

# OFFICE OF STATE FINANCE

## DCAR NEWSLETTER

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Volume 17, Number 1

FY-2007

July 21, 2006

The last issue of the DCAR Newsletter, Volume 16, Number 5, was issued on June 8, 2006. The DCAR Newsletter is available on the OSF webpage at <http://www.osf.state.ok.us/comp-nl.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 and Reporting (DCAR) staff members:

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## **Refund Liabilities for Federal Funds**

Certain agencies subject to the Federal-State CMIA agreement could be responsible for any interest earned on funds deposited as a result of a refund of monies previously disbursed from Federal funds. At a minimum all agencies receiving a refund of monies previously disbursed whether wholly or partially from Federal funds are responsible for applying the attributable proportion back to the original source.

In the case of agencies subject to the CMIA Agreement, the agency shall be liable for interest on refunds from the date the refund is credited to the agency account until the date the refund is debited from the agency account for program purposes. The State shall apply a \$50,000 refund transaction threshold below which the State shall not incur or calculate interest liabilities or refunds. A transaction is defined as a single deposit.

For each refund, the agency shall maintain information identifying:

- (1) date a refund is credited to a State account
- (2) date of the subsequent deposit of Federal funds against which the refund is offset
- (3) amount of the refund

The State shall use the following methodology to calculate interest liabilities on refunds:

Refunds Deposited to Non-Interest Neutral Programs – Liability Captured Manually by Each Agency:

For programs to which applicable non-interest neutral funding techniques are applied, each agency shall maintain records identifying:

- (1) the date of the refund
- (2) the date the refund is offset against subsequent deposit on Federal funds
- (3) the check issue date for the disbursement related to the subsequent deposit of Federal funds
- (4) the amount of the refund

If you need more information, please contact Roger Sprague at (405) 521-6179.

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## **Daily Deposits**

Title 62, Section 517.3 requires all deposits exceeding \$100 to be made daily. It has come to the attention of the State Auditor and Inspector's Office that some agencies are not posting the deposits daily into the financial accounting system. This is creating out-of-balance situations and understating the State's cash position.

It is important that all types of transactions are recorded at the earliest possible time. In this particular case, the deposits must be posted in the accounting system on the same day the cash is deposited in an approved bank.

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## **Late Payment To Vendors - New Interest Rate - FY 2007**

The FY 2007 interest rate applicable to late payments to vendors has been set at 3.88% per annum, or \$0.0107 per \$100 per day, which will be in effect July 1, 2006 through June 30, 2007.

This interest rate is provided by the State Treasurer based on the average interest rate for thirty day time deposits of State funds during the last calendar quarter of the last preceding fiscal year. (Titles 62, § 41.4a & 4b and 74, § 840.14. and OSF Prompt Payment Rules/Regulations)

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## **NEW OSF Form 20R – Warrant Replacement Request**

To simplify the warrant replacement process a new single form is available for requesting the replacement of lost/destroyed and canceled by statute warrants. The new form, replaces three OSF forms: (1) Form 20-Request for Replacement of a Warrant Canceled by Statute, (2) Form 20A-Request for Replacement of a Missing Warrant Canceled by Statute, and (3) Form 20B-Request for Replacement Affidavit of Lost or Destroyed Warrant. The new form is effective immediately and available to download on the State Comptroller's webpage under Forms. Any requests already on an old form will be accepted. However, the new Form 20R should be used for future requests.

This is the only document needed when requesting a replacement except when an OSF Form VEND is needed to add the payee to the vendor file. A cover letter and/or a copy of the OST stop payment notice is not necessary, so save a tree and please do not send them.

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## **Revised OSF Form 90 – DEC and IBM System Access Authorization Request**

The Form 90 has been revised to address access changes in the DEC and IBM systems and to pattern the form after the PeopleSoft system access authorization forms. This includes the Security Agreement and access descriptions pages. The revised form must now be used for all DEC and IBM system authorization requests. The form is effective immediately and is available at the State Comptroller's webpage under Forms.

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## **Oklahoma Financial Management Association**

The OFMA will be having the next quarterly meeting and training seminar on Thursday, August 3, 2006 at the Metro Tech Auditorium – Springlake Campus, 1900 Springlake Drive. It will be held from 1:30 p.m. – 3:30 p.m. Please register at: [www.okfma.org](http://www.okfma.org). Refreshments will be served and the cost is free.

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## **Core Changes**

Document Imaging - OSF is beginning a pilot project next week for imaging the Accounts Payable vouchers, invoices and other supporting documents. A hand-full of agencies are included in the pilot project and after all issues have been resolved, this will be rolled out to the remaining agencies.

However, there are a couple of changes that will affect all agencies.

1. Voucher Form - The Voucher Form printed from the PeopleSoft system will be changed to include bar coding in the lower left-hand corner. The change is necessary to provide the information needed for document imaging to capture the appropriate index information.
2. Voucher Screen - A new hyperlink "View Related Document" will appear in the upper right-hand corner of the on-line voucher screen. Although the link will be active, no information will be returned for a particular voucher until the related agency has been converted to the imaging system and the documents have been scanned.

