

# OFFICE OF STATE FINANCE DCAR NEWSLETTER

Volume 12, Number 6

FY-2002

February 28, 2002

The last issue of the *DCAR Newsletter*, Volume 12, Number 5, was issued on January 15, 2002. If you did not receive a copy of our last issue, consult your agency's finance officer or notify Norcetta Whitfield of OSF at 405-521-6203.

The DCAR Newsletter is also available on the OSF Comptroller's Home Page at <http://www.state.ok.us/osfdocs/comptrol.html>.

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 & Reporting (DCAR) staff members:

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### March Revenue Allocations

The OSF Budget Division has prepared a memo to Agency Directors and Fiscal Officers. This memo dated February 28, 2002 can be found on the Budget Division website at <http://www.osf.state.ok.us/bud-short.html>. This website also contains the previous memos issued concerning the budget shortfall and a current allocation schedule showing the expected cash allocations for the remainder of the fiscal year. If you have questions please contact Bill Moore at 405-521-3643.

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## **Core Project Update**

The State of Oklahoma has acquired enterprise software to replace the increasingly obsolete core systems for financials, purchasing, payroll and human resources. The new system will be fully integrated. Through a competitive bidding process, the State has selected PeopleSoft, Inc. as the prime contractor and Maximus, as the implementation partner, to design, develop and install all the systems according to the State's requirements.

The research and analysis for the project has been in process for the past year with a project team that wrote the request for proposal, reviewed the responses and recommended the final selection. This team was made up of representatives from the Office of State Finance, Department of Central Services, the Office of Personnel Management, Department of Commerce, and the Office of State Auditor and Inspector. Many other agencies provided assistance and input through their participation in the statewide survey and the vendor demonstrations.

Here are some of the people involved in the project:

### **Executive Steering Committee**

Tom Daxon, Office of State Finance  
Oscar B. Jackson, Jr., Office of Personnel Management  
Pam Warren, Department of Central Services  
Ron Bussert, Department of Commerce

### **State Team**

Jerry Stillwell, Project Manager  
Martin Barrett, Purchasing Lead  
Lezlie Thiery, Human Resource Lead  
Brenda Bolander, Financial Lead  
Bob Anderson, Training Lead  
Lisa McKeithan, Technical Lead  
Lynn Dowds, Audit/Security Lead

### **PeopleSoft/Maximus Team**

Donna Holiday, Program Manager  
Joe Frasca, Project Manager  
Chad Lindsey, Technical Lead  
Pat Brown, Human Resource Lead  
Terri Welter, Financial Lead

The project will be an evolution for Oklahoma State Government and provide an integrated enterprise system that is scalable, maintainable, and upgradeable. It will serve the State well for years to come.

Please visit the website <http://www.youroklahoma.com/coreoklahoma/> for current information on the project.

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### **GASB Statement 34 Early Implementation**

The State of Oklahoma has issued the June 30, 2001, Comprehensive Annual Financial Report in compliance with GASB 34. Oklahoma implemented GASB 34 a year early and was the **first state** to issue financial statements under the new standards. Oklahoma has received recognition from the Governmental Accounting Standards Board for this achievement. OSF has received positive feedback including Governor Keating's comment, "these new standards will give the people of Oklahoma the clearest picture in history of just where state government stands, and where their tax dollars are spent." The CAFR is available on the OSF website at [www.osf.state.ok.us/comp-fr.html](http://www.osf.state.ok.us/comp-fr.html).

OSF would like to thank all the state agencies for 'jumping on board' and helping to make the early implementation process a success. OSF's Financial Reporting Unit has been training and planning for the implementation of GASB 34 for over two years and it would have been a much more difficult process without the cooperation of the agencies. The agencies did a great job submitting their GAAP Conversion Packages and/or external audits in a timely manner. We appreciate all their hard work and dedication. Keep up the good work.

Also, OSF would like to recognize the Office of the State Auditor and Inspector. The SA&I Office has been very supportive throughout the implementation process and has provided key input in many areas. OSF appreciates the cooperation of the State Auditor and Inspector's Office. We couldn't have been first without all of your efforts.

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### **Budget System Training**

Training will be offered by the OSF Budget Division on the Budget Work Program System and/or the Budget Request System on the fourth Friday of March (March 22), and April (April 26). Other training dates will announced at a later date(s) in the newsletter.

If you are interested in attending please contact Linda Hughes (405-521-2814) at least one week in advance of the training. Please furnish the following information:

- (1) type of training needed
- (2) number of persons to be trained

Applicants should have a userid for the Budget Work Program System and/or the Budget Request System prior to training. Small classes (from one to four persons) will be held at the State Capitol Room 122 Training Room. Larger classes will be held at the Training Room at 4545 Lincoln location.

