b>	<b>\$2,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



## Streamlined Banking Local Depository Accounts 2<sup>nd</sup> Deposit to LDA - Continued



**3. OTFS Moves \$2,300  
Cash to Agency Main  
Deposit Account at BOA**

**4. Cash is Swept to  
State Main  
Concentration Account**

Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
3	-\$2,300	\$2,300				
4		-\$2,300	\$2,300			
<b>Total</b>	<b>\$200</b>	<b>\$0</b>	<b>\$2,300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



## Streamlined Banking Local Depository Accounts

### 2<sup>nd</sup> Deposit to LDA - Continued

5. Deposit of **\$2,500** Recorded in PeopleSoft Using FC1XXXX To Local Depository Account (101060)



6. Direct Journal Entered in AR to Move **\$2,300** Entered in ARIS to Agency Main Deposit Account Using FC1XXXX and Retaining Chartfield Values

7. Nightly Allocation Moves Amounts from Agency Account 102400 to Agency Cash Account 101005

Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
5				\$2,500		
6				-\$2,300	\$2,300	
7					-\$2,300	\$2,300
<b>Total</b>	<b>\$200</b>	<b>\$0</b>	<b>\$2,300</b>	<b>\$200</b>	<b>\$0</b>	<b>\$2,300</b>

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# Streamlined Banking Local Depository Accounts Accounting Balances

Step	Agency LDA	BOA Accounts		Agency GL in PeopleSoft		
		Agency	State	101060 FC1XXXX	102400	101005
<b>Beginning Balance</b>	<b>\$10,000</b>			<b>\$10,000</b>		
<b>Activity of Set Up</b>	<b>-\$9,000</b>	<b>\$0</b>	<b>\$9,000</b>	<b>-\$9,000</b>	<b>\$0</b>	<b>\$9,000</b>
<b>Activity Dep. #1</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>
<b>Activity NSF</b>	<b>-\$200</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$200</b>	<b>\$0</b>	<b>\$0</b>
<b>Activity Dep. #2</b>	<b>\$200</b>	<b>\$0</b>	<b>\$2,300</b>	<b>\$200</b>	<b>\$0</b>	<b>\$2,300</b>
<b>Ending Balance</b>	<b>\$1,000</b>		<b>\$12,800</b>	<b>\$1,000</b>		<b>\$12,800</b>



## Information Sources

- E-Mail
  - [SLBFeedback@sao.ga.gov](mailto:SLBFeedback@sao.ga.gov)
- Web Site
  - [www.sao.georgia.gov](http://www.sao.georgia.gov)
    - Click on Streamlined Banking

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