

# ***OFFICE OF STATE FINANCE***

## ***DCAR NEWSLETTER***

**Brenda Bolander, State Comptroller**  
**Steve Funck, Deputy State Comptroller**

*Volume 19, Number 9*

*FY-2009*

*June 15, 2009*

The last issue of the DCAR Newsletter, Volume 19, Number 8, was issued on May 28, 2008. The DCAR Newsletter is available on the OSF website at [http://www.ok.gov/OSF/Comptroller/DCAR\\_Newsletters.html](http://www.ok.gov/OSF/Comptroller/DCAR_Newsletters.html).

Accounting: Jennie Pratt	405.521.6160	<a href="mailto:jennie.pratt@osf.ok.gov">jennie.pratt@osf.ok.gov</a>
General Ledger: Dan Thomason	405.522.4992	<a href="mailto:dan.thomason@osf.ok.gov">dan.thomason@osf.ok.gov</a>
Payroll: Lisa Raihl	405.521.3258	<a href="mailto:lisa.raihl@osf.ok.gov">lisa.raihl@osf.ok.gov</a>
Transaction Processing: Steve Wilson	405.521.4679	<a href="mailto:steve.wilson@osf.ok.gov">steve.wilson@osf.ok.gov</a>
Payroll Processing: Elsa Kunnel	405.521.6178	<a href="mailto:elsa.kunnel@osf.ok.gov">elsa.kunnel@osf.ok.gov</a>
AP Manager: Patricia Garcia	405.522.6855	<a href="mailto:patricia.garcia@osf.ok.gov">patricia.garcia@osf.ok.gov</a>
Vendor Maintenance: Julie Dvorak	405.522.1749	<a href="mailto:julie.dvorak@osf.ok.gov">julie.dvorak@osf.ok.gov</a>
OSF Service Desk (PeopleSoft questions)	405.521.2444	<a href="mailto:helpdesk@osf.ok.gov">helpdesk@osf.ok.gov</a>
Financial Reporting Unit: Deric Berousek	405.521.3298	<a href="mailto:deric.berousek@osf.ok.gov">deric.berousek@osf.ok.gov</a>

### **TABLE OF CONTENTS**

Fiscal Year End Payroll Processing – Legacy Payroll	2
Fiscal Year Funding Changes on PS Payroll	2
Fiscal Year End Miscellaneous Claim Vouchers and Orders Processing	3
Changes in State Share of Oklahoma Public Employees Retirement	4
Changes in Employer Contribution Rate for Justices and Judges Retirement System	4
Change in Fees for Deferred Plans	4
Federal Minimum Wage Changes	4
Creditor Garnishments	4
Schedule of FY-2010 Pay Periods	4
Combination Edit Rule for Account Code 400000	6
HB 2016 – DCS 'Trip Optimizer System' – Revised OSF Form 19	7
Emailing Vendor Information	7
GAAP Financial Reporting Changes for Fiscal Year 2009	7

## **Fiscal Year End Payroll Processing – Legacy Payroll**

OSF will process all payroll claims received by 1:00 pm on June 26, 2009. Any claims received after 1:00 pm will be rejected back to the submitting agency. Claims rejected will require resubmission on or after July 1, 2009 with the 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 pm on Friday, June 26, 2009, will be rejected back to the submitting agency. Rejected PFT's will require resubmission on or after July 1, 2009 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 Wednesday, July 1, 2009. The new FAAC line for FY-2010 will be 905-XXX-001000-00001 (XXX represents agency number).

As a reminder to Higher Education Institutions, Column 14-19 on the "C" record must be account number 001000 for any payroll received by OSF on or after July 1, 2009. 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 26, 2009 for the prior year (FY-2009) must have a notation on the form indicating "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.

## **Fiscal Year Funding Changes on PS Payroll**

Each fiscal year, funding attached to individuals in the payroll system has to be updated for the new year funding codes. This avoids voluminous manual changes. OSF will process new effective dated rows in PeopleSoft HRMS ACCT\_CD table. This process will be run in June and will include an effective date of July 1, 2009. Payroll processed after the update will look to the pay period dates to determine which funding will apply. No new '10 funding lines will be created until this update has been put into production.

