

OFFICE OF STATE FINANCE

DCAR NEWSLETTER

Brenda Bolander, State Comptroller
Steve Funck, Deputy State Comptroller

Volume 22, Number 2

FY-2012

Aug. 8, 2011

The last issue of the DCAR Newsletter, Volume 22, Number 1, was issued on July 8, 2011. The DCAR Newsletter is available on the OSF website at

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

Accounting: Jennie Pratt	405.521.6160	jennie.pratt@osf.ok.gov
General Ledger: Dan Thomason	405.522.4992	dan.thomason@osf.ok.gov
Payroll: Lisa Raihl	405.521.3258	lisa.raihl@osf.ok.gov
Transaction Processing: Steve Wilson	405.521.4679	steve.wilson@osf.ok.gov
Payroll Processing: Elsa Kunnel	405.521.6178	elsa.kunnel@osf.ok.gov
AP Manager: Patricia Garcia	405.522.6855	patricia.garcia@osf.ok.gov
Vendor Maintenance: Julie Dvorak	405.522.1749	julie.dvorak@osf.ok.gov
OSF Service Desk (PeopleSoft questions)	405.521.2444	helpdesk@osf.ok.gov
Financial Reporting Unit: Deric Berousek	405.521.3298	deric.berousek@osf.ok.gov
ARRA: Steve Funck	405.521.3231	steve.funck@osf.ok.gov
ABS: Riley Shaul	405.521.4775	riley.shaul@osf.ok.gov

TABLE OF CONTENTS

PAYROLL

Taxability of Gift Cards, Certificates, and Coupons	2
Outstanding Wages Beneficiary Designation Option	2
Quarterly Unemployment Tax Statements	3
Higher Education Payroll Claims Errors	3
HCM Forum	3

ACCOUNTING

Reminder Notice about Browser Back Button	4
Improper Payments from Agency Special Accounts and 7xx funds	4
Reconciliations of Clearing Accounts and Agency Special Accounts	4
Audit and Review Corner	4
Agency Approving Officer Signature Cards	6

TRAINING

Upcoming Local Training/CPE	6
-----------------------------	---

PAYROLL

Taxability of Gift Cards, Certificates, and Coupons

Giving gifts to employees is restricted and should only be given as part of a formal employee recognition program. See Oklahoma Statutes, Title 74, Sections 4121 and 4122. Furthermore, any gift cards, certificates, and coupons given to employees are to be included in the employee's taxable income. These items are considered by the Internal Revenue Service to be cash or a cash equivalent and do not meet the requirements to be excludable as a de minimis fringe benefit.

Even when an employer provides gift cards, certificates, or coupons to purchase a turkey, ham, or other nominal value property, these are considered wages and are subject to income and employment taxes. This is true even when the card restricts the items purchased, the time to use the coupon, and any unused portion is forfeited. Cash equivalents do not meet the de minimis fringe benefit requirements.

PeopleSoft Agencies: Process the gift card amount using the TRC Code of "GIFT," which will show as earnings code "GFT." The amount will be included as taxable income and will be taxed on the paycheck.

PACS (Legacy System) Agencies: Process the gift card amount as an additional amount subject to FICA using Trailer Code "105." The amount will be included as taxable income and will be taxed on the paycheck as other additional FICA amounts are taxed.

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.

Quarterly Unemployment Tax Statements

Agencies may have received a quarterly statement of taxes due from the Oklahoma Employment Security Commission (OESC). OSF submits to the OESC wage and tax information for all agencies. A statement is automatically generated for taxes due when a report has been processed and no payment has been posted to the account within 7 days. All tax payments due to the OESC are timely made as required; however, payments may not be fully posted within the 7 day window.

Please review any statements received and if for the previous quarter, covered (paying) agencies can disregard the notice as the amounts have been paid by OSF. If the statement is for an older quarter and you have any questions, 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.

