

OFFICE OF STATE FINANCE

DCAR NEWSLETTER

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http://www.ok.gov/OSF/Comptroller/DCAR_Newsletters.html.

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PAYROLL

Employee IRS Forms W-4

Agencies are reminded to review and ensure employees have valid forms on file for 2012. The exempt Form W-4, Employee's Withholding Allowance Certificate, expires on Feb. 16, 2012, and employees must submit a new form to continue the exemptions for 2012. If you receive an exempt W-4 after Feb. 16, 2012, do not process a tax refund to the employee or submit one to OSF for processing. The W-4 will take effect on the next pay cycle; it is not retroactive to the beginning of the year. The PeopleSoft HCM query: GO_PY_TAX_EXEMPT_STATUS - Fed or State Tax Exemption, can be run by agencies to see who currently is claiming exempt from income tax withholding.

The IRS has posted the 2012 W-4 form on its website: <http://www.irs.gov/pub/irs-pdf/fw4.pdf>

Employee Tax Refunds

Employee payroll tax withholdings are not authorized to be refunded to an employee once withheld from payroll. Refunds will not be given for those employees who did not submit a W-4 in time for payroll processing. All agencies should have a deadline for employees to submit W-4 changes. The effective date of the new W-4 will be the beginning of the next pay cycle for the employee. This is in compliance with IRS regulations. When the effective date entered is before the beginning of the next pay cycle, the system will recalculate the taxes already withheld for a closed period and this is not authorized by the IRS.

Correcting W-2s

Corrected W-2 forms must be delivered to OSF by Feb. 24, 2012. Please send the original W-2, a copy of the corrected form, and a letter explaining why the correction is needed. If the correction is due to a statutory canceled warrant which is not to be replaced, please also send a letter asking that the warrant not be replaced. Note: Because a warrant has been canceled by statute is not a reason for such a W-2 correction. If it was a valid payroll payment, the employee is still entitled to a replacement warrant; therefore, the original W-2 is correct.

Reporting Requirements for Repayments of Prior Year Wage Amounts

Repayments from employees made in the current year (2012) that are for overpayments of wages in a prior year (2011) must be repaid at the gross overpayment amount in accordance with Internal Revenue Service regulations. A Corrected W-2 or a W-2C, as applicable, is required to be completed and sent to OSF. Only Social Security and Medicare wages and taxes are corrected on the Form W-2 or W-2C.

DO NOT correct Federal or State taxable wages or income taxes. The employee received and had use of the funds during the year of overpayment and as such, the amounts are taxable for federal and state purposes. The employee may be entitled to either a deduction or credit on the current year (2012) Form 1040. Please advise the employee to speak to his/her tax accountant. Additional instructions for Form W-2 and Form W2-C are available on the IRS Web site, www.irs.gov. For assistance, contact Lisa Raihl at 521-3258, lisa.raihl@osf.ok.gov or Jean Hayes at 522-6300, jean.hayes@osf.ok.gov.

Outstanding Wages Beneficiary Designation Option

Title 40, O. S., Section 165.3a allows employers to provide employees the option of designating a beneficiary for wages and benefits payable upon an employee's death. There is no requirement for an employer to allow employees to select beneficiaries but agencies may want to consider adopting a policy which allows employees to designate a beneficiary. Providing the option to employees would relieve stress and anxiety after the death of the employee on the family members, etc. Also, agencies would have clear guidance on who is to receive final wage payments and avoid any potential difficulties in determining who gets the payment(s).

This statute does not include any longevity payment that may be due as of the date of death of an employee. Title 74, O.S., Section 840-2.18 subsection H.2 authorizes any longevity payment to be paid to the decedent's surviving spouse, or if there is no surviving spouse, to the decedent's estate.

For more information or sample forms and instructions, please contact Lisa Raihl at 405-521-3258, lisa.raihl@osf.ok.gov or Jean Hayes at 405-522-6300, jean.hayes@osf.ok.gov.

Voluntary Payroll Deduction Vendor Payments

Vendors on the OPM Voluntary Payroll Deduction (VPD) list will not be setup for electronic payment until the vendor has been converted over for central payment through the Division of Central Accounting and Reporting (DCAR). DCAR is currently working on converting these vendors to centrally pay and more information will be available in the months to come.

