#### **OFFICE OF STATE FINANCE**

# DCAR NEWSLETTER

Brenda Bolander, State Comptroller Steve Funck, Deputy State Comptroller

## Volume 18, Number 1

#### FY-2008

August 10, 2007

The last issue of the DCAR Newsletter, Volume 17, Number 6, was issued on June 7, 2007. The DCAR Newsletter is available on the OSF webpage at <a href="http://www.osf.state.ok.us/comp-nl.html">http://www.osf.state.ok.us/comp-nl.html</a>.

Questions or comments about information contained in this publication should be addressed to those noted in the article or the following Division of Central Accounting and Reporting (DCAR) staff members:

OSF HelpDesk (PeopleSoft questions)	405.521.2444	helpdesk@osf.ok.gov
Transaction Processing:		
Steve Wilson	405.521.4679	steve.wilson@osf.ok.gov
Payroll Processing:		
Elsa Kunnel	405.521.6178	elsa.kunnel@osf.ok.gov
AP Manager:		
Patricia Garcia	405.522.6855	patricia.garcia@osf.ok.gov
Accounting:		
Jennie Pratt	405.521.6160	jennie.pratt@osf.ok.gov
Financial Reporting Unit:		
Deric Berousek	405.521.3298	deric.berousek@osf.ok.gov

#### TABLE OF CONTENTS

Travel Act Change	2
Travel Vouchers Forms (OSF Form 19)	2
Lodging Limited to Authorized Rates	3
New Expenditure Account Code 554230	3
Misc. Warrant Cancellations and Reissues	4
P-Card – Travel Account Codes Restricted	4
Contracts for Imaging/Scanning Systems - Restricted	5
Wire Payments Only	5
Payroll Claims – Submission of Original Copies – Update	5
Post Payment – July 19, 2007	6
Payroll Withholding Accounts	6
Agency Contact Information – Please Respond ASAP	6
Payroll Warrant Cancellation Procedural Changes	7
Benchmark Project Workshop Comments	8

### **Travel Act Change**

Enrolled HB1581, added Subsection E, Paragraph 4 to Title 74, Section 500.2, of the State Travel Reimbursement Act. Although it gives a July 1<sup>st</sup> effective date in the bill, without having an Emergency Clause, the law is not effective until 90-days after session Sine Die, therefore, **August 23, 2007**.

74, § 500.2, E.

4. State agencies are authorized to enter into contracts and agreements for the payment of food and lodging expenses as may be necessary for employees attending an official course of instruction or training conducted or sponsored by any state agency. Expenses may be paid directly to the contracting agency or business establishment. The cost for food and lodging for each employee shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

This amendment does not include the standard statement "provided the meeting qualifies for overnight travel for the employees." This language was designed to allow agencies to purchase meals for employees who are not in overnight travel status while attending instruction or training conducted or sponsored by the state agency in cases where some staff are in overnight travel and others not. Therefore, all staff attending the training could receive a meal during said training. The cost of such meals(s) shall not exceed the total daily rate allowed in the State Travel Reimbursement Act (i.e., \$49 in OKC, \$44 in Tulsa, or \$39 elsewhere in the State). However, we caution agencies to be prudent when considering such meal expenses. These expenses must be necessary to such training, and the funds must be available in the agency's budget.

As for the lodging, OSF does not see where there would be the need for lodging costs associated with such training when overnight travel status is not required. Therefore, OSF would not expect to see lodging claimed per this legislation.

\*\*\*\*\*

# **Travel Vouchers Forms (OSF Form 19)**

Please remember that on all travel voucher forms there needs to be a place for the date of the claimant's signature. The date is required to certify that the claimant signed the claim form after the end of referenced trip(s) being certified by the signature.

### **Lodging Limited to Authorized Rates**

State law does not allow for actual cost even when a hotel room for the authorized rate is not available. The Travel Act establishes the lodging rate at the federal amount of \$60.00 plus tax for most location, with some exceptions by city/state.

The only exception to the federal rate is where state law allows for designated lodging. In order for a hotel (room rate) to be considered designated lodging it must meet at least one of the following criteria (Title 74 § 500.9).

- 1) Event held at the hotel (full "single" rate paid if no reduced rate is available)
- 2) Sponsor obtained special (lower) rate
- 3) Sponsor obtained blocking of rooms

The State Travel Reimbursement Act (74 § 500.1 et seq.) is not designed to grant total reimbursement for all official state business travel. If that was the case the law would have been written for "actual & necessary" expense reimbursement in all travel. Since the law sets restrictive rates for most travel and also allows "actual & necessary" expenses in some cases, reimbursement or direct payments are made subject to said rates.

Agency staff that approves travel should be instructed on what is allowable under the law, and to ask questions if necessary. Any employee receiving reimbursement greater that the authorized rate may be required to reimburse the agency.

\*\*\*\*\*

# **New Expenditure Account Code 554230**

The following has been added to the authorized account codes for use on expenditures meeting this description.

