

OFFICE OF STATE FINANCE

DCAR NEWSLETTER

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FY-2004

June 22, 2004

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FISCAL YEAR END PAYROLL PROCESSING

The OPM Agency Payroll System will be closed at 5:00 pm Monday, June 28, 2004 for end of year processing. It will be available to users again at 12:00 noon, Thursday, July 1st, 2004.

OSF will process all payroll claims received by 1:00 pm on June 29th, 2004. Any claims received after 1:00 pm will be rejected back to the submitting agency. Claims rejected will require resubmission on or after July 1st, 2004, with new claim numbers, starting with 1, or the first number assigned for the new year. Similarly, any Payroll Fund Transfer (PFT) received after 1:00 p.m. on Tuesday, June 29th, 2004, will be rejected back to the submitting agency. Rejected PFT's will require resubmission on or after July 1st, 2004 with PFT numbers, starting with 1, or the first number assigned for the new year.

OSF will resume processing payrolls at 1:00 pm on Thursday July 1st, 2004. The new FAAC line for FY2005 will be 905-XXX-000500-00001 (XXX represents agency number).

Longevity payroll for **June**, 2004 (previously read "July, 2004") cannot be run until July 1st, 2004, or later, due to the account number change.

As a reminder to Higher Education Institutions, Column 14-19 on the "C" record must be account number 000500 for any payroll received by OSF on or after July 1st, 2004. Please ensure that you have made this change to your payroll claims so they will process without error.

Payrolls and PFT's submitted after June 29th, 2004 for the prior year (FY2004) must have a notation on the form indication "prior year payroll." Also, please ensure proper notation of a prior period claim within the pay period code (e.g. B25P, B26P or M12P). Failure to include this code may cause a rejection of your payroll claim or the issuance of payroll warrants with an incorrect pay date.

CHANGE IN FEES FOR DEFERRED PLANS

The rate certified for administrative cost which will be calculated in payrolls submitted for the fiscal year ending June 30, 2005 has changed to \$1.67 per month for any qualified participant. The equivalent amount for a bi-weekly pay period is \$0.77. This change will be reflected in any payrolls submitted with a pay period code of M01 or B01.

CLEARING OF PAYROLL 993 ACCOUNTS

Cash balances in class-funding 99300 must be cleared on or before July 1, 2004. OSF will clear any remaining balances after that date. However, if an agency should discover an employee did not receive

credit for a bond, credit union, or insurance premium after July 1, OSF will process a claim for payment or provide reimbursement to the employee at the agency's request.

Agencies that processed calendar year 2004 withholding claims from the 99300 class-funding will need to process expenditure corrections to correct the class-funding on those claims to 99400. Expenditure corrections are made using the voucher style 'Journal Voucher'. Please refer to training manuals P112 – PO Vouchers or P113 – Regular Vouchers for instructions for processing a 'Journal Voucher'.

PAYROLL TIDBITS

State Owned Vehicles

Reporting Personal Use of a state-owned vehicle: The personal use of state-owned motor vehicles can cause income to be imputed to the employee. Title 47, O.S. Section 156.1, as amended, while forbidding the personal use of state-owned motor vehicles, permits the use of the vehicles for commuting when the employee is subject to emergency calls at home and the employee's status has been so designated with the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives. See the OSF procedures manual, Chapter 300, or contact OSF for further information.

Direct Deposit and Death of an Employee

Upon notification of the death of an employee, agencies should inactivate an employee's direct deposit enrollment. Consequently, all payments after date of death will be made via warrant. Many banks will 'freeze' bank accounts upon notification of death and consequently return EFT transactions to the sender, resulting in funds being returned to the State and re-issuance of the net pay warrant by OSF. By issuing warrants and delivering these to family members, EFT returns will be avoided.

Additionally, agencies should no longer add "Estate of" to a deceased employee's name record in the payroll system, as this name change will be reflected on the W-2 at year end, resulting in a 'mismatch' when the W-2 is processed by the Social Security Administration (SSA), further resulting in a failure to credit the wages to the employee's account within the SSA system.