ACCOUNTING

The State's 2011 Comprehensive Annual Financial Report is Now Available

OSF has completed the State's Comprehensive Annual Financial Report (CAFR) for fiscal year 2011. We would like to thank all State Agencies for providing timely and accurate financial information. We also want to thank the State Auditor and his staff for their ongoing commitment to complete the audit of the State CAFR on a timely basis. And we once again want to thank the DCS central printing staff for their outstanding service while meeting tight CAFR printing deadlines. The CAFR is available online through the OSF website and is located at <http://www.ok.gov/OSF/documents/cafr11.pdf>.

AP Statutory Cancellation and 36 Month Statutory Cancellation Reports

The AP Statutory Cancellation Report (Navigation: Accounts Payable > Reports > Payments > AP Statutory Cancellation) lists warrants that have cancelled by statute during a specified date range. Such warrants due to vendors and state agencies should be replaced timely. Agencies must notify Steve Wilson at steve.wilson@osf.ok.gov of warrants that should not be replaced no later than seven days after notification of cancellation.

Agencies should run the AP Statutory Cancellation report routinely. If it hasn't been run recently the agency should also run the 36 Month Statutory Cancellation Report (Navigation: Accounts Payable > Reports > Payments > 36 Month Statutory Cancellation). It, unlike the AP Statutory Cancellation report, includes warrant replacement information. Research any warrants that have not been replaced. If several warrants to a particular vendor have stat cancelled, investigate the reason as vendors typically cash warrants they receive. Warrant replacements due to vendors and state agencies should be initiated by the paying agency immediately. Many finder companies review this same report and charge the payees a substantial percentage of the payment for their service.

Teachers Retirement System (TRS) Electronic Payments Mandated

As of Jan. 3, 2012, Teachers Retirement no longer accepts payments for contributions via warrants. Accordingly, any warrants sent in the mail after January 3rd 2012 will be returned by TRS to the agency. Agencies may, however, still submit checks for installment payments.

Agencies that upload claim data via EDT should begin paying TRS using Vendor ID 0000000715, location 0001, via the interagency method by populating column 208 of the payee record layout with the Warrant Type of "T".

State agencies and Institutions of Higher Education processing payment online in PeopleSoft Financials should pay TRS using Vendor ID 0000000715 with location 0001.

Interagency Payments

The Office of State Finance is identifying vouchers for interagency payments flagged to be made by check to Teacher's Retirement, Office of State Finance, Department of Central Services, and the Treasurer's Office, and is requesting the remitting agency change the payment account and method to

pay the vouchers via the interagency method. If agency personnel are not available to respond to the request, OSF will change the vouchers before the pay cycles run.

EDT agencies should begin making changes to the Miscellaneous Claim Record Layout to populate column 208 of the Payee Record Layout and pay these four agencies and all other eligible agencies by interagency payment. Refer to the December 15, 2011 DCAR Newsletter for a list of agencies not currently eligible to receive interagency payments.

Reports to Obtain Interagency Disbursement and Receipt Information

The **Misc Warrants** report (Navigation: Accounts Payable > Reports > Payments > Misc Warrants) provides a warrant register for the specified date range by pay group and by payment method. It also provides summary totals by payment group and payment method. Interagency payments are designated with the “WIR” payment method.

The Misc Warrant report can also be run in an Excel format. Access the Query Viewer (Navigation: Reporting Tools > Query > Query Viewer), search for the OCP_AP0119 query, and select the Excel link.

Agencies receiving interagency payments should run the **Misc Inter/Intra Agency** report (Navigation: Accounts Payable > Reports > Payments > Misc Inter/Intra Agency) to apply interagency payments. The report lists payments to the receiving agency for the specified date range and identifies remitting agency, remit to address number and address, invoice number, and warrant reference. It also subtotals warrants by payment method.

The Misc Inter/Intra Agency report can also be run in an Excel format, but it requires the OCP072AP PSJob, the same job that runs the PDF report, to be run first for the specified date range. After the job has run to success, access the Query Viewer, search for the OCP_AP0072_AGENCY_TRANSFERS query, and select the Excel link. Enter your user ID and the run control ID you used to run the OCP072AP job to obtain the data in Excel.