Persons having questions concerning the training should contact Bill Moore at (405) 521-3643 or Skip Hayes at (405) 521-2816.

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## **Final W-2 Revisions due March 11**

March 11, 2002 is the last day that OSF will accept revised W-2 forms issued for 2001. Any adjustments after this date must be corrected on a Form W-2c. Any repayments made by an employee after March 11, will not affect his 2001 taxable income. The repayment may impact the employee's 2002 tax return. The employee should be referred to IRS publications or his tax accountant for advice.

If a W-2c adjustment reflects a reduction in wages, the agency should complete an IRS form 843 and forward it with a copy of the W-2c to the Office of State Finance. The Office of State Finance will reimburse the agency both shares of the Social Security and Medicare taxes once the refund is received from the IRS. If additional taxes are owed, the agency should send a check along with the W-2c form and a detailed explanation to the Office of State Finance. If you have any questions, contact Carol Sims at 405.521.6160 or Barbara Low at 405.522.6300.

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## **IRS Taxpayer Help**

The IRS is sending the Office of State Finance information concerning two areas of confusion for Individuals filing individual income tax returns. The two areas are:

Earned Income Credit  
Child Tax Credit

As soon as we receive this information we will forward it to the Agency Payroll Coordinator. Please post this information for your employees.

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## **Fund Deposits**

There has been a procedural change in the way the Office of State Finance (OSF) processes fund deposits from the Office of the State Treasurer (OST) which puts greater responsibility on the agencies in verifying their deposit reports. Both the OSF and OST have tried to ensure that proper information was entered in the system for such fund deposits. However, the OSF will no longer review the deposit funding records processed through the OST. Therefore, that "second look" will fall to the agencies.

Agencies should review their deposit reports for proper posting to funds, revenue (source) codes, CFDA numbers, and amounts. If any errors are found, an OSF Form 76, Deposit Correction, must be completed and submitted to OSF.

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## **Object Code Updates**

This first code is being established to track payment of jury and witness fees to individuals authorized by state statute or other legal authority. These fees are 1099 reportable if the IRS dollar limit is met.

The second new object code is being established to provide for a clear expense coding of student activity expenses (except travel).

The third object code (5318) was accidentally left off of the object of expenditure code list in the revised

OSF Procedures Manual. The code was originally announced in DCAR Newsletter, Volume 11, Number 9, dated May 30, 2001.

The last two codes are for clarification of 1099 reporting in connection with laboratory services, with a new code established and the previous code revised.

**Code**            **Title and Definition**  
3133 (New)      JURY AND WITNESS FEES

Payments made by state agencies to individuals for jury and witness fees authorized by state statute or other legal authority (e.g., 22 O.S., § 722, 28 O.S., § 81, etc.) such as flat fee amounts intended for per diem expenses, but would exclude reimbursements of actual costs such as mileage.

3621 (New)      RECREATIONAL ACTIVITY PAYMENTS - STUDENTS

Payments for recreational activities for students participating in an event as authorized by a state educational institution.

*NOTE:* Does not include the actual agency direct payment of travel related expenses. (See OEC 2212)

5318      SETTLEMENTS - PAID TO/THRU ATTORNEY

Payments for settlements of litigation when checks are issued to (either as sole payee or joint payee) *or* delivered to an attorney not retained by the State.

*NOTE:* The total amount of the settlement, not just the attorney's portion (if known), should be included on the 1099 form issued to the attorney. Agencies will need to adjust the 1099 registers to reflect the total amount of the settlement. Additional instructions regarding this change will be issued in connection with the next distribution of interim 1099 registers.

3719 (New)      LABORATORY & MEDICAL SUPPLIES AND MATERIALS

Payments for purchase of supplies, materials, etc. used in diagnostic laboratory and medical testing and other testing when a service is not provided (e.g., reagents, glassware, x-ray film, laboratory animals, etc.).

3721(Revised)      LABORATORY SERVICES AND SUPPLIES

Payments for services used in diagnostic laboratory testing of human and animal specimens. Includes the cost of services used in other testing. **This would also include the cost of supplies purchased in conjunction with the service.**

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### Professional Services Payments

This is a reminder that professional services expenses (i.e., object of expenditure code 15XX series) should only be paid against a purchase order/contract. An Authorization for Purchase (AFP) should not be used, regardless of the cost of the expense. This applies to all professional services payments unless exempt from Title 74, § 85.41.

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