Payroll Claims

Please continue to denote payroll claims as 'main' or 'supplemental' (i.e., overtime, longevity, etc.), as these notations are used to monitor and ensure payrolls are timely processed.

Verifying Correct Information

The Internal Revenue Service (IRS) and Social Security Administration (SSA) assess penalties for each information return (W-2, 1042, 1099, etc) issued with a name that does not match the name in their systems. Time and cost savings can be significant, if agencies are diligent in verifying the correct information.

Social Security Cards

As a reminder, all employees, whether full time, temporary, student, or nonresident aliens (foreign nationals), must provide a copy of their social security card to employers if it is available. Employers may, but are not required to, photocopy the card. No person should be added to the agency payroll system unless they are able to provide a copy of a valid social security card. A foreign national may apply through IRS to receive a social security number and subsequently will be reported through the 1042S component of the payroll system. If the card is not available, agencies can contact the Social Security Administration for telephone verification. Agencies can verify up to five names and numbers by calling 1-800-772-6270.

W-2 Forms

Please be reminded that W-2 forms cannot be changed for 2003 except for social security and medicare wages and taxes. Taxable wages and income taxes withheld cannot be adjusted if the agency receives a payback of a prior year overpayment.

W-4 Forms

Any W-4 forms which claim exempt status or more than 10 exemptions must be sent to OSF for processing. Be sure to complete the name and address at the bottom of the form.

SCHEDULE OF FY-2005 PAY PERIODS

Please distribute the following FY-2005 Pay date schedules to Payroll and Human Resource Directors.

The following pay period codes should be used for agencies processing on the legacy payroll system. Once an agency begins processing payroll on PeopleSoft, these codes are no longer used. Instructions on the use of PeopleSoft pay calendars will be provided during PeopleSoft training courses. Questions on the below codes may be directed to Barbara Low at 405.522.6300 or Barbara.Low@osf.state.ok.us.

SCHEDULE OF FY 2005 MONTHLY PAY PERIODS

Pay Period Number	Begin Date	End Date	Pay Date
M01	07/01	07/31	07/30/04
M02	08/01	08/31	08/31/04
M03	09/01	09/30	09/30/04
M04	10/01	10/31	10/29/04
M05	11/01	11/30	11/30/04
M06	12/01	12/31	12/30/04
M07	01/01	01/31	01/31/05
M08	02/01	02/28	02/28/05
M09	03/01	03/31	03/31/05
M10	04/01	04/30	04/29/05
M11	05/01	05/31	05/31/05
M12	06/01	06/30	06/30/05

**SCHEDULE OF FY 2005 BIWEEKLY PAY PERIODS
NON-HIGHER EDUCATION**

Pay Period Number	Begin Date	End Date	Pay Date
B01	06/27	07/10	07/23/04
B02	07/11	07/24	08/06/04
B03	07/25	08/07	08/20/04
B04	08/08	08/21	09/03/04
B05	08/22	09/04	09/17/04
B06	09/05	09/18	10/01/04
B07	09/19	10/02	10/15/04
B08	10/03	10/16	10/29/04
B09	10/17	10/30	11/12/04
B10	10/31	11/13	11/24/04
B11	11/14	11/27	12/10/04
B12	11/28	12/11	12/23/04
B13	12/12	12/25	01/07/05
B14	12/26	01/08	01/21/05
B15	01/09	01/22	02/04/05
B16	01/23	02/05	02/18/05
B17	02/06	02/19	03/04/05
B18	02/20	03/05	03/18/05
B19	03/06	03/19	04/01/05
B20	03/20	04/02	04/15/05
B21	04/03	04/16	04/29/05
B22	04/17	04/30	05/13/05
B23	05/01	05/14	05/27/05
B24	05/15	05/28	06/10/05
B25	05/29	06/11	06/24/05
B26	06/12	06/25	07/08/05

**SCHEDULE OF FY 2005 BIWEEKLY PAY PERIODS
HIGHER EDUCATION**

Pay Period Number	Begin Date	End Date	Pay Date
B01	06/20	07/03	07/16/04
B02	07/04	07/17	07/30/04
B03	07/18	07/31	08/13/04
B04	08/01	08/14	08/27/04
B05	08/15	08/28	09/10/04
B06	08/29	09/11	09/24/04
B07	09/12	09/25	10/08/04
B08	09/26	10/09	10/22/04
B09	10/10	10/23	11/05/04