The **Treasurer’s Activity Statement** (Navigation: General Ledger > General Reports > Treasurer’s Activity Statement) is used to reconcile PeopleSoft to OST. It prompts by class fund for a specified date range and includes the warrant reference, remitting agency number, and AP Journal ID. Populate the class fund with 79901 to obtain the report for interagency payments received.

Interagency Payments Made to Incorrect Agencies

Occasionally interagency payments are made to an incorrect agency. Although these warrants remain “unrecon” they cannot be cancelled. Therefore when an interagency payment is made to an incorrect agency, the paying agency should contact the receiving agency to inform them of the error and identify the correct agency. The receiving agency should write a warrant out of the clearing account to the correct agency. The paying agency should then contact the correct agency and provide the information necessary to apply the money since the receipt will not be on their Misc Inter/Intra Agency report. The paying agency should also notate the correct agency and the steps taken to make the correction in the Comments field on the voucher.

Manual Warrants

Alternate system agencies issuing manual warrants should assess the necessity of writing manual warrants at the institution. If a 7XX claim transmitted before noon can be received the following day, the warrant type should be populated with a "P" in column 208 in the payee record layout. The system will generate the warrant and send the record to OST before the warrant is cashed.

Alternate System Audit Reviews

OSF has expanded the Alternate Systems audit procedures to compare the budget cash per the Allotment Budget and Available Cash report and the ledger cash per the Summary of Receipts and Disbursements report to ensure they are in balance. Additionally, reconciliations for the 79901 clearing account, the 905 payroll imprest fund, and the 994 payroll withholding imprest fund will be requested when the balances are not zero.

OSF will also begin assessing "Paid No Issue" records (manual warrants presented to the Treasurer before they are recorded in PeopleSoft) and include findings in the audit reports for institutions with a high rate of occurrence.

Account Codes – New and Revised

There are two new expenditure account codes (533100 and 561140) that have been established – one for maintenance and repair of non-equipment and machinery type items, and one for pollution remediation. Two account codes (531170 and 534250) are being revised to assist with better 1099 reporting of services because they included both purchases and services. Another account (533190) is being split and the name revised since it had both vendor services and employee reimbursements included. Titles and Descriptions are as follows:

NEW CODES

- 533100 MAINTENANCE & REPAIR OF OTHER ITEMS – OUTSIDE VENDOR
Payments to an outside vendor for maintenance and repair of state-issued protective clothing and employees' uniforms; of clothing issued to inmates, patients and wards of the state; and institution-owned personal living items (e.g., linen, bedspreads, blankets, towels, bath cloths, gowns, etc.) supplied to inmates, patients and wards in custody of the state. This may also include maintenance and repair of other state-owned or state issued items (non-equipment and machinery).
- 561140 POLLUTION REMEDIATION
Payments to remedy the current or potential detrimental effects of existing pollution. Examples include outlays to clean up spills of hazardous wastes or hazardous substances and outlays to remove contamination, such as, leaking underground storage tanks; asbestos removal; chemical spills; water pollution; EPA Superfund sites; and Brownfield remediation. Excludes prevention and control activities with respect to current operations, future pollution remediation activities required upon retirement of an asset, landfill closure, and post closure care.

REVISED

531170 INFORMATIONAL SERVICE
Payments for services used in collection and dissemination of information to the general public and for informational purposes within an agency, such as clipping service, newsletters, newspaper/magazine subscriptions, subscriptions for Internet service, etc., which are not included under another category of object of expenditure.

NOTE: May require review by OSF, Information Services Division.

533190 EMPLOYEE MAINTENANCE EXPENSE ALLOWANCE (UNIFORM, ETC.) - REIMBURSEMENT
Payments of expense reimbursement allowance to state employees for cleaning and repair of uniforms and other authorized maintenance expense allowance not considered reportable compensation outside of an accountable plan.

NOTE: Payment for reimbursement of employees' maintenance expense allowance must include on the claim form the statutory authority for the expense allowance.

534250 INSTITUTIONAL-SUPPLIED PERSONAL EFFECTS (E.G., LINENS, TOWELS, NIGHTCLOTHES, ETC.)
Payments for purchase of institution-owned personal living items (e.g., linen, bedspreads, blankets, towels, bath cloths, gowns, slippers, etc.) supplied to inmates, patients and wards in custody of the state.

