# OFFICE OF STATE FINANCE
# DCAR NEWSLETTER

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The last issue of the DCAR Newsletter, Volume 23, Number 1, was issued on July 10, 2012. The DCAR Newsletter is available on the OSF web page at: http://www.ok.gov/OSF/Comptroller/DCAR_Newsletters.html.

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## ***OSF Name Change***

The Office of State Finance and four other agencies, the Department of Central Services, the Employee Benefits Council, the Oklahoma State and Education Employees Group Insurance Board and the Office of Human Capital Management (formerly Office of Personnel Management) have been consolidated into one agency and the new name of the consolidated agency will be the *Office of Management and Enterprise Services (OMES*) effective Aug. 24, 2012. The agency number is 090. Future correspondence from OSF will now be sent from OMES.

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## ***New Location for OSF – Financial Reporting (CAFR)***

On Aug. 1, 2012, the Financial Reporting Unit (CAFR) moved their offices to the Will Rogers Building. The new physical address is:

Will Rogers Building
2401 N. Lincoln Blvd., Suite 204-1
Oklahoma City, OK 73105

The new fax number for CAFR is (405) 521-2001. All other phone numbers and e-mail addresses will remain the same.

# PAYROLL

## ***W-2 reporting of employer-sponsored group health insurance***

Beginning with 2012, the IRS has 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. For help establishing the appropriate deduction codes, state agencies should contact the OSF 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@osf.ok.gov, or Jean Hayes at (405) 522-6300 or jean.hayes@osf.ok.gov.

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## ***Quarterly Unemployment Tax Statements***

Agencies with an approved OSF Form 2363, gencies 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 file 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 disregard if the statement is for the previous quarter. Most likely the taxes have been paid and the statement is a result of a timing issue. 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.

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## ***Agency Address Change***

The Construction Industries Board has changed their address as follows:

Construction Industries Board
2401 NW 23rd St., Suite 2 F
Oklahoma City, OK 73104
Main Phone Line: (405) 521-6550
Fax: (405) 521-6525

Please be sure to use in all future correspondence. For questions, please contact Sarah Mussett, Business Manager at (405)521-6547, sarahm@cib.state.ok.us.

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# ACCOUNTING

## ***Agencies Providing Services to Other Agencies***

If your agency provides services to other agencies, there may be associated costs of those services that can be included in the Statewide Cost Allocation Plan (SWCAP). Inclusion in the SWCAP enables agencies using services to claim those costs for federal funding purposes. If services are provided to other agencies by your agency and those costs are not already included in the SWCAP, please contact Rochelle Quillman at 405-521-4947.

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## ***Payment Message***

As electronic payments increase, agencies should make it a policy to use the Message field on the Payments page of the Voucher, especially when the invoice does not have an invoice number or the payment is initiated by the agency. The Message field is 70 characters for agencies entering claims online. Agencies transmitting claims can use the Message field by populating columns 301-339 or 340-378 in the Payee Record Layout. The payment message, which augments the invoice ID entered on the voucher, is included on the EFT Remittance Advice and the Misc Inter/Intra Agency report.

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## ***Changes to the Misc Inter/Intra Agency Report***

The Misc Inter/Intra Agency report has been revised to help accounts receivable apply the money received from agencies since House Bill 1086 requires payments to be made electronically. The Payment Message for vouchers that contain them, and multiple invoice IDs from agencies that transmit their claims and are allowed to pay more than one invoice on a voucher, are now included on the report.

Paying agencies should make use of the Message field on the Payments page whenever the invoice ID is not sufficient for the receiving agency to know why the payment was made.

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## ***Oklahoma Employment Security Commission Payments***

Payments to Oklahoma Employment Security Commission (OESC), vendor ID 0000000290, should be paid using location 0001 to make payments electronically. EFT and CHK will default into the Account and Method fields on the Payments page of the Voucher. Agencies transmitting claims to OESC should populate column 208 of the payee record layout with an 'E' to populate the voucher correctly.

OESC requests a Payment Message be included on each voucher to identify the payment, i.e., 2nd quarter tax, garnishment, cash request. Agencies transmitting claims should include a message in columns 301-339 or 340-378 of the Payee Record Layout. The message will be included in the remittance advice that will be emailed to Jane Pulse at OESC.

Questions regarding interagency payments to OESC can be directed to Jane Pulse at (405) 557-5327.

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## ***Inter/Intra Agency Exemptions and Vendor Locations***

Payments to other state agencies or your own agency should be paid using the "WIR" interagency method. However, if the agency has an OST Exemption for certain types of payments, (i.e. petty cash), a copy of the signed Exemption should be emailed to patricia.garcia@osf.ok.gov.

