

OFFICE OF STATE FINANCE

DCAR NEWSLETTER

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The last issue of the DCAR Newsletter, Volume 14, Number 1, was issued on October 13, 2003. 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.

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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Transaction Processing: Steve Wilson	405.521.4679	steve.wilson@osf.state.ok.us
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PAYROLL FORMS PICKUP

W-2, 1099M, 1098 T&E, and 1042S

Noon, Tuesday, January 20, 2004 thru Noon, Friday, January 23, 2004

Room 122, State Capitol Building

After that time all additional forms will be mailed to the agency at the agency's expense.

Parking and Security Issues:

Short term parking will be available at the east entrance of the capitol in the spaces posted for 15 minute parking on the sides of the circular drive. The attendants there may be able to find an alternate space to park if these spaces are full, but you will need to ask them. There is no parking permitted directly in front of the steps that lead into the capitol.

Parking will also be allowed at the delivery entrance on the west side of the capitol for those who have carts or dollies.

Other parking options are to park in the parking area on the south side of the capitol or you may park in the lot on the east side of Lincoln Blvd and use the tunnel.

Be advised that security has been tightened at the Capitol. Be prepared to show picture ID and all personal property is subject to search. Metal detectors are being installed this week.

We recommend that you check the OSF Website, prior to coming, for any changes that may have been made to the date and/or location due to unforeseen circumstances.

CHANGES TO PAYROLL CALENDAR YEAR 2004

The following changes took effect on January 1, 2004.

Calculation of Retirement Withholding:

Prior to January 1, 2004 the employees contribution to OPERS was calculated on an annualized earnings amount rather than actual earnings in a specific pay period.

EXAMPLE: \$36,000 Annual Earnings
 3,000 Monthly Earnings

	Previous Calculation	Calculation 2004
Jan	\$2,083.34 @ 3.0% = 62.50 916.66 @ 3.5% = <u>32.09</u> 94.59	\$3,000.00 @ 3% = 90.00 <u>90.00</u>
Feb	\$2,083.34 @ 3.0% = 62.50 916.66 @ 3.5% = <u>32.09</u> 94.59	\$3,000.00 @ 3% = 90.00 <u>90.00</u>

Mar	\$2,083.34 @ 3.0% = 62.50	\$3,000.00 @ 3% = 90.00
	916.66 @ 3.5% = 32.09	
	<u>94.59</u>	<u>90.00</u>
Apr	\$2,083.34 @ 3.0% = 62.50	\$3,000.00 @ 3% = 90.00
	916.66 @ 3.5% = 32.09	
	<u>94.59</u>	<u>90.00</u>
May	\$2,083.34 @ 3.0% = 62.50	\$3,000.00 @ 3% = 90.00
	916.66 @ 3.5% = 32.09	
	<u>94.59</u>	<u>90.00</u>
Jun	\$2,083.34 @ 3.0% = 62.50	\$3,000.00 @ 3% = 90.00
	916.66 @ 3.5% = 32.09	
	<u>94.59</u>	<u>90.00</u>
Jul	\$2,083.34 @ 3.0% = 62.50	\$3,000.00 @ 3% = 90.00
	916.66 @ 3.5% = 32.09	
	<u>94.59</u>	<u>90.00</u>
Aug	\$2,083.34 @ 3.0% = 62.50	\$3,000.00 @ 3% = 90.00
	916.66 @ 3.5% = 32.09	
	<u>94.59</u>	<u>90.00</u>
Sep	\$2,083.34 @ 3.0% = 62.50	\$1,000.00 @ 3% = 30.00
	916.66 @ 3.5% = 32.09	\$2,000.00 @ 3.5% = 70.00
	<u>94.59</u>	<u>100.00</u>
Oct	\$2,083.34 @ 3.0% = 62.50	\$3,000.00 @ 3.5% = 105.00
	916.66 @ 3.5% = 32.09	
	<u>94.59</u>	<u>105.00</u>
Nov	\$2,083.34 @ 3.0% = 62.50	\$3,000.00 @ 3.5% = 105.00
	916.66 @ 3.5% = 32.09	
	<u>94.59</u>	<u>105.00</u>
Dec	\$2,083.34 @ 3.0% = 62.50	\$3,000.00 @ 3.5% = 105.00
	916.66 @ 3.5% = 32.09	
	<u>94.59</u>	<u>105.00</u>
<u>Annual Contribution</u>	<u>\$1,135.08</u>	<u>\$1,135.00</u>