The changes are for Budget Reference from "09" to "10", and for the General Revenue Fund from 199 to 190. For example, class-funding '19901 would be revised to be "19001". However, class-funding 198xx and prior years will not be "rolled forward" to 199xx or 190xx, but a 198xx with bud ref "09" will be changed to 198xx with bud ref "10". Additionally, any '08 and prior bud refs will not be updated and the HR account code containing those bud refs will be inactivated. In the case of capital projects, if your agency funds payroll from an '08 or prior bud ref, please contact Jennie Pratt now.

A report of changes made will be sent to agencies. The report will list all active account codes and a message of what happened, for example, bud ref changed to "10". In the case of inactivated codes, a list will be provided of any employees who have job earning distribution records attached to the inactivated HR account code so agencies can remove those old codes from the employee job earnings distribution and replace them with new codes as appropriate under an approved budget.

## **Fiscal Year End Miscellaneous Claim Vouchers and Orders Processing**

Follow these procedures for closing out the current fiscal year and then beginning the new fiscal year activity.

- **Miscellaneous Claim Voucher Processing**  
Voucher batches received by 1:00 pm on Monday, June 29, 2009 will be processed for payment by the close of business that day (June 29). To accommodate this schedule, budget checking and matching will be run periodically during the morning of June 29 until noon. Any FY 2009 vouchers received at OSF after 1:00 pm will be processed for payment in FY 2010. New vouchers should not be created after the 1:00 p.m. cutoff on Monday, June 29, 2009. Tuesday, June 30, 2009, is reserved for fiscal year closing activities. New vouchers may be created beginning on Wednesday, July 1, 2009.
- **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., Friday, June 26, 2009. This is to allow OSF sufficient time to create the vouchers for processing on June 29.
- **Manual Warrants**  
The cutoff for manual warrant vouchers is noon on Monday, June 29, 2009. Agencies whose warrants are entered into the system by OSF must have the supporting paperwork to OSF by noon on June 29, 2009. Manual warrants may be issued and the associated voucher created beginning on Wednesday, July 1, 2009.
- **340 Fund Expenditures**  
Expenditure entries for 340 funds for June 29, 2009 and prior days must be received by 9 a.m. on June 30, 2009 to be processed in FY 2009. Expenditure entries for 340 funds for June 30, 2009 must be received by 3 p.m. on June 30, 2009 to be processed in FY 2009.
- **EDT Vouchers Submission**  
Agencies which upload voucher data via 'EDT' transmissions should provide for sufficient internal lead time so that paper vouchers arrive at OSF by the 1:00 p.m. Monday, June 29, 2009 deadline. New 'EDT' transmissions may be submitted beginning on Wednesday, July 1, 2009
- **Encumbrance Documents**  
Agencies are reminded that their FY 2009 fund expenses should be fully encumbered by June 30, for purchases made during FY 2009. 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 2009 funds are not allowed for FY 2010 purchases. NOTE: Non-exempt encumbrances (most agencies) must be established through the state purchasing system by Tuesday, June 30, 2009 and budget checked.
- **WARNING! Payments Due (Effective) July 1, 2009**  
Because of the 'expenditure by fiscal year' accounting requirement, payments due or effective on July 1, 2009 and after may not be processed as FY 2009 business (i.e., pre-FY 2010). 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.

## **Changes in State Share of Oklahoma Public Employees Retirement**

The amount the State of Oklahoma pays for employee retirement will increase effective July 1, 2009. The percentage will be 15.5% beginning with any payrolls submitted with a pay period code of M01 or B01. The percentage for FY 2009 was 14.5%.

## **Changes in Employer Contribution Rate for Justices and Judges Retirement System**

The employer contribution rate for the Uniform Retirement System for Justices and Judges will increase from 7.0% to 8.5% effective July 1, 2009.

## **Change in Fees for Deferred Plans**

The rate certified for the administrative cost which will be calculated in payrolls submitted for the fiscal year beginning July 1, 2009 has changed to \$1.72 per month for any qualified participant. The equivalent amount for a bi-weekly pay period is \$.79. This change will be reflected in any payrolls submitted with a pay period code of M01 or B01.