Additionally, agencies should review their locations in the state's vendor file, SETID 00000, and provide a list of locations that should be inactivated no later than Aug. 20, 2012. All active locations after this time will be set up to default with the WIR method unless an OST Exemption applies to a location exclusively. Interagency payments will be enforced per House Bill 1086 once the locations are set up properly for all agencies with a clearing account. Agencies that do not currently have a clearing account include:

055 – Arts Council
219 – District Courts
305 – Governor
307 – Oil Compact
315 – Firefighters Pension
325 – Geological Survey
346 – Space Industry
410 – Commission of Land Office
421 – Senate
422 – House
440 – Lt. Governor
557 – Police Pension
582 – Bond Advisory
610 – Regional University Systems
645 – Conservation Commission
678 – Judicial Complaints
880 – Primarily Authorities

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## ***OSF Inter-unit Billings***

The Office of State Finance will start interfacing their inter-unit billings to Accounts Payable, beginning with invoices dated in September 2012, for agencies entering claims online. A new vendor location will be necessary to implement these changes, requiring CPOs to set up new POs to agency 09000 for fiscal year 2013. Vouchers will be created using an automated Voucher Build process, but the payers will need to complete the voucher. Specific information will be made available through the Accounts Payable and Procurement notification groups before the process is put into production. If you have not signed up for either of these notification groups, use this link http://ok.gov/triton/modules/oknotify/index.php?id=65 to join.

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## ***PeopleSoft Asset Management Module***

OSF is beginning statewide implementation on the PeopleSoft Asset Module. Instructions will be provided to agencies so that assets are in the proper form for the implementation. Agencies should begin working to ensure that the asset data submitted on the CAFR OSF Form H-1, Capital Asset Summary, and assets tracked in accordance with Administrative Rule 580:70-1-3(a) are accurate and complete.

A physical inventory should be performed to verify the accuracy of the data and all missing, lost or stolen assets should be retired using form DCS-Form-Fin-001A prior to implementation. Lisa Whiteman, the new OSF State Asset Manager, will begin contacting agencies to begin the implementations. Questions can be directed to lisa.whiteman@osf.ok.gov or (405) 522-1164.

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## ***Statewide Inventory of Assets Reporting***

Agencies should submit the annual Inventory Report of current tangible assets owned by the agency as of June 30, 2012, due by Aug. 15, 2012, to Lisa Whiteman, OSF State Asset Manager. The report shall include all tangible machinery and equipment assets based upon the thresholds of $500 for IT assets and $2,500 for non IT assets as stated in 580:70-1-3(a).

Questions can be directed to lisa.whiteman@osf.ok.gov or (405) 522-1164.

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## ***Information Technology Assets***

Currently, Information Technology (IT) assets remain under the ownership of each individual agency unless a Memorandum of Understanding (MOU) or a Service Level Agreement (SLA) specifically transfers those assets to the Information Services Division of the Office of State Finance (ISD).

If not expressly transferred by the written agreement, they should remain on your books for all reporting purposes.  You should also continue to insure these assets.

If you have any questions, please e-mail Pat Elwood at pat.elwood@osf.ok.gov.

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## ***Travel – Conference Brochures***

When conference brochures are provided by the sponsoring event, please be sure to include with the voucher the entire document that shows all the information and activities. This is used for such things as determining the adjustment for any meals provided and for starting/ending times for verification of travel time allowed (i.e., 24 hr and 48 hr rules).

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## ***Imaging Program - Scanned Vouchers***

For agencies under the Imaging Program where vouchers are scanned and transmitted to OSF, please be sure the images are good quality scans. We are seeing many scans that are on the edge of being acceptable and some that are not acceptable, requiring agencies to delete and rescan the image. Remember, these voucher images serve as the official state record of the payment.

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# Office of the State Treasurer (OST)

## ***Warrant, ACH and Wire Transfer Technical Changes***

OST has been working with OSF ISD and consultants to migrate from our COBOL based ACES and ACH applications, to a web-based application, as originally announced in the Sept. 16, 2011, DCAR newsletter. The Bottomline WebSeries application will be used to process all payment records including requests for repetitive wire transfers, remote and local printing of warrants and it will also process both debit and credit ACH transactions. Training for state agency personnel and implementation of the new application, previously scheduled for Aug. 13, are being rescheduled. We are considering dates in late October or early November and additional information will be provided as soon as it becomes available. Please share this information with your operational and technical staff along with your software vendors and/or processors as applicable. Agencies will receive further instructions regarding testing and implementation as necessary.

Effective with the implementation of the new system OST will be able to receive and process a 94 byte NACHA standard file format. Many of the fields in this format are restricted and the corresponding data must meet NACHA specifications. Certain discretionary data fields have been reserved by OST for accounting data necessary to record and retrieve information. Agencies who would like to transmit credit or debit ACH transactions using a NACHA standard file format will need to contact OST in advance to discuss reporting requirements and to obtain the appropriate formatting information.

