

OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES DCAR NEWSLETTER

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

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PAYROLL

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@omes.ok.gov or Jean Hayes at (405) 522-6300, jean.hayes@omes.ok.gov.

Employees Benefits Department (formerly EBC) Refunds

Any refund for EBD benefits improperly withheld from an employee's pay will be processed through the PeopleSoft HCM payroll system. This process will ensure the employee's payroll record is accurate for federal and state tax reporting purposes.

The following procedures have been established.

1. The agency must contact the EBD office to request authorization for any benefit refunds.
 - a. Refund requests will be submitted by the agency coordinator to EBD on the Employee Premium Refund Request form.
 - b. This form can be found on the OMES website:
<http://www.ok.gov/OSF/documents/premrefunds.pdf>
2. EBD will send the form back to the agency after making its determination.
 - a. If disapproved, no refund will be processed by the agency. EBD will provide written notification to the agency stating the reason for disapproval.
 - b. If approved, the agency will process the refund through the HCM payroll system.
3. The agency must contact the OMES HelpDesk and a Core Team member will be assigned to provide the proper procedures for processing the refund.
 - a. The refund will be processed on the next regularly scheduled pay run for the agency; a new pay calendar will not be created to process the refund (EBD refunds take up to six weeks to process and completing on the next regularly scheduled pay run will be within their policy).

- b. Core assistance with the procedures will ensure the refund is correctly input and amounts properly post to either the employee or to the agency.
 - c. Any amount due to the employee will be taxed appropriately, and the employee will receive the net amount.
4. Any agency issuing refunds without prior approval will be at risk of having issued an improper refund for which the agency must reimburse EBD through a miscellaneous voucher. Also, the agency would be liable to OMES for any additional taxes on the amount paid to the employee.

For any questions regarding these policies or procedures, please contact Lisa Raihl at (405) 521-3258, lisa.raihl@omes.ok.gov or Jean Hayes at (405) 522-6300, jean.hayes@omes.ok.gov.

W-2 reporting of employer-sponsored group health insurance

Beginning in 2012, the IRS mandated Box 12 reporting for the cost of employer-provided health coverage. The W-2 must show the amount in Box 12 with Code DD.

To correctly report the cost of health coverage, **all** payments made for health insurance must process through the payroll system. Failure to process through payroll will result in incorrect reporting on the W-2. For help establishing the appropriate deduction codes, state agencies should contact the OMES HelpDesk. Assistance will be provided by the Core HCM Payroll team. For institutions of education, please ensure payroll file information contains the total cost of health insurance (employer and employee share).

As a reminder, this reporting to employees is for their information only. The amount reported is not taxable and is only intended to inform them of the cost of their health care coverage.

For questions or more information, please contact Lisa Raihl at (405) 521-3258 or lisa.raihl@omes.ok.gov, or Jean Hayes at (405) 522-6300 or jean.hayes@omes.ok.gov.

State Contribution Fund Interagency Payments

The State Contribution Fund, Vendor ID # 0000000467, is setup to process using the *wire* payment method. This vendor should only be used for tax payments due to OMES for backup withholding on vendors and other withholding taxes due that were not processed through the payroll system (for example 1042-S withholding, GTL taxes).

Agencies that have vendors requiring backup withholding on miscellaneous claims need to process and submit payment to OMES at the same time payment is made to the vendor. Agencies that have taxes due on items not processed through the payroll system need to process and submit payment to OMES immediately for timely deposits to the IRS.

When payment has been processed, please immediately forward the paperwork detailing the transaction, vendor name, ID, gross payment amount, and other information as needed to Lisa Raihl or Jean Hayes

so that the payment can be matched and the taxes can be timely paid. **NOTE:** Please do not use Vendor # 0000000090; we will not get the money, the taxes will be late, and the agency will be responsible for any late penalties or interest.

Deadlines for Payrolls

In planning your work for May, it is important to remember that Memorial Day is Monday, May 27, 2013.

OMES policy requires that all payroll transactions and paperwork be filed with OMES FIVE (5) DAYS prior to the actual pay date to ensure adequate time for audit and processing. With those dates in mind agency staff should plan their work accordingly for the deadlines.