**SCHEDULE OF FY 2005 BIWEEKLY PAY PERIODS
HIGHER EDUCATION (continued)**

Pay Period Number	Begin Date	End Date	Pay Date
B10	10/24	11/06	11/19/04
B11	11/07	11/20	12/03/04
B12	11/21	12/04	12/17/04
B13	12/05	12/18	12/30/04
B14	12/19	01/01	01/14/05
B15	01/02	01/15	01/28/05
B16	01/16	01/29	02/11/05
B17	01/30	02/12	02/25/05
B18	02/13	02/26	03/11/05
B19	02/27	03/12	03/25/05
B20	03/13	03/26	04/08/05
B21	03/27	04/09	04/22/05
B22	04/10	04/23	05/06/05
B23	04/24	05/07	05/20/05
B24	05/08	05/21	06/03/05
B25	05/22	06/04	06/17/05
B26	06/05	06/18	07/01/05

Fiscal Year End Miscellaneous Claim Vouchers and Orders Processing

The following procedures will be in place for fiscal year end transaction processing:

Miscellaneous Claim Vouchers Processing

Voucher batches received by 1:00 pm on Tuesday, June 29, 2004 will be processed before the close of business on June 29. To accommodate this schedule, budget checking and matching will be run periodically during the morning of June 29 until noon.

Vouchers not budget checked by Tuesday, June 29 will need to have the budget date changed before processing in the new fiscal year. Any FY 2004 vouchers received by OSF after that time will be rejected back to the agency for processing as FY 2005 business. Should any vouchers be worked after the cutoff, including any that have not 'Posted' due to problems, agencies will be required to change the Budget Date (in Distribution Lines block) and Acctg Date (in Invoice block) to a 2005 date (7/1/2004 or actual date processed). New vouchers may be created beginning on Thursday, July 1, 2004.

Manual Agency Claims

"Manual" agencies whose claims are entered into the system by OSF to create vouchers, must have their claims to OSF by 5:00 p.m., Monday, June 28, 2004. This is to allow OSF sufficient time to create the vouchers for processing on June 29.

Expenditures

Expenditure entries for 340 funds for June 29, 2004 and prior days must be received by 9 a.m. on June 30, 2004 to be processed in FY 2004. Expenditure entries for 340 funds for June 30, 2004 must be received by 3 p.m. on June 30, 2004 to be processed in FY 2004. The last date for pre-Core expenditure corrections is Friday, June 25.

EDT Claim Vouchers Submissions

Agencies which upload claim data via 'EDT' transmissions should provide for sufficient internal lead time so that paper vouchers arrive at OSF by the deadline noted above. Otherwise, any FY 2004 transmissions received after the deadline will be deleted and will require retransmission as FY 2005 business.

Encumbrance Documents

Agencies are reminded that their FY 2004 funds should be fully encumbered by June 30, for purchases made during FY 2004. As usual, receipt of actual goods and payment after the fiscal year close are allowed until the funds lapse, normally November 15. Unless otherwise authorized, FY 2004 funds are not allowed for FY 2005 purchases. **NOTE:** Please remember OSF no longer accepts orders directly and encumbrances must be established through the state purchasing system.

WARNING! Payments Due (Effective) July 1, 2004

Because of the 'expenditure by fiscal year' accounting requirement, payments due or effective on July 1, 2004 and after may not be processed as FY 2004 business (i.e., pre-FY 2005). This may involve such payments as rental agreements, post office box services, contractual maintenance agreements, subscription renewals, etc. Agencies are advised to forewarn their vendors and contractors of this end-of-year processing dilemma, which could delay payment beyond the due date.

7XX Funds – Travel Vouchers

The Office of State Finance is required to perform a pre-audit function on all travel reimbursement vouchers regardless of funding source except for Alternate System agency claims which are audited by other means (Title 62, § 41.21). The 7XX funds are not normally used for travel reimbursement expenditures, except in those cases where it is appropriate under the purpose of the agency special account (7XX fund). Therefore, such travel vouchers must be submitted to OSF where they are audited and filed along with other vouchers.