Higher Education Payroll Claims Errors

Higher education agencies should first process payroll claims through the FTP process as a "T" for test, which will only edit check the claim and not load it. This will avoid the system freezing up in case of hard errors. After all errors have been corrected, then FTP using "P" for production which will perform another edit and load the file if it is clean.

The panel where the higher education institutions receive the Payroll FTP on the IBM has a label of "TEST OR PRODUCTION." The word TEST really means No Load (edit only). The word PRODUCTION means Load (edit and load). This will only load if the edit is clean. TEST needs to be used until the file has no errors, and then put a P in the field and the claim will load.

HCM Forum

Agencies are highly encouraged to allow all Human Resource and Payroll personnel the opportunity to attend the HCM Forums. The forums are presented by the CORE team with additional information provided by DCAR. The forums include important information related to updates, changes, and reporting. Two identical sessions in purpose and content are held to accommodate employees' schedules. The next HCM Forum is tentatively scheduled for Wednesday, Sept. 14 and more information will follow. Suggestions for topics are being taken. Please submit a Service Desk case and the team will address the topic in the forum. Hope to see you then!

The July HCM Forum Notes have been posted to the web. Please use the link provided to review the notes: http://www.ok.gov/OSF/CORE/HCM/HCM_News.html.

ACCOUNTING

Reminder Notice about Browser Back Button

When working in the PeopleSoft system, the browser's back button should never be used. The use of the browser back button can cause unpredictable responses and data integrity problems. When users are trained on the system, they are instructed to not use this button but we are seeing that some have developed a practice of using it. There are times that it does not appear to create a problem, but unseen data problems are occurring.

Improper Payments from Agency Special Accounts and 7xx funds

Auditing procedures have revealed that some agencies are using ASA/7xx funds in an inappropriate manner. Agency Special Accounts and 7xx funds may only be established for purposes approved by statute and can only be used for the purposes approved in the application. Please review the procedures established at your agency to insure that inappropriate payments are not made from the ASA or 7xx funds.

Reconciliations of Clearing Accounts and Agency Special Accounts

Some agencies are delinquent on the submission of Forms 11 and 11a for the reconciliation of clearing and special accounts. These reports are critical to the timely completion of the CAFR. All reconciliations for periods ending June 30, 2011 and prior should be submitted by Aug. 19. If you need assistance with these reconciliations please contact Vivian Day at (405) 521-6164.

Audit and Review Corner

ComData Invoices with Sales Tax Charged

As a result of the pre-auditing process, it has been found that invoices paid through the Fleet Card have been charged taxes from which the state is exempt. State agencies are exempt from Oklahoma sales or use taxes pursuant to Title 68, Section 1356(1), and Federal Motor Fuel Excise tax.

Fleet Purchases (except fuel): If exemption is not stated prior to the purchase, ComData processing procedures require the invoice to be paid in full, inclusive of the charged taxes. Employees are required to inform a clerk or service provider at the time of purchase that all charges are exempt from sales tax. The Sales Tax Exemption number is printed on the face of the Fleet Card. Note: As a Fleet Card fraud prevention measure, it is a requirement of the State Purchase Card Administrator not to allow clerk or service provider to make a copy of the Fleet Card. If requested, provide clerk or service provider with a copy of the Sales Tax Exemption letter, which is located in the glove compartment of the vehicle.

Fuel Purchases: The State is exempt from Federal Motor Fuel Excise tax at the rates per gallon of \$0.183 for unleaded, and \$0.244 for diesel. This tax is withheld at the time of invoice, if an employee fuels at

Level 3 fuel sites. Note: Tax is not consistently withheld at any fueling site that does not require a valid personal identification number (PIN) and current odometer reading.

Otherwise, in order to recover the funds used to pay taxes, the agency is responsible for contacting the vendor and obtaining a credit invoice to be processed against ComData in a future billing period. Agencies may also claim a refund on Federal Motor Fuel Excise tax using IRS form 8849.