## **Federal Minimum Wage Changes**

The Fair Minimum Wage Act of 2007 increases the federal hourly minimum wage rate to \$7.25, effective July 24, 2009.

Oklahoma's minimum wage is tied to the federal minimum wage and will change when the federal rates change.

## **Creditor Garnishments**

The increases in the federal minimum wage will significantly affect the calculation of the amount that can be garnished to repay a debt. For example, the federal Consumer Credit Protection Act (CCPA) states that the maximum amount of an employee's "disposable earnings" that can be garnished to repay a debt is the lesser of:

- 25% of the employee's disposable earnings for the week; or
- The amount by which the employee's disposable earnings for the week exceed 30 times the federal minimum hourly rate then in effect.

## **Schedule of FY-2010 Pay Periods**

Please distribute the following FY-2010 Pay Date schedules to Payroll and Human Resource Directors.

The following pay period codes should be used for agencies processing payroll on the legacy payroll system. Questions on the below codes may be directed to Lisa Raihl at 405.521.3258, [lisa.raihl@osf.ok.gov](mailto:lisa.raihl@osf.ok.gov) or Jean Hayes at 405.522.6300, [jean.hayes@osf.ok.gov](mailto:jean.hayes@osf.ok.gov).

**Schedule of FY 2010 Monthly Pay Periods**

<b>Pay Period Number</b>	<b>Begin Date</b>	<b>End Date</b>	<b>Pay Date</b>
M01	07/01	07/31	7/31/2009
M02	08/01	08/31	8/31/2009
M03	09/01	09/30	9/30/2009
M04	10/01	10/31	10/30/2009
M05	11/01	11/30	11/30/2009
M06	12/01	12/31	12/31/2009
M07	01/01	01/31	1/29/2010
M08	02/01	02/28	2/26/2010
M09	03/01	03/31	3/31/2010
M10	04/01	04/30	4/30/2010
M11	05/01	05/31	5/28/2010
M12	06/01	06/30	6/30/2010

**Schedule of FY 2010 BiWeekly Pay Periods – Non-Higher Education**

<b>Pay Period Number</b>	<b>Begin Date</b>	<b>End Date</b>	<b>Pay Date</b>
B01	6/21	7/4	7/17/2009
B02	7/5	7/18	7/31/2009
B03	7/19	8/1	8/14/2009
B04	8/2	8/15	8/28/2009
B05	8/16	8/29	9/11/2009
B06	8/30	9/12	9/25/2009
B07	9/13	9/26	10/9/2009
B08	9/27	10/10	10/23/2009
B09	10/11	10/24	11/6/2009
B10	10/25	11/7	11/20/2009
B11	11/8	11/21	12/4/2009
B12	11/22	12/5	12/18/2009
B13	12/6	12/19	12/31/2009
B14	12/20	1/2	1/15/2010
B15	1/3	1/16	1/29/2010
B16	1/17	1/30	2/12/2010
B17	1/31	2/13	2/26/2010
B18	2/14	2/27	3/12/2010
B19	2/28	3/13	3/26/2010
B20	3/14	3/27	4/9/2010
B21	3/28	4/10	4/23/2010
B22	4/11	4/24	5/7/2010
B23	4/25	5/8	5/21/2010
B24	5/9	5/22	6/4/2010
B25	5/23	6/5	6/18/2010
B26	6/6	6/19	7/2/2010

**Schedule of FY 2010 BiWeekly Pay Periods – Higher Education**

<b>Pay Period Number</b>	<b>Begin Date</b>	<b>End Date</b>	<b>Pay Date</b>
B01	6/28	7/11	7/24/2009
B02	7/12	7/25	8/7/2009
B03	7/26	8/8	8/21/2009
B04	8/9	8/22	9/4/2009
B05	8/23	9/5	9/18/2009
B06	9/6	9/19	10/2/2009
B07	9/20	10/3	10/16/2009
B08	10/4	10/17	10/30/2009
B09	10/18	10/31	11/13/2009
B10	11/1	11/14	11/25/2009
B11	11/15	11/28	12/11/2009
B12	11/29	12/12	12/24/2009
B13	12/13	12/26	1/8/2010
B14	12/27	1/9	1/22/2010
B15	1/10	1/23	2/5/2010
B16	1/24	2/6	2/19/2010
B17	2/7	2/20	3/5/2010
B18	2/21	3/6	3/19/2010
B19	3/7	3/20	4/2/2010
B20	3/21	4/3	4/16/2010
B21	4/4	4/17	4/30/2010
B22	4/18	5/1	5/14/2010
B23	5/2	5/15	5/28/2010
B24	5/16	5/29	6/11/2010
B25	5/30	6/12	6/25/2010
B26	6/13	6/26	7/9/2010