With the Core procedural nature of the 7XX fund transactions being processed under a Pay Group of '7F' on the day they pass budget checks, these vouchers must be put on a "Hold Payment" status and a Hold Reason of 'AMT' in order for OSF to perform the pre-audit. Since these vouchers will be in a hold status they will not print on a batch slip, therefore, 7XX funded travel vouchers must be placed together in a batch and submitted with a note identifying them as 7XX Travel Vouchers. OSF will audit the vouchers, remove the hold and prepare a batch slip to process them.

If you have any questions concerning this, please contact Steve Wilson at 405-521-4679.

7XX Fund Warrant Replacements

The replacement of a 7XX fund warrant depends on the bank 'Account' from which the warrant was issued. If the bank Account is '7REG' or '7XXX', the agency does the replacement and reports the new voucher record to OSF as usual. These are the most common bank accounts for 7XX fund vouchers, however, if the bank Account is 'OST', then OSF would issue the replacement via the proper request form (Forms 20 or 20A for Statutory Canceled Warrants and Form 20B for Lost or Destroyed Warrants). Note: For 7XX fund warrants on 7REG and 7XXX bank accounts, the funds are returned to the agency when the warrants cancel by statute. Also, funds for "lost" warrants are returned to the agency.

To identify the bank account you must view the voucher record on PeopleSoft. The Navigation is *Accounts Payable > Vouchers > Entry > Regular Entry > Find An Existing Value*,

- Enter the voucher number and press *Select*.
- Select the screen tab *Payments*
- The bank Account is listed in the *Payment Method* block

If you have any questions, please contact Steve Wilson at 405-521-4679.

Delayed Processing - Use of Incorrect Forms

We are having delays in several areas due to agencies using improper forms. For example, there are delays in adding vendors, board members and employees to the vendor file when we have questions and are not able to contact the agency because the current forms showing the agency, contact and phone number was not used. Also, Lost/Mutilated warrant and statutory cancellation replacements are being delayed since the current forms (OSF Forms 20, 20A, & 20B) requiring a vendor ID number or vendor form (either the OSF Form VEND or employee form) are not used. In addition, the current OSF Form VEND is not always being used. The revised replacement forms are available from the OSF website, under the State Comptroller page. *We are now at a point to start rejecting all such outdated forms.*

Rejection of Improperly Submitted Claim Vouchers

We are now starting to reject vouchers not properly submitted. Here are the instructions previously released several times:

All vouchers submitted to the Office of State Finance must be properly folded. Vouchers should be tri-folded inward with right side of the form on top showing the 'Total Claim Amount', 'Agency Business Unit' number, 'Claim Voucher' and 'Warrant No.' boxes. Vouchers requiring invoices must be folded with the invoices attached inside the fold. The Core System assigned voucher number must be displayed on all vouchers submitted, excluding "manual" agencies' claim vouchers. Core direct entry

and EFT submitted vouchers must be batched together by Pay Group in voucher number sequence with the lowest number on top. An OSF Form 25B, Voucher Register Batch Slip Notice, for said Pay Group should be tri-folded with Pay Group showing, and placed on top of the batch. NOTE: The "Batch No." shown on the Batch Slip form is not used.

The entire batch of vouchers should be rubber banded or paper clipped together to avoid separation. The vouchers are to be forwarded to OSF Transaction Processing. NOTE: If a batch must be split to fit into envelopes, etc., attach a note identifying the vouchers as being part of a continued batch (i.e., 1 of 3, etc.) and showing the date and Pay Group.

Be careful to include only the vouchers for the assigned Pay Group in the batch submitted. Also, there should be only one batch of claims submitted for a particular day's pay group. Agencies must not use the pay group 'SP' since it is reserved for OSF use and claims submitted with this pay group are held until we can inquire about them.

These voucher submission procedures are required to help OSF provide timely processing of agency vouchers. Variance from these procedures causes delays not only for the problem agency, but for all agencies whose vouchers we are trying to process.