Please notify your employees that it is the employee's responsibility when using the Fleet Card to monitor the purchases to ensure that sales taxes are not charged to the card. If taxes are charged, the employee should request the removal of the taxes at the time of transaction. If taxes are not removed, the employee must report it to an agency Fleet Card Administrator.

CompSource Invoices - REMINDER

Two pages from the Worker's Comp Insurance invoice must be attached to the AP voucher as support for the payment. The first page contains the invoice date and amount due, and the Payroll Premium Detail page shows the payroll period. This page is used to determine if the correct fiscal year funding is used.

Pre-audit of FY12 Purchase Orders for Proper Account Coding

As FY-2012 begins, more pre-auditing efforts are focused on the POs for proper coding. The purpose of pre-auditing the POs is to reduce the number of claim rejections later and to standardize the account codes used for the expenditures of the State.

Agencies are contacted by e-mail when the coding appears incorrect. Also, when the 'item description' in the PO record does not appear to be the proper one, the agency is asked to review it. Feedback regarding the use of the account code will be considered.

Printers, Scanners, Copiers, and Facsimile Systems

The Information Technology and Telecommunications Plan, issued by the OSF Information Services Division, discusses the coding requirements for printers, scanners, copiers and facsimile systems and it specifically includes stand-alone printer, network printer, and multi function devices as information technology categories. Please refer to pages 5- 7 in the most recent plan at <http://www.ok.gov/OSF/documents/ITandTelecomPlanFY2011.pdf>.

Therefore, the rental, lease, lease-purchase, or purchase of multi-functional printers, scanners, copiers, and facsimile systems or standalone equipment attached to a computer or network must be coded under the appropriate "data processing" account codes.

Examples:

- If a copier is a multi-functional copier (also performs scanning, faxing, etc.), the rental or lease charge should now be coded to 532160 'Lease of Electronic Data Processing Equipment' and the maintenance charge would be coded to 533140 'Maintenance & Repair of Data Processing Equipment-Outside Vendor.'
- If the copier is not multi-functional and is not connected to a network or computer, the object code may remain as 532140 'Rent of Equipment and Machinery' and the maintenance charge would be coded to 533120 'Maintenance & Repair of Equipment and Machinery-Outside Vendor.'

Agency Approving Officer Signature Cards

Per Oklahoma Statutes, Title 62, Section 34.68, agencies are limited to a maximum of 5 “agency approving officers” for approving expenditures. An OSF Form 13, Signature Card, must be submitted to establish a new agency approving officer. To remove a person as an approving officer, submit a notice to OSF-Transaction Processing, attention Jeannette Pascher. To confirm the cards we show as active for your agency, please contact Jeannette Pascher at (405) 521-6187 or jeannette.pascher@osf.ok.gov.

TRAINING

Upcoming Local Training/CPE

Administrative Flexibilities Workgroup Meeting

This is a reminder for all state agencies that administer federal programs and who would like to participate in the Administrative Flexibilities Workgroup. The next workgroup meeting is scheduled from 10-11:30 a.m. on Wednesday, Aug. 10, 2011 at the State Capitol Building on the 5th floor in Room 534A. If any questions should arise prior to the meeting, please contact Rochelle Quillman at (405) 521-4947.

OFMA Meeting - Sept. 8, 2011

The Oklahoma Financial Managers Association is planning its next quarterly meeting. Seminars are provided free of charge. To ensure an adequate number of training materials and refreshments are available, please register at: www.okfma.com

DATE: Thursday, Sept. 8, 2011

TIME: 1:30-4 p.m.

PLACE: Business Conference Center Auditorium

MetroTech Springlake Campus

1900 Springlake Dr., Oklahoma City, OK

SPEAKERS: Dr. L. Lee Manzer, Professor of Marketing at Oklahoma State University

Preston L. Doerflinger, Director of State Finance and Secretary of Finance and Revenue

Alex Pettit, Chief Information Officer, State of Oklahoma