Payrolls received after this deadline are disruptive to the normal process schedules and puts a great burden on all parties involved. Additionally, agencies are taking a risk when processing payrolls so late. If the payroll has edit checking errors, budget issues, or other problems this compounds the work that must be done to ensure employees get paid on time.

E-Verify and Social Security Number Validations

With the mandatory use of E-Verify since Nov. 1, 2007, all state agencies must utilize the system to verify the federal employment authorization status of all new employees. The system first completes a social security number verification with the SSA. This verification is similar to the one users previously accessed in the BSO system to manually verify the SSN. Since the E-Verify system performs this verification, new authorization requests to use the BSO system should not be initiated for agency employees.

For agencies on the State's PeopleSoft HCM system, the query GO_HR_AUDIT_EVERIFY should be run frequently and will return a list of employees who were hired or rehired after 11/01/2007 and do not show the completed e-verify.

For institutions of Higher Education, internal processes should be in place to identify those employees who have not yet had the e-verify completed.

CFDA Numbers

Agencies not on Phase II are reminded to include the CFDA number on Federal Fund transactions in PeopleSoft: AR deposits, transfers, corrections; AP vouchers; payroll transactions; etc. This will allow accurate tracking of grant activity for Cash Management Improvement Act (CMIA) purposes.

ACCOUNTING

OST FORCE POSTING POLICY

The Office of the State Treasurer (OST) uses positive pay, consistent with best practices in the banking industry, as a fraud prevention technique. OST compares the warrants it receives for payment against the record of warrants issued by the state. The successful application of this practice requires that state agencies provide OST with records of every warrant issued by the agency. Failure to provide such records to OST subjects the agency to a statutory penalty.

In the event that a warrant is presented for payment for which an agency has not provided an issue record, the agency incurs the statutory penalty and is contacted to immediately confirm the payment and asked to provide the associated issue record. Payments that are not confirmed will be rejected. Once a payment is confirmed, if no issue record is provided, the payment will be posted by OST or OMES and OMES will choose a department and expenditure code and funds will be deducted from the agency account. Any corrections will be the responsibility of the agency. If the agency does not provide the valid issue record, the agency will have no recourse against OST or OMES.

If you have any questions regarding this policy please contact OST Banking Operations Manager Katie Keller (405) 522-4225 or OST Banking Services Director Carole Bailey (405) 522-4216.

TRAINING

Upcoming Local Training/CPE

13th Annual Oklahoma Payroll Conference

Friday, Sept. 13, 2013

Presented by the Northeastern and Oklahoma City Chapters of the American Payroll Association
Renaissance Hotel & Convention Center Tulsa, OK

Very early registration by May 13 is only \$125.00

Early registration May 14 to July 13 is \$175.00

Registration after July 13 is the full rate of \$225.00

For more information, please visit http://neokapa.jobing.com/Event_Details.asp?fair=10015481

Oklahoma Employer Services Center (OKESC) Webinar Topic: "Oklahoma Central Case Registry"

Find out what to do when you receive an income withholding order but there is no child support case with OCSS.

The webinar is set for 2 to 3 p.m., Tuesday, May 14, 2013.

To register, go to: www.OKESC.org and select the “Employer Outreach”. Online registration will be available at least two weeks before the meeting date.

To view past webinar topics, such as “Electronic Income Withholding Order Project,” “CCPA Limitations” and “The National Medical Support Notice”, click on the “Library” tab of the website.

Two-Hour Ethics CPE Sponsored by the Oklahoma City Chapter AGA

Live Audio Conference

Location: Concourse Theater, in basement between Will Rogers and Sequoyah buildings.

Date: Wednesday, May 22, 2013

Time: 1 – 3 p.m.

Cost: \$25.00 payable at the door

Speaker: Bobby A. Derrick, MBA, CGFM, Former Director, Network Compliance and Business Operations and Compliance Directorate, Defense Finance and Accounting Service.

To register: e-mail Riley.shaul@trs.ok.gov