#### 554230 REIMBURSEMENTS AND REPAYMENTS – OTHER

Payment of reimbursements and repayments under qualified programs established by state, federal, or other edict, when a separate account code is not available. This includes state authorized reimbursement payments by D.E.Q. for Wheel Wash Systems at Landfills (27A O.S., § 2-10-802.B.3.c.), the Oklahoma Dental Loan Repayment Program by the State Dept. of Health (63 O.S., § 1-2710), reimbursement to businesses under student internship grant programs by colleges and universities, and etc.

### Misc. Warrant Cancellations and Reissues

The Miscellaneous Warrant Cancellation Form (MWC form) has a column asking if the warrant should be replaced. If the warrant replacement does not require a change to the vendor ID on the Invoice Information page of the voucher, then the warrant can be replaced. Otherwise, OSF will cancel the warrant and the agency will need to reenter the invoice as a new voucher. This will ensure that the correct payment information is maintained in the state's accounts payable system and the correct encumbrances are liquidated.

Examples of when warrants can be replaced are as follows:

- The warrant was paid to the correct payee but to the incorrect location and address
- The warrant was paid to the correct payee but for the incorrect amount
- The warrant is paid to the incorrect payee but the multiple vendor ID #0000001104 is the vendor ID on the Invoice Information page of the voucher
- The warrant should have been assigned to a payee and the supporting documentation for the assignment was attached to the original voucher (needs to be noted on the MWC form), otherwise the agency must process a new voucher with the proper documentation.

\*\*\*\*\*\*

### P-Card - Travel Account Codes Restricted

There should be no travel reimbursement account codes (521XX0) used on vouchers paying expenses under the authorized state p-cards. The only travel related accounts allowed would be the 'Direct Payment' travel expenses authorized for p-card payments as follows:

- 522110 Transportation Costs, i.e., Airline Tickets, PikePass, and other appropriate transportation costs
- 522120 Travel Expenses–Student Activity Groups, Wards and Inmates, Etc. (all costs)
- 522130 Food and Lodging, i.e., for DPS Governor Security Detail travel, Dept. of Commerce-Foreign Travel (and possibly limited lodging if DCS approved)
- 522150 Registrations connected with travel

(Note: We are considering adding a new 'direct payment' account code for other authorized travel related expenditures. Such new code would be allowed in connection with the p-card for authorized DPS Governor Security Detail travel and Dept. of Commerce-Foreign Travel)

## **Contracts for Imaging/Scanning Systems - Restricted**

Prior to an agency seeking a contract for the purchase of imaging/scanning equipment and services, OSF must be notified and such projects approved.

OSF has implemented an imaging project and we must make sure any projects being considered by the agencies will be compatible with ours. If you have questions on this, please contact the OSF Helpdesk at 405/521-2444 (or <a href="helpdesk@osf.ok.gov">helpdesk@osf.ok.gov</a>) and log a case for review and consideration of the compatibility to the OSF imaging project.

\*\*\*\*\*\*

### "WIRE" Payments Only

The Office of State Finance (OSF) has set all locations for its Vendor ID # 0000000090 to process using the "wire" payment method in the Core system. Use of the wire payment allows for transfer of funds between agencies without a paper warrant being printed. OSF prefers receiving payments via the wire method since the money is deposited the same day the warrant is processed and there is no paper warrant to get lost in transit and it saves the State money. Please do not change the payment method from "wire" to "check" as OSF prefers to be paid via wire transfer.

Any other agency that would prefer this method, please contact the OSF Helpdesk. If an agency needs help identifying and reconciling receipts of the wire payments, please contact Riley Shaull 521-4775.

\*\*\*\*\*\*

# <u>Payroll Claims – Submission of Original Copies - UPDATE</u>

OSF is still having problems with a few agencies not following through with submitting the original "hard copy" claims forms for the payrolls faxed to this office. It is primarily the agencies on the PeopleSoft payroll system whose payrolls are processed by OPM. These agencies must remember to send in the actual payroll forms.

Also, all agencies on PeopleSoft are reminded to submit the original of the claim document - pages 1 and 2, the payroll budget checking report, and the trace file.

### Post Payment - July 19, 2007

OSF experienced problems in the post payment step during the nightly process on July 19, 2007. Agency payments created on July 19<sup>th</sup> did not post to an accounts payable journal until August 1, 2007. Additionally, the accounts payable accrual entry for alternate claim agency vouchers that were transmitted and paid on July 19<sup>th</sup> did not post until August 1, 2007. These voucher accruals and payments will be reconciling items when balancing your funds for July 2007.

\*\*\*\*\*\*

### **Payroll Withholding Accounts**

Many agencies are not reconciling the 99X payroll withholding funds. These funds are fiduciary in nature, and as such, payments to the third party vendors should be paid timely. Balances in the 99X funds that do not clear can represent underpayments, overpayments, or miscoded payments. Since the 994 payroll withholding fund has been used since January 2004, any other 99X fund should have a zero cash balance. If they have a balance or a deficit, the fund should be reviewed and corrected. Any 994 account balance should represent timing differences for recently withheld payroll amounts that have not been paid to the vendors and should be supported by reconciliations.