Certain file formats submitted to our ACES application today contain a field for a 3-character Country Code followed by a field for Country Name. If Country Code is blank the default is 'USA'. The new application will utilize the first 2 characters beginning with the left justified position in the Country Code to look up the Country Name from a table and insert it in the Country Name field. No changes to files submitted with a Country Code of 'USA' or '   ' (blank) will be required as the new application will retrieve/default to 'US' and translate that to 'United States'. Records intending to specify a country other than the United States will need to reflect the proper 2 characters as reflected in the Bottomline WebSeries Country Code table that is posted on the OST website under Banking, Online Access and Banking Forms.

In the new Bottomline WebSeries application, if the effective date for ACH transactions in a file, other than the 94 byte NACHA standard file, is equal or prior to the load date, the effective date will be changed to the next business date (excluding weekends or Bank holidays). This will include payroll transactions which are currently bumped to the second business date after the load date when received with an effective data that is equal or prior to the load date.

State agencies transmitting payment (or ach debit/collection) files to ACES will need to include a header record in the transmission to our new application. A header record will be required by the application and will give OST another tool to identify a file that may have been transmitted more than once based on the file creation date and time (please note that the hours in the time field for each header record should model a 24 hour clock, i.e. 13 for 1:00 pm). The appropriate header record file format will depend upon the transaction file format that is currently submitted by the agency.

Effective with the implementation of the new system, ACH participant data will only be maintained in a single database. State agencies may continue to maintain their own participant banking data including that data in the input files they submit to OST with each record reflecting a Pay Type of “A”. OST will no longer copy this participant data to the database maintained via the new application. State agencies who want to maintain their participant data in the Bottomline WebSeries database may continue to submit their records with a Pay Type of “E” including a Participant ID which is used as the key to match the record with the appropriate participant banking data in the application database. Agencies will be able to update their participant data in the new application’s database using either manual data entry or via a batch load process.

Effective with the implementation of the new system, records submitted for ach transactions (Pay Types “A” and “E”) will be processed solely based on the Pay Type submitted. If a record is submitted with a Pay Type of “A” and there is no corresponding participant banking information in the record it will not be processed. If a record is submitted with a Pay Type of “E” and there is no Participant ID in the record or no corresponding Participant ID in the database the record will not be processed. If a record is submitted without a Pay Type, where the field is blank, the record will not be processed. Agencies should begin now to ensure that their records include the appropriate Pay Type.

OST will no longer print blank check stock for agency use.

There will be more changes. We will continue to provide more information to agencies through as many channels as possible. Agency personnel or vendor contacts may contact Diedra O’Neil, (405) 522-4256, or Susan Nicewander, (405) 522-4214, with questions or concerns.

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# TRAINING

**Upcoming Local Training/CPE**

## ***OFMA Meeting September 6, 2012***

The Oklahoma Financial Managers Association next quarterly meeting is scheduled for Sept. 6, 2012. Seminars are provided free of charge. To ensure an adequate number of training materials and refreshments are available, please register at: http://www.okfma.com

DATE: Thursday, Sept. 6, 2012

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| TIME: | 1:30 to 4 p.m. |
| PLACE: | Business Conference Center Auditorium<br>MetroTech Springlake Campus<br>1900 Springlake Drive, Oklahoma City, OK |
| AGENDA: | Please check the website for information on speakers |

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## HCM Forum Training

The next HCM Forum Training is tentatively scheduled for Wednesday Sept. 12, with sessions offered from 9-11 a.m. and 1-3 p.m. 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. Details and agenda will be sent out a week prior to the training via the OSF HelpDesk and GoGov Notification system. To sign up for notifications, please follow the link: http://www.ok.gov/triton/modules/oknotify/index.php?id=65 and sign up for the notification groups you wish to join.

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## 12th Annual Oklahoma Payroll Conference

Friday Sept. 14, 2012
Presented by the Oklahoma City and Northeastern OK Chapters of the American Payroll Association
PHF Conference Center, Oklahoma City

For more information, please visit http://www.neokapa.org
For more information, contact Quita Tucker, CPP, MBA (405) 722-6900 qtucker@paycomonline.com

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## PayTrain - Payroll Certification

In cooperation with the American Payroll Association, Tulsa Community College (TCC) and Oklahoma City Community College (OCCC) will present the PayTrain College & University program for payroll professionals.

Paytrain Fundamentals teaches fundamental payroll calculations and provides the basic knowledge and skills required to maintain payroll compliance. This is great for both experienced and entry-level payroll professionals.

Paytrain Mastery provides students with a solid understanding of advance payroll topics necessary for payroