

Receiver General Manual



Chapter 3

Overview of the Receiver General Central Systems

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Receiver General Manual (RGM) – Chapter 3 Version Tracking Summary Table

Please note: Each time a chapter is revised and re-issued, a revision number is assigned and the previous version of the chapter is superseded by the latest one. The table below provides a summary of the significant changes that relate to each version, as well as the corresponding version date. Vertical barring has been inserted in the left-hand margin to identify changes made to the latest version only of a chapter.

Chapter Version	Version Date	Summary of Significant Chapter Changes
Revision No. 2	2005-12-21	This chapter has been revised primarily to amend certain contact information contained in Section 3.4, Contacts. In addition, any reference to "foreign accounts" has been removed from subsection 3.2.4.
Revision No. 1	2005-05-24	This chapter has been revised to provide an overview only of the Receiver General Central Systems. All details specific to the individual systems have been removed, as well as all references to the "Financial Information Strategy (FIS)". In addition, the following changes have been made: <ul style="list-style-type: none"> • Subsection 3.2.6, Central Systems Mailbox (CSM) under Section 3.2, Central Systems, has been added; • Subsections 3.3.1, 3.3.2 and 3.3.3 of Section 3.3, The FIS Account Balance Concept, have been deleted; • Section 3.4, Changes under FIS, Section 3.5, Accounting for Transactions, Section 3.6, Accessing FIS, as well as their subsections, have been deleted; • Section 3.7, FIS Contacts, has been replaced with Section 3.4, Contacts; and, • The Diagrams have been deleted.
Chapter 3 (initial)	1999-05-14	First version posted.

TABLE OF CONTENTS

	<u>TITLE</u>	<u>PAGE</u>
3.1	Introduction	4
3.2	Central Systems	5
3.2.1	Standard Payment System (SPS)	5
3.2.2	Government Banking System (GBS)	5
3.2.3	Payroll Systems (PS)	6
3.2.4	Receiver General - General Ledger (RG-GL)	6
3.2.5	Central Financial Management Reporting System (CFMRS)	6
3.2.6	Central Systems Mailbox (CSM)	7
3.3	The Account Balance Concept	7
3.4	Contacts	8

3.1 INTRODUCTION

The Receiver General Central Systems consist of six individual systems: Standard Payment System (SPS), Government Banking System (GBS), Payroll Systems (PS) (specifically Payroll System-General Ledger (PS-GL)), Receiver General-General Ledger (RG-GL), Central Financial Management Reporting System (CFMRS) and the Central Systems Mailbox (CSM).

All of these systems interface with one another, either through the transmission and/or reception of data, including feeds from departmental systems, to the production and transmission of the Trial Balances, and the creation, storage and manipulation of reports. Although the data is shared within the Central Systems, users must access each system individually. A separate security profile must be set up for each application. The systems are maintained within the Accounting, Banking and Compensation Branch (ABCB) of Public Works and Government Services Canada (PWGSC).

The Central Systems assist departments in achieving the Treasury Board Secretariat's government-wide plan for providing improved record keeping and financial information to central agencies and individual departments, and for better decision making, planning, program delivery and reporting. Departments will have full ownership of their accounting processes and will be able to develop accounting and reporting processes that best suit their needs. Treasury Board will continue to set overall accounting policy in order that financial reporting is sufficiently consistent across the government, but departments will be more accountable for this aspect of their administration.

Departments are to recognize and record expenses and revenues when incurred, rather than when the payment requisition is forwarded to the Receiver General (RG), or when GBS reports the receipt (deposit) of funds. Under accrual accounting, departments will recognize:

- an expense or an asset when the good or service is received, or when a transfer payment is due or otherwise recognized;
- revenue when earned by providing a service or selling a good;
- an interdepartmental revenue or expense when the transaction occurs;
- a payroll transaction when departmental employees earn salaries and wages;
- expenses for amortizing assets as they consume the assets in operations; and,
- other expenses when they identify losses in the value of assets, such as bad debt expenses for uncollectible accounts receivable.

3.2 CENTRAL SYSTEMS

The Receiver General is organized around six central systems:

- Standard Payment System (SPS)
- Government Banking System (GBS)
- Payroll Systems (PS)
- Receiver General-General Ledger (RG-GL)
- Central Financial Management Reporting System (CFMRS)
- Central Systems Mailbox (CSM)

For detailed information on the individual systems, refer to **Section 3.4, Contacts**.