NOTE: For maintenance and repair of such items, use OEC 533100.

Motor Pool and Enterprise Rental Cars

When renting motor pool vehicles from State Fleet Management or vehicles from Enterprise Rental, the expense must be charged to account code 532140 – Rent of Equipment and Machinery. Some coding of this cost has been placed under 522110 – Purchase of Transportation Costs-Agency Direct. However, code 522110 is intended for public transportation carriers such as planes, trains and buses used in connection with travel.

Documents Scanned

Please be careful when using highlighting markers on documents. When the documents are scanned the wording highlighted is often “blackened out” when the imaged document is viewed. This could make such scanned document invalid for serving as the official state record as required for agencies imaging their voucher records. If the highlighted wording is vital to the document information, said document would have to be deleted from the imaged record and a more legible scan made of the document.

Employee Tuition Reimbursement – Non-Encumbered

Payments of employee tuition reimbursement under an authorized plan do not require the voucher to be paid against an encumbered document. Such payments are considered non-encumbered expenses.

Financials Analytics

We are ready to begin the pilot roll-out for the Financials Analytics product. We expect that during this initial implementation there might be several questions and we may need to adjust some reports based on your feedback. Again, this will provide some basic information and we will be expanding on these reports as we move forward. We have not been able to test every scenario on these reports, so if you find any discrepancies, please notify the OSF Help Desk at helpdesk@osf.ok.gov, (405) 521-2444 or (866) 521-2444. As you notify the Helpdesk, please mention 'Financials Analytics' so that they will route the request appropriately.

To get access to the system, please have your Agency Security Representative send an email to Linda Belinski identifying the employees that currently have access to the PeopleSoft General Ledger, Accounts Payable or Accounts Receivable modules and request that they be granted 'FS Analytics Viewer' access. For new employees, fill out the appropriate form with the FS Analytics option selected.

Once access is granted, you will access the Financials Analytics product by logging into PeopleSoft Financials and navigating to 'Reporting Tools > Financials Analytics'. The Financials Analytics module will open in a new window. Select the Dashboards dropdown menu and navigate to either:

- the OSF OOTB menu item. From there you may select the General Ledger – OSF, Payables – OSF, or Receivables – OSF option.
- the Custom Reports menu item. From there you may select the OSF Custom Reports option.

We want to offer a training course for those individuals who would like to learn to develop their own reports. If you are interested in this training, please contact the OSF Helpdesk and tell them you are interested in the Financials Analytics training. There will be a cost for this training to recover expenses. Right now, we are trying to determine how many training classes we need to schedule in order to determine the final cost.

If you have questions, please contact the OSF Service Desk at 405/521-2444, or helpdesk@osf.ok.gov.

Purchase Orders

We need to have agencies close down old Purchase Orders (POs). Agencies will have until February 29th to close them down. After that OSF will close them. The procedures manual on how to close POs is located on the web at: <http://www.ok.gov/OSF/CORE/Financials/index.html> - COR131

If the agency does not wish to have certain PO's closed, the PO should be put on hold and documented in the PO Activity page why the PO should stay open.

Two quick tips:

- Mass Close Purchase Orders last Act-This shows the user how to close the PO using last activity date.
- Mass Close Purchase Orders review-Shows users how to use the PO Reconciliation page to review the Purchase Order before closing.

If you have any questions please contact Ronney Maxwell at ronney.maxwell@osf.ok.gov.

OPM and EBC Invoices

With the consolidation of OPM and EBC with OSF, the invoices for the monthly or quarterly billings will be issued from the Office of State Finance Agency Business Services (OSF/ABS) unit. Agencies should cancel POs to EBC and OPM and replace with a PO to OSF vendor #0000000090 and make the payments OSF using the interagency "WIR" payment method.

This will begin with the February invoices for January services. If you have questions please contact Riley Shaul at riley.shaul@osf.ok.gov

TRAINING

Upcoming Local Training/CPE

OFMA Meeting March 1, 2012

The Oklahoma Financial Managers Association is planning its next quarterly meeting and it will be on Thursday, March 1, 2012. Seminars are provided free of charge. More details will be forthcoming.