Comprehensive Annual Financial Report (CAFR) and GAAP Conversion Packages / Audit Report Due Dates

As June 30 marks the fiscal year end for the State, it also marks the beginning of the data collection process for the preparation of Oklahoma's Comprehensive Annual Financial Report (CAFR). This document, which is required by Statute, is used by bond rating agencies in setting the State's bond rating. The timely preparation and publication of the CAFR is one factor in determining the rating. The State strives for the best possible rating as this often affects the State's cost of financing through bonds, capital leases, and other debt.

The OSF Financial Reporting Unit will be distributing GAAP conversion packages in June for some agencies and in July for others. Agencies are strongly encouraged to start planning now to ensure the timely submission of these packages. The due dates for packages will be staggered as in past years. The due dates are as follows:

GROUP	CONVERSION PACKAGES	2004 DUE DATE
#1	A. Cash and Investments	July 20
	B. Deposits and Investments	"
	G. Inventory (Consumable)	"
	H. Capital Assets	"
	L. Leases	"
	O. Long-Term Obligations	"
	P. Compensated Absences	"
	S. Agency Special Account (ASA) / Clearing	"

#2	K. Insurance Claims Liability Y. Infrastructure Assets	August 17 "
#3	C. Accounts Receivable and Deferred Revenue D. Federal Grant/Entitlement Receivables and Deferred Revenue E. Taxes Receivable and Refunds Payable F. Due From I. Accounts Payable and Encumbrances J. Accrued Payroll M. Lessor X. Miscellaneous Z. Schedule of Expenditures of Federal Awards	September 14 " " " " " " " "
#4	N. Litigation Q. Medicaid	October 12 "

Audit reports prepared by independent auditing firms have the same due dates for submitting those reports to OSF as in prior years. Those agencies that are included in the State general fund are due September 30, 2004, as are the permanent fund agencies (Commissioners of the Land Office, Wildlife, and the Tobacco Settlement Endowment). Audit reports for the State Pensions Trusts and Component Units (including Higher Education) are due at the end of October.

As always, earlier submission is encouraged! If you have questions regarding the GAAP conversion packages or audit reports, please contact your financial reporting analyst.

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Payroll Changes – July 15th

The phased implementation of the CORE HRMS will facilitate some payroll warrant printing changes at the Office of the State Treasurer (OST). Beginning July 15th, the following changes will be implemented:

1. OST will no longer print Notice of Deposit forms.
2. OST will print all payroll checks the same, with no stub information.

The information from the check stub is available on the Earnings Statement. Agencies will be trained on how to get the earnings statement/NOD from the CORE HRMS system in the upcoming training.

FY 2003 Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report for June 30, 2003 has been issued. We would like to thank all of the State Agencies for their cooperation and hard work in this endeavor. We especially want to acknowledge the effort of our CAFR reporting unit. The CAFR is available online and can be viewed in its entirety at <http://www.osf.state.ok.us/cafr03.html>

ASA/Clearing Account Reconciliations

Agencies should continue to submit Agency Special Account and Clearing Account reconciliations through the ICS System for FY 2004 reports. The June report is due by July 10th. However, this has been extended until July 15th for this year only to permit agencies to get caught up. Instructions for the new format will be sent during July for filing by the August 10th deadline. If you have any questions, call Carol Sims at 405-521-6164.

REMINDER: ASA/CLEARING ACCOUNT RECONCILIATIONS ARE DUE TO OSF ACCOUNTING BY THE 10TH OF THE MONTH.

Personnel Change

OSF regrets to announce that Julie Haley has accepted a position at another state agency and is no longer employed with the Office of State Finance. However, Grover Roberts has assumed her duties as of June 15, 2004. You can reach Grover at the same phone number, which is 405-521-6179.

NOTICE

As stated in the March DCAR Newsletter, the Office of State Finance will no longer be printing and sending hard copies of the DCAR Newsletter. It will, however, be available on the OSF webpage at <http://www.osf.state.ok.us/comp-nl.html>. Please bookmark this page for future newsletters and inform your employees of the change. An e-mail will be sent to all Agency Finance Officers as well as CORE liaisons when the newsletter is available on the website.