

CONCEPTS AND GLOSSARY

Access rights

Rights assigned to individual users and user groups. These rights determine what data is made available to each user in the system.

Appropriations

Annual 'budget' through which Agencies are funded.

Audit reports

Reports specifically showing changes made in the system and by whom. The Audit Reports screen can be found at Reporting > Risk > Audit Reports.

Bank accounts (parent/child)

Bank accounts are grouped into categories (restricted, unrestricted, crown trust, crown revenue). An account category is displayed as a *parent* account, while a physical bank account is displayed as a *child* account.

Cash buffer

Cash buffers set the liquidity target for an Agency. They are allocated to optimise the amount of cash held by both Agencies and the State to ensure sufficient liquidity to meet near term requirements and excess cash levels are avoided.

Cashflow Reports

Reports specifically showing cashflow movements only (does not include balances). These reports can show two scenarios at once to demonstrate comparison reports. The Cashflow Report screen can be found at Reporting > Positions > Cashflow Report.

Cashflow scenarios

All cashflows are captured against a cashflow scenario:

- Submission scenario: Used for entering monthly submissions. Each month a new monthly submission opens which will capture a new forward 12-month forecast.
- Baseline scenario: Once a submission is approved, a baseline will be created. The baseline cannot be edited. Each month a new baseline will be created capturing a forward 12-month forecast
- Daily Adjusted Forecast (DAF): Once a submission is approved, the DAF will be updated. The DAF is editable daily up until 11:30am. Adjustments should be made to the DAF when new information becomes available.
- Actuals: Bank statement information is loaded against the Actual scenario daily. The process is completed centrally by the Treasury team.
- Work in Progress (WIP): An optional scenario used for planning or stress testing alternative assumptions. Not submitted to Treasury.

Cashflow type names (cashflow line items)

Cashflow types/line items represent the nature of the cashflows being forecast. It is not necessary to use all the cashflow types displayed on the cashflow sheet. Only those types which are materially relevant to a particular bank account category are required.

Cash Forecasting Solution

Cashflow type definitions:

- Recurrent (and Capital) Confund Appropriation: These represent appropriation funding from Treasury to Principal Departments (fortnightly funding). Amounts entered against these cashflow types are considered Treasury funding requests.
- Restart & Rebuild Grant Funding, Crown Recoups, Long Service Leave (Transfer): These represent cashflows from Treasury (other than appropriations). For example, long service leave costs incurred by the Crown.
- Commonwealth Funding (directly received): Funding received by a NSW Agency, directly from the Commonwealth (not via Treasury).
- Own Source Revenue: Inflows received by an Agency directly from non-government sources
- Transfer received from Agency within Cluster: A receipt from another Agency from within the Cluster (not grant funding).
- Other inflows: Any other inflows not captured by another cashflow type.
- Grants Received from Principal Department: Funding received by a Budget Dependent Agency from the Cluster Principal Department.
- Internal Transfer In (Intra-Agency): Cashflow from one Agency bank category to another (i.e. from unrestricted to restricted within the same Agency).
- Receipts from NSW Agencies outside Cluster: Cashflows by a NSW Agency from outside the Agency's Cluster.
- Payments to Commonwealth: Payments made directly from an Agency to the Commonwealth (not via Treasury).
- Grants paid to Cluster Agencies: Grant funding made by the Principal Department to Cluster Agencies.
- Internal Transfer Out (Intra-Agency): Cashflow from one Agency bank category to another (i.e. from unrestricted to restricted within the same Agency).
- Transfer paid to Agency within Cluster: A payment to an Agency within the Cluster (not grant funding)
- Restart and Rebuild Grant Funding (outflow): Payments made by an Agency for Restart and Rebuild Grant Funding (i.e. distribution of grants funding within Cluster).
- Employee Related: Payroll costs including taxes, super and on-costs.
- Finance costs: Interest and leasing costs.
- Capital expenditure: Capital related costs.
- Other outflows: Cashflows not captured by another cashflow type.

Crown Revenue accounts

Agencies that collect revenue on behalf of the Crown are required to operate a *remitting account* for deposit, reconciliation, and disbursement of revenue. Primarily this account would include monies that are payable to the Consolidated Fund such as all State taxes, regulatory fees and fines and Commonwealth Grants. These accounts are also used to temporarily hold funds until an Agency can identify and complete a reconciliation of the receipts before clearing to the Consolidated Fund account or another Agency bank account.

Crown Trust accounts

Accounts which are administered by Agencies that hold monies in *trust* on behalf of the Crown. They are not funds that belong to the Agency. All Crown Trust accounts are non-interest earning accounts.

Daily adjusted forecast

A rolling forecast that is seeded from the monthly baseline forecast at the start of the month and updated with bank statement data (for historical dates in the month up to the prior day) and adjustments submitted by Agencies.

Cash Forecasting Solution

Forecast horizon or forecast period

The period covered by the forecast. There are two months of daily forecasts, and ten months of monthly forecasts.

Grid Reports

Reports made from individual data grid screens throughout the system, such as the Bank Account Balances screen. The Grid Reports screen can be found at Reporting > Reporting Cube > Grid Reports.

Liquidity reports

Reports that combine both cashflows and opening balances in the one report and can be filtered by bank account and cashflow scenario. These reports can show two scenarios at once to show comparison reports. The Liquidity Report screen can be found at Reporting > Positions > Liquidity Report

Monthly baseline forecast

Once all 78 Agencies have transmitted their monthly submission forecasts, Treasury creates a baseline which represents the 'official' forecast for the State at the beginning of a new month.

Monthly submission forecast

This is the work in progress forecast that each Agency creates and transmits to Treasury by the last day of the month. It contains daily forecast data for the coming two months and monthly forecast data for the subsequent 10 months.

Opening balance

The starting balance at the beginning of the forecast period. The opening balance for the forecast submission should be the expected (or forecasted) opening balance. The opening balance must be confirmed by clicking the 'tick' in the opening balance cell of the cashflow sheet.

Pre-built reports

These are reports that have already been constructed in the system and ready to be run by Agency users without the need to edit the report parameters.

Pre-configured email groups

These are email distribution lists that have already been configured in the application. The benefit of email groups is that they can be set to include all emails from all active users, and/or all emails from a specific user group (an entire Cluster for example), and/or all emails from other email groups and/or specific email addresses.

Reporting cube

Another name for grid reports and is the location for where the Grid Reports screen can be found.

Restricted accounts

Cash balances that are not available for use. There are various circumstances in which cash and cash equivalent balances held by an entity are not available for use. Examples include cash, and cash equivalent balances, held by a subsidiary that operates where legal restrictions apply when the balances are not available for general use by the parent or other subsidiaries.

Rolling forecast

A rolling forecast is a forecast that can be continuously updated. The full forecast period can be revised daily. This ensures the forecast data is current as there is no need to wait until the month end window to update the forecast information.

Cash Forecasting Solution

Timelines

Principal Departments submit cash forecasts two business days prior to month end and Budget Dependent Agencies, four business days prior to month end.

Unrestricted accounts

Cash flows from operating activities or from principal activities of the entity. Examples are: (a) cash receipts from the sale of goods and the rendering of services; (b) cash receipts from royalties, grants, fees, commissions, and other revenue; (c) cash payments to suppliers for goods and services; (d) cash payments to and on behalf of employees.

Work in progress (WIP) forecast scenario

An optional scenario which can be used by Agencies for forecast planning. The WIP scenario is not submitted. It can be used as an alternative scenario for stress testing different forecasting assumptions.