**Combination Edit Rule for Account Code 400000**

The revenue account code 400000 – Clearing Account TBD was established as a holding account for the temporary placement of funds in a clearing account. Although this account code should only be used in a clearing account (class/funding 799xx), there have been numerous coding errors where this revenue code was used in a non-clearing account, such as a revolving fund. To prevent this coding error from recurring, a combination edit rule has been established that will only allow account code 400000 to be used with a clearing account (class/funding 799xx). The use of any other class/funding when making a deposit, deposit correction, entry or transfer will fail the PeopleSoft edit process. Agencies that currently have a balance in account 400000 for non-clearing class/fundings should continue to work with DCAR to make the necessary corrections before June 30, 2009.

## **HB 2016 – DCS 'Trip Optimizer System' – Revised OSF Form 19**

Enrolled HB 2016, requires the use of the Department of Central Services (DCS) Fleet Management 'Trip Optimizer System' that limits in-state mileage reimbursement to the lesser of private vehicle (mileage) -vs- motor pool vehicle -vs- rental car.

The OSF Form 19 – Travel Voucher form has been revised to allow for documenting compliance with HB 2016. Two boxes have been added and must be checked as appropriate for having used the trip optimizer or if exempt from using the trip optimizer. No additional documentation is required with the Form 19.

However, guidance from DCS requires the trip optimizer results to be printed and retained by the agency. Also, DCS has provided the following examples of “exempt” circumstances provided for in the law:

- use of private vehicle on a daily basis to perform the responsibilities of his/her position, e.g., state auditors, Health Department inspectors, social worker, etc.
- use of personal vehicle to travel to and from airport.
- has documented physical condition that requires a person to operate vehicles equipped to accommodate his/her specific needs.

For specific questions concerning the exemption, please contact DCS Fleet Management.

The law is effective July 1, 2009, and the revised form should be used for all travel as of that date. Particularly for those vouchers that includes mileage reimbursement.

**Note:** This requirement will not apply to higher education, institutions, judicial agencies, and legislature since the law limits it to agencies under the "executive department of state government.”

### **Emailing Vendor Information**

When sending vendor updates or information to OSF via email, please do not include Social Security Numbers within the text of the email. A scanned or pdf version of the OSF FORM VEND or an Excel attachment is acceptable.

To ensure receipt of the vendor forms to the OSF Vendor Maintenance staff, please send the electronic requests to our vendor forms email address: [vendor.form@osf.ok.gov](mailto:vendor.form@osf.ok.gov)

### **GAAP Financial Reporting Changes for Fiscal Year 2009**

The State is required to implement 2 new Governmental Accounting Standard Board (GASB) Statements for FY-2009. The first is Statement 49 – Accounting and Financial Reporting for Pollution Remediation Obligations. This statement requires the State to collect and report liabilities related to pollution remediation activities when certain circumstances are met. The second is Statement 52 – Land and Other Real Estate Held as Investments by Endowments. This statement addresses the valuation of land and real estate when properties are held as an investment instead of a capital asset.

The State will also be required to disclose specific information related to the American Recovery and Reinvestment Act (ARRA) of 2009 in the FY-2009 Schedule of Expenditures of Federal Awards (SEFA). As outlined by OMB Circular A-133 Advisories, Appendix 7, agencies that disburse ARRA funds must

now identify and report ARRA spending (including accrued receivables and payables) separately, even if the ARRA expenditures have a CFDA number related to another non-ARRA grant.

Addressing these new disclosures require a few GAAP Conversion Packages to be changed this year. We currently plan to distribute the GAAP Packages during the last week in June. Please review the summary of major changes to the instructions and forms when you receive them to ensure that the issues above are correctly reported for your agency.