3.2.1 Standard Payment System (SPS)

- Issues payments on behalf of all federal departments and agencies using the Consolidated Revenue Fund.
- Integrates the entire payment process including:
 - receipt and validation of the requisition for payment
 - payment issue
 - processing of exceptions in issue and redemption
- Provides four payment options: cheque, direct deposit, electronic data interchange (EDI) and Large Value Transfer System (LVTS).
- Allows departments which operate within the Consolidated Revenue Fund to settle business transactions with each other through the Interdepartmental Settlement (IS) process. Although it does not support intradepartmental transfers nor charges incurred by one department on behalf of another, it does however support fund transactions between departments.

3.2.2 Government Banking System (GBS)

- Makes daily information of deposits reported by financial institutions across Canada available electronically to departments.
- Departments make deposits at designated financial institutions and input receipt data into their Departmental Financial Management System (DFMS). It remains the responsibility of departments to reconcile deposit details, as recorded in their DFMS, with the details provided to the department from the GBS.

3.2.3 Payroll Systems (PS)

- The Regional Pay System (RPS) calculates employee pay and deductions and requests payment to the SPS.
- The Payroll System-General Ledger (PS-GL) provides departments, on a daily basis, with a listing of their respective payroll control account balances and control account details.
- The RPS provides gross pay run transaction detail, and PS-GL provides control account and account balance detail on an ongoing basis to applicable departments for recording in the DFMS payroll expense accounts.

3.2.4 Receiver General-General Ledger (RG-GL)

- Receives financial data from the Treasury Systems and RG users for recording flows of public money and transactions related to the maintenance of the accounts of Canada. The General Ledger (GL) includes deposit accounts, outstanding payment accounts, undistributed receipt accounts, undistributed redemption accounts and control accounts.
- Serves as the repository for all RG accounting transactions, maintaining the control account balances of transactions processed by the Treasury Systems for all departments. These control account balances are used to ensure that all cash receipts and disbursements are accounted for properly in the books of Canada.
- Supports the account balance concept to ensure that all cash receipts and disbursements, and IS processing, are accounted for properly in a timely fashion in the accounts of Canada.
- Contains payment (including Departmental Bank Account (DBA)), deposit and IS control accounts by department, based on control information received on a periodic basis from the GBS and SPS.
- Provides comprehensive financial management, control and reporting capabilities for the RG.
- Provides departments, on a daily basis, with a listing of their respective control account balances and control account transactions of the day.

3.2.5 Central Financial Management Reporting System (CFMRS)

- Maintains the accounts of Canada.
- Compiles a general ledger from certified (authorized) trial balances submitted by departments and agencies each month.
- Validates the departmental Payroll Systems and the Receiver General account opening and closing balances that are submitted at the end of each month.

- Verifies the account balances of the control accounts to ensure that all payments made, moneys received, payroll costs incurred and ISs processed by departments, are accounted for in the books of Canada.
- Uses Entrust Entelligence Key for Trial Balance transmissions.
- Provides information to Central Agencies through an ad hoc reporting function.
- Stores reports in and provides a link to the Central Systems Mailbox (CSM).

3.2.6 Central Systems Mailbox (CSM)

- Provides departmental users with access, via an Internet browser, to an electronic mailbox where reports/files from the RG central systems are stored.
- Is currently used for the distribution of reports and/or files by the following Central Systems: CFMRS, RG-GL, PS-GL and Common Departmental Financial System (CDFS).
- Allows a user to view, sort, print, delete or transfer reports and/or files.

3.3 THE ACCOUNT BALANCE CONCEPT

During an accounting period, the various debits and credits for a department are stored in accounts in a general ledger. At the end of each month, the DFMS must produce a trial balance - file giving the account opening and/or closing balance of each government-wide coding (GWC) combination, including control accounts. For each of the opening and closing balances, the sum of the debits must equal the sum of the credits.

This account balance concept refers to the accounting requirements to be met by departments when they report the trial balances of their accounts to the CFMRS on a monthly basis. These trial balances consist of the account opening balance and year-to-date account closing balance for all accounts, some of which are control accounts. CFMRS must ensure that the closing balances in the department's control accounts match the control accounts for the departments, as provided in the trial balances of department 097 (RG-GL) and of department 079 (PS-GL). A more comprehensive explanation of the "Account Balance Concept" can be found in Section 8.1.1 of Chapter 8, in this manual.

Once the CFMRS has the trial balances for all the departments, it is able to complete the government-wide summarization of accounts and the Monthly Statement of Financial Operations (MSFO).

3.4 CONTACTS

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RGM chapters can be found at URL: <http://publiservice.pwgsc.gc.ca/rg/text/recgen-e.html>

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