

GUAM POWER AUTHORITY Standard Operating Procedure	* No. SOP-084
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Title: CASH MANAGEMENT PROCEDURES	Approved By: <i>[Signature]</i> JOSEPH B. LEON GUERRERO General Manager (A)
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1.0 **PURPOSE**

The Cash Management System is a tool for helping GPA manage its cash quickly and easily. Instead of relying on the Bank for information, with the Cash Management System, GPA has instant access to accounts, outstanding checks and returned checks. GPA is able to transmit payment, receive payments, process stop payments, wire transfers, ACH transactions, send and receive messages.

2.0 **OBJECTIVE**

2.01 To provide instant banking services to the Guam Power Authority.

3.0 **PROCESS**

3.01 BANK OF GUAM

A. ACH Processing – Revenue Fund Transfers/ GWA & GTA Fund Transfers

1. Assistant to the Comptroller or any authorized accounting staff gets all the fund balances from all banks listed on (Exhibit A) every Thursday of the week. Then records the amounts to be transferred based on these balances on GPA's Daily Cash Status Report.
2. Assistant to the Comptroller or any authorized accounting staff logs onto the Cash Management System with his/her user ID and Password.

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3. From the Tool Bar Menu, click on ACH or select ACH processing from the Account Menu. The ACH processing will list the batch descriptions, which were set up initially.
4. Click on "Batch Descriptions" and choose "Weekly Transfers" batch. The batch detail information will list all transactions. Double click on the first transaction e.g. Bank of Hawaii, change amount to the amount to be transferred. Click "Update", and click "Close".
5. Double click on the next transaction to be processed. E.g. Bank Pacific, change amount to the amount to the amount to be transferred. Click "Update", click "Close. Continue revising the transactions (last should be Oceanic Bank) until all transfers are completed.
6. Once completed, click "Select All or None" icon, click "Process All" icon, click "Yes", click "Add to upload file", click "Pending Batches", click "Report", and click on the printer icon (this will print your batch report).
7. This ACH batch report (Exhibit B) will then be processed through the Daily Cash Status Report, and forwarded to the Comptroller for review and approval before ACH Upload.
8. After approval, the Comptroller or authorized signatory personnel logs onto the Cash Management System with their user ID and password. Reviews each pending ACH batch in the ACH Processing ready for upload to ensure that the amounts and the bank accounts are correct. Selects Upload Files from the Communication Menu. After the upload, prints the Upload Confirmation Report (Exhibit C) that is automatically generated by the system.
9. Upon receipt of the files, Bank of Guam customer service representative begins processing the transactions.
10. Attach the Upload Confirmation report to the ACH batch report and forward them to the Accountant who oversees the General Ledger division for recording.

11. The next day after the ACH fund transfers, the Assistant to the Comptroller or any authorized accounting staff does account inquiry in the Cash Management System. From the Account Menu, click on Inquiries and select GPA Revenue Account (601-007247) to verify all ACH fund transfers were successfully completed.

B. ACH Processing – Payroll

1. Payroll staff will furnish ACH payroll file to the Assistant to the Comptroller for transmittal to Bank of Guam.
2. Assistant to the Comptroller copies the file from the floppy disk to the local hard disk drive (C:\WINNT\Profiles\Desktop\My Briefcase) using Windows NT Explorer.
3. To transmit the file from Bank of Guam Cash Management System, from the Comm Menu, select "Select Optional File(s) For Upload". The system displays the Additional Files for Next Upload dialog box.
4. Click on the Add button. The system displays the Windows Select file for Transfer dialog box.
5. Highlight the filename at C:\WINNT\Profiles\Desktop\My Briefcase\BOGACH.TXT and click on the Open button. The system redisplay the Additional Files for Next Upload box with your selected file listed. Note: The files must be named as "BOGACH.TXT".
6. If at anytime you want to remove a file from the list to be uploaded, highlight the file and click on the delete button.
7. When you have finished adding or removing files, click on the Close button.
8. Send an e-mail message by using the "Send message to the bank" icon. Note: Attention the e-mail message to the Manager of Customer Service. Indicate on the message the following information:

- a. Pay Period Ending
 - b. Effective date
 - c. Grand Total
 - d. Total items of the file
9. The Comptroller or any authorized signatory will send the file and message to Bank of Guam by selecting from the COMM tool bar the Upload Files option. Note: There will be no confirmation report when transmitting payroll.
10. Assistant to the Comptroller will call the Manager of Customer Service at Bank of Guam to verify if the files are received. The next day, verifies from the Cash Management System if the amount of the ACH payroll was debited on our 0601-005934 Payroll Account to ensure that that the ACH payroll file transmittal was successful.

C. EFT Processing

1. To add a new vendor, enter the following required information:

Payable To column	Payable From column
a. Routing Number	a. Guam Power Authority
b. Bank's Name	b. GPA's Address
c. Bank's Address	c. GPA's Account (0601-018500)
d. Vendor's Name	d. Amount of the transfer
e. Vendor's Address	
f. Account Number	
2. To add the new vendor, select Add from the Archived Wires menu. The system will ask "Add this record to Today's Upload File". Click "Yes" and the record will be added both in the Archived wire and in today's Upload file.

D. Wire Transfers

1. The invoices are processed the same way except payments are made through electronic fund transfer (EFT). The Accountant who oversees Accounts Payable forwards these invoices to the Assistant to the Comptroller for EFT processing.