This change will cause net pay to be greater until year to date earnings reach \$25,000, then net pay will be less than computed under the prior method of computation

Step Up Plan

If you have elected to participate in the new step up plan your retirement contribution will be increase by 2.91%. This is an irrevocable election. For additional information about this plan please see <http://www.opers.state.ok.us/pdfs/25.pdf>

Change in Calculation of Excess Benefit Allowance

The excess benefit calculation will be computed following **OPM 04-02**. In most instances the change in this calculation will not effect net pay. For more details concerning this change please see http://www.opm.state.ok.us/html/opm-adm_04memos.htm.

Change to Benefit Allowance Amounts

Benefit allowance amounts increased to cover increased cost of benefits.

CHANGES TO TAX RATE SCHEDULES AND MAXIMUMS

Rates & Maximums 04 as required by taxing agencies. (Year 2003 rates are provided for comparison purposes.)

(Year 2003 rates are provided for comparison purposes):

	2004	2003
FICA (Social Security) Withholding Rate	6.2%	6.2%
FICA (Social Security) Gross Maximum	\$87,000.00	\$87,000.00
FICA Annual Maximum Withholding	\$ 5,394.00	\$ 5,394.00
MQFE (Medicare) Withholding Rate	1.45%	1.45%
MQFE (Medicare) Gross Maximum	No \$ Max	No \$ Max
MQFE Annual Maximum Withholding	No \$ Max	No \$ Max
Unemployment Rate	1.0%	1.0%
Unemployment Gross Maximum	\$11,700.00	\$14,300.00
Unemployment Annual Maximum	\$ 117.00	\$ 143.00

CORRECTING W-2s

Corrected W-2 forms must be to OSF by February 20, 2004. Please send the original W-2, a copy of the corrected form, and a letter explaining why you are making the correction. If the correction is due to a statutory canceled warrant which is not to be replaced, you must 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 W-2 reporting is proper.

Listed below is contact information for OSF personnel working on the IRS reporting project for tax year 2003.

OSF Accounting and Reporting, Fax 405-521-3902
 Barbara Low, Accounting and Reporting Analyst
 Phone 405-522-6300
 E-mail Barbara.Low@osf.state.ok.us
 Beth Brox, Administrative Assistant
 Phone 405-522-1099
 E-mail Beth.Brox@osf.state.ok.us

REMINDER: NEW WITHHOLDING CERTIFICATES MAY BE REQUIRED (Form W-4)

An employee who certified to his or her employer on Form W-4 (Employee's Withholding Allowance Certificate) that the employee had no income tax liability for 2002 and anticipated no income tax liability for 2003 was entitled to an exemption from withholding for 2003. This exemption is effective until February 14, 2004, and must be renewed at that time if conditions remain the same. However, if the employee expects to incur income tax liability in 2004, a new Form W-4 must be given to the employer by January 1, 2004.

MILEAGE REIMBURSEMENT RATE INCREASE FOR 2004

The Internal Revenue Service has announced an increase in the mileage reimbursement rate, effective January 1, 2004, to \$0.375 per mile. This is an increase from the \$0.36 rate for 2003. (See Internal Revenue Procedure 2003-76, Internal Revenue Bulletin 2003-121, 10/15/03.) The new rate is for travel incurred on and after January 1, 2004, not your 2003 travel reimbursement claims submitted after January 1st.

FORMS REVISIONS

(All forms are available on the OSF/Comptroller Website)

Several forms have been revised and are effective immediately. The revisions are designed to provide improved effectiveness in their processing.