\*\*\*\*\*\*

# **Agency Contact Information – Please Respond ASAP**

OSF is updating its contact information for each agency. We need each agency to provide the following information:

Agency name, agency number, primary address, phone number, and FAX number Board or Commission Chair name, phone number, FAX number and email Director name, phone number, FAX number and email Finance Officer name, phone number, FAX number and email Budget Officer name, phone number, FAX number and email Payroll Officer name, phone number, FAX number and email Information Services Officer name, phone number, FAX number and email Reconciliation Accountant (ASA/ACA) name, phone number, FAX number and email 1099 Accountant name, phone number, FAX number and email

Please submit the above information via email to Collette.Coleman@osf.ok.gov

## **Payroll Warrant Cancellation Procedural Changes**

The Payroll Warrant Cancellation (PWC) Procedures will be changing to allow additional processing time. Depending on the timing of the PWC, either a Stop Payment/Delete or a Reversal will be initiated.

- Stop Payment/Deletes are initiated for payroll items that have been processed and have an effective date three (3) or more days <u>prior</u> to the items effective date.
  - O The OSF Form PWC will need to be at the Office of State Finance by 12:00 noon three (3) or more business days prior to the effective date of the payroll item. For example, August 31<sup>st</sup> payroll cutoff will be August 28<sup>th</sup> at 12 noon. The new cutoff time of 12 noon will begin Wednesday, August 15<sup>th</sup>.
  - o Successfully processed stop payment/deletes prevent the funds from being deposited into the employee's bank account.
  - o State Finance is notified of the return on the effective date of the payroll item. The warrant cancellation will be completed after receiving this notification.
- Reversals are initiated for payroll item(s) that do not fall into the Stop Payment/Delete time
  frame. A reversal is a debit transaction that follows the credit payroll item to the employee's
  bank account.
  - o The receiving bank has five (5) business days from the date of the reversal request to return the item. All reversal items are at risk of not being returned to the State.
  - o NACHA, the National Automated Clearing House Association, rules require that an employee be notified <u>in writing</u> of a reversing entry and the reason for the reversing entry no later than the effective date of the reversing entry. Please notify the employee no later than the day the OSF Form PWC is submitted to State Finance.

The statement below can be modified by your agency and used to inform your employee(s) of the pending reversal.

A payroll item will be posted in error to your bank account on MM/DD/YY. A reversal has been issued and will post to your account to pull these funds back to the State. Please keep the full amount of this deposit in your account. If the State cannot retrieve the full amount of the deposit, action will be taken in accordance with applicable procedures to retrieve the funds from you.

The agency is responsible for recovering the funds from the employee should the funds not be returned to the State. Please refer to O.S. 74 Chapter 27A, Section 940-2.19 D for proper procedures for recovering overpayments if needed. The agency should submit the OSF Form 94 for processing if the employee pays back the funds through a miscellaneous payroll deduction or cash.

If you have any questions regarding these procedures, please contact Lisa Raihl at 405.521.3258, <a href="mailto:lisa.raihl@osf.ok.gov">lisa.raihl@osf.ok.gov</a> or Dan Thomason at 405.522.6300, dan.thomason@osf.ok.gov.

### **Benchmark Project Workshop Comments**

"The Hackett Group (Oklahoma / NASACT Benchmark) workshop facilitated by OSF was excellent. Had I not attended this session, I believe I would have put forth a lot of needless effort trying to put this package together. I would highly recommend this workshop to any finance officer responsible for completing this project for their respective agency." (Patrick Farris – DEQ)

\*\*\*\*\*\*

"Very valuable workshop. Well worth the time up front as it will save us so much time when we begin completing the questions. We are all breathing a sigh of relief now that we have completed this session with OSF. The activity is not nearly as daunting as we first thought, and the overall benchmarking process will give us a great tool in order to update our internal processes." (Sarah Mussett – Tourism)

\*\*\*\*\*

"With everything going on in my agency in the month of July such as audit, year-end close out, etc I was feeling overwhelmed by the prospect of having to do "another" survey. After attending the class I was quite relieved to discover that 99% of the questions were not as tough as reading it on my own and we answered them in class. I would HIGHLY recommend that anyone that is responsible for filling this out attend this class. It is well worth the time." (Toni Matthews – OETA)

\*\*\*\*\*

"Congratulations! State Finance has again demonstrated their leadership qualities. I just completed an Oklahoma/NASACT Benchmark Project workshop. Steve Funck conducted an excellent training session. As Steve worked through questions he explained them, provided examples and took time to discuss with attendees appropriate responses in consideration of agency specific situations. Attending the work session will enable me to complete the project in much less time than if I attempted on my own. Additionally, with a clearer understanding of the questions the information provided will be more relevant increasing the validity and usefulness of the study."

"Thank you again for the support provided by State Finance, and a special thank you to Steve Funck. (John Miner, Chief Financial Officer, Department of Securities)