2. The Assistant to the Comptroller signs on the Cash Management System with his/her User ID and password. She selects Wire Transfer from the Account Menu. For a new vendor, see item C above.
3. To update the amount or any pertinent data of an existing vendor, click on Display under Archived Wires and select the vendor to be processed. Review the vendor's information, enter the new amount and then click Update from the Archived Wires menu. The system will ask if you would like this file to be added to the archived file, click No. The file will be added to the Pending Wires.
4. From the Pending Wire, click Display and print the report (Exhibit D). Stamp and attach the report to the invoice for review and approval by the Comptroller and the second signatory for amounts \$2,500.00 and above. *Note: Invoices with amounts of \$500,000.00 and above requires a letter to Bank of Guam confirming the amounts (Exhibit E).*
5. After approval, the Comptroller or authorized signatory logs on the Cash Management System with their user ID and password. Reviews each pending Wire transfer in the Pending Wires ready for upload to ensure that the vendor information, EFT amount and the bank accounts are correct. Selects Upload Files from the Communication Menu. After the upload, prints the Upload Confirmation Report (Exhibit C) that is automatically generated by the system.
6. Upon receipt of the files, Bank of Guam customer service representative begins processing the transaction and calls Comptroller's office to confirm the wires.
7. Attach the Confirmation Report with the invoice and forward to the Accountant who oversees the Accounts Payable division.

3.02 BANK OF HAWAII – Customer ACH Payment and Payroll ACH

A. Customer ACH Payment

1. Accounts Receivable staff receives the direct payment authorization form from the customer, customer service, or the bank.

2. Once the authorization form is received, the A/R staff post it on one of the four schedules, which are broken down by cycle. Schedule A covers cycles 1-5, B covers 6-11, C covers 12-16, and D covers 18-23.
3. The A/R staff prints the account statement (Exhibit F) of each customer and prepares the Excel worksheet updating the schedule with new customers added to the batch and the new billing dates and amounts to be debited.
4. Prints the worksheet in memo form (Exhibit G) and forwards it to the A/R supervisor for review, along with the print out of customers account statement from the AS/400 system.
5. The authorized A/R staff logs onto the Bankoh PC-Surepay with her Operator ID and password. Clicks on the ACH toolbar and selects Transaction to add a new customer. Clicks Add and enter the following information:
 - a. Customer Name
 - b. Bank Name
 - c. Account Number
 - d. Default Amount – This should be 0
 - e. Identification Number – This is customer's GPA account number
 - f. Receiving ABA Number
 - g. Default Transaction Code – This will be either 27 for Checking account or 37 for Savings Account
 - h. Options – Disregard this record
Click Add & Continue if adding more than one customer in the same batch otherwise click Close to finish the transaction.
6. Selects Modify to change the Entry Description field to current month's bill. Example: June02 Bill.
7. Selects Add to add a new batch and enter the following information:
 - a. ACH Transaction Type – This should be PPD
 - b. Batch Name – Example: Utility Payment D
 - c. Entry Description – Example: June02 Bill
 - d. Company Name – Guam Power Authority

- e. Company ID – 1980018660
 - f. Default Transaction Code – 27
 - g. Offset Account – 0038010042
 - h. Batch Attributes – Check the following: (1) Approval Required, (2) Changes Permitted, (3) Limited Updates Permitted
 - i. Click OK to add the new batch.
8. After review, the A/R supervisor forwards the memo to the Comptroller for approval and for payment processing in the Bankoh PC-Surepay program.
9. The Assistant to the Comptroller logs onto the Bankoh PC-Surepay, clicks the ACH Tool bar and selects the batch to view and clicks Transaction. Reviews and verifies the customer accounts and amounts in the batch against the memo. If there are any corrections, clicks Quick Amount to change the dollar amount, clicks Modify to change customer's record other than amount or clicks Hold if the amount is zero. After review and all corrections are made, clicks Prepare to set the effective date of the transmittal.
10. The Comptroller or any authorized signatory logs onto the system, Clicks the ACH Tool Bar, selects Approve to approve the batch and finally clicks Send to send the approved batch to Bank of Hawaii.
11. Once the transmittal is done, the A/R staff prints out one Detailed Report (Exhibit H) and one Summary Report (Exhibit I) of the transaction. The Detailed Summary report is stamped and signed by the A/R staff and the Comptroller or any authorized signatory.
12. The A/R staff faxes the Summary report to Bank of Hawaii for confirmation of the transaction, and forwards a copy of the Detailed Report to the cashiers for posting, and another copy to the Accountant responsible for the GL for reconciliation.
13. The A/R staff attaches the original copies of the Detailed and Summary report to the memo and files it in the ACH folder for future reference.

14. These procedures are repeated for each cycle, and only one cycle may be processed per week.

B. ACH Processing – Payroll

1. The same procedures as above except the Payroll Supervisor prepares, updates and enters all pertinent data. There are two batches created, one for Bank of Hawaii and one for First Savings and Loan. The Payable Accounting Section is in charge of the Accounts Payable ensuring that all liabilities are properly recorded and paid. As a policy, all disbursement should have proper authorization and must be duly documented.

4.0 **APPROVAL**

- 4.01 Except for Customer ACH Payment (Section 3.02A above), all Wire Transfers, ACH Processing, EFT Processing for disbursement in the amount greater than \$2,500 must obtain two authorized signatories. See Check Signing Procedure, SP-005, Section 2.0.c.10a through f.

DISTRIBUTION A, B, C

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