OSF Form 20, Request for Replacement of a Warrant Canceled by Statute

OSF Form 20A, Request for Replacement of a Missing Warrant Canceled by Statute

OSF Form 20B, Request for Replacement, Affidavit of Lost or Destroyed Warrant

These forms are revised to remove some fields we determined were not necessary and to add the Vendor ID number and Location (Loc) number. Also added is a field to show the warrant type - payroll or miscellaneous.

OSF Form MWC

This form is revised to remove some fields we determined were not necessary and to add the Vendor ID number and Location (Loc) number, for replacing a canceled warrant when the amount and/or payee is wrong.

OSF Form VEND

This form is revised to remove the separate entries for the different mailing options. These options are now identified by selecting the type of address. There are places for only two optional addresses. We also moved the '1099 Reportable Status' selection from page two to page one. Other revisions added to page one are the Vendor/Payee TIN/SS# and for changes, the State Vendor ID #. We have added a

place for the vendor/payee name on page two in order to help keep the two pages identified together when they are received on the fax machine.

There is also a minor change to the sample spreadsheet used when adding employees and board (commission) members. Places have been added to show the Business Unit Name Number, contact name and phone number. NOTE: Please be sure to show whether the person is an employee or a board (commission) member (EMP / BD).

PROPER SUBMISSION OF VOUCHERS

All vouchers submitted to the Office of State Finance must be properly folded. It should be a horizontal tri-fold with the Business Unit number and Voucher number showing on top. Vouchers requiring invoices must be folded with the invoices attached inside the fold. The Core System assigned voucher number must be displayed on all vouchers submitted, excluding “manual” agencies’ claim vouchers. Core direct entry and EFT submitted vouchers must be batched together by Pay Group in voucher number sequence with the lowest number on top. An OSF Form 25B, Voucher Register Batch Slip Notice, for said Pay Group should be tri-folded with Pay Group showing, and placed on top of the batch. NOTE: The “Batch No.” shown on the Batch Slip form is not used.

The entire batch of vouchers should be rubber banded or paper clipped together, whereas not to become separated. The vouchers will then be forwarded to OSF Transaction Processing. NOTE: If a batch must be split to fit into envelopes, etc., attach a note identifying the vouchers as being part of a continued batch and show the date and Pay Group.

EXPENDITURE CORRECTIONS

Pre-conversion claims - Submit an OSF Form 77, Expenditure Correction/Transfer Request, on any claims processed prior to November 1.

Core issued claim vouchers – Agencies will make such changes using the voucher style ‘Journal Voucher’. Refer to Training manuals P112 - PO Vouchers or P113 - Regular Vouchers.

700 FUND TRANSACTIONS DIRECT ENTRY/TRANSMIT AUTHORIZATION

We have implemented a new procedure and form to speed up the processing of your 7XX claim records transmitted to OSF. The 7XX Fund transactions submitted to OSF are handled as a unique process in each day’s pay cycle and are subject to approval daily. In order to avoid having to submit an OSF Form 25B, Voucher Register Batch Slip Notice, with each transmission the agency can submit an OSF Form 700, *700 Fund Transactions Direct Entry/Transmit Authorization*. The form will be filed in this office and will serve as our authority to post the transactions to the system. A Form 700 must be prepared for each person performing the direct entry or electronic transmission of any 700 Fund records.

Send the completed Form 700 to Steve Wilson. We will accept the form via a fax transmission to 405-521-3383. If you have any questions concerning this, please call Steve Wilson at 405-521-6179.

PEOPLESOFT VENDOR QUERY BY TIN/SSN

There is a public query of the vendor file based on the federal tax number or social security number (TIN/SSN). This feature is available for users with system query access. The navigation is:

Reporting Tools – Query – Query Viewer – Find an Existing Query.

The query name is OSF_VENDOR_CHECK. However, it can be found by typing in OSF and pressing Search.

Select the query and under ID Num, enter the TIN or SSN.

The SetID will be 00000 for agency vendors.

The SetID will be HECLM for college and university vendors.

If the “vendor” is found, it will show the Name and Vendor (ID) number.