Vendor Information Display - Changes will be made to the vendor screens which will restrict access to the SSNs and banking data. Additionally new fields will become available which contain vendor comments and registered vendor information through a new Vendor Types link. The Comments link will only appear on the screen when comments for a vendor have been added by DCS or OSF.

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## **State Travel Voucher (OSF Form 19)**

For security purposes, agencies should replace the employee SSN on the travel voucher with the Core Vendor ID.

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## **Reminder – Proper Voucher Submission**

When submitting vouchers, please be sure to properly fold them and be sure they are in ascending voucher number order. The vouchers should be tri-folded inwards with the voucher amount, business unit number, voucher number, and warrant number spaces on top. Improperly folded voucher forms can result in "fold-ins" occurring and can cause delays when OSF must handle them, including being forced to refold them properly.

When mis-folded vouchers are found they are put aside in order to process batches of vouchers which are properly folded and are in proper voucher number sequence. Therefore, to avoid such delays, please make sure the vouchers are correctly folded and are in proper voucher number sequence (i.e., 00000001, 00000002, 00000003, etc.).

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## **GAAP Conversion Packages and Audited Financial Statement Due Dates**

The GAAP Conversion Packages were distributed by the OSF Financial Reporting Unit in late June. Please plan now to ensure timely submission of these packages. Fiscal Year 2006 due dates for the GAAP packages are as follows:

July 25, 2006 - Packages A, B, G, H, L, O, P, S

August 15, 2006 - Packages K, Y

September 12, 2006 – Packages C, D, E, F, I, J, M, R, X, Z

October 10, 2006 – Packages N, Q

For audited agencies with a general fund, permanent fund, or enterprise fund component, these audit reports are due September 30, 2006. All other audited agencies should submit a final audit (approved by your audit committee, if required) by October 31, 2006.

Earlier submission is always encouraged and appreciated! If you have any questions regarding the GAAP Conversion Packages or audits, please contact your financial reporting analyst.

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## **Pay Cycle Changes**

Two pay cycle changes have been implemented that will affect the timing of voucher payments. The first change affects all agencies and the second affects higher education and other alternate system agencies.

- Effective July 2006, the pay cycle was changed to pay only those vouchers that have a “Schedule Due” date within the last ninety days. Currently the pay cycle is selecting vouchers with “Schedule Due” dates from April 1, 2006 through the current date. On August 1, 2006 and on the first of each month thereafter, the “Pay From Date” will be changed to include only the last ninety days. Run the query, OCP\_VCHR\_DETAIL\_NOT\_PAID\_REV, to monitor the aging of unpaid vouchers. If a voucher ages past the ninety days before it is submitted for payment, the “Schedule Due” field on the Payments page of the voucher screen will need to be populated with the current date.
- Due to changes that have enabled the pay cycle to run more efficiently, the alternate pay cycle can be run earlier than in the past. The alternate pay cycle will be run no earlier than 1:30 p.m. Agencies transmitting in the morning will need to run their batch slips between 12:30 and 1:30 p.m.

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## **Payroll Warrants Cancelled By Statute And Not To Be Reissued**

When a payroll warrant has been cancelled by statute and the issuing agency knows of a reason it is not eligible for reissue or should never be reissued, the agency must notify OSF. This notice is to be sent to Transaction Processing. Additionally, an OSF Form 94 should be completed with the Reason for Overpayment box "Employee Overpaid" check marked and explained as "Warrant cancelled by statute not to be reissued". The Form 94 is required because the payroll warrant will not be cancelled in the payroll system. The earnings record of the affected employee will require an adjustment by DCAR personnel. Completing the form will also start the process for returning any withholding amounts due back to the agency. For prior years cancelled by statute payroll warrants, a W-2C is required from the agency to be given to the employee and a copy given to OSF DCAR for correction with the Social Security Administration.

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## **ASA/Clearing Reports**

Agency Special Account and Clearing Account Reconciliation Reports for June are **PAST** due. Please submit them immediately in order to retain the use of these accounts.

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## **Update TBD Accounts on POs**

In order to comply with the State encumbrance laws, it is imperative that TBD accounts related to the current fiscal year, FY07, be changed to valid object of expenditure accounts on agency purchase orders as soon as the FY07 budgets are approved. The OCP\_PO\_TBD\_ACCT query will identify PO distribution lines with TBD accounts. These must be changed in order to encumber the funds and before the lines are vouchered against.

If a PO distribution line containing the TBD account is copied into a voucher, that same **line must be deleted from the voucher. The TBD account must not be overwritten** or typed over with a different account. Any vouchers saved with a TBD account will be deleted by OSF. E-mail notification will be sent to the agency finance officer each day identifying these deleted vouchers.

Please note: If a voucher with the TBD account has posted, the TBD account cannot be changed on the PO at any time in the future. Other procedures will be required to adjust the PO for future payments.

Agencies will receive a list of POs containing the TBD account next week. Please update the POs as soon as possible and prior to processing any payments against those POs. If you have any questions, please contact the OSF Helpdesk at 405-521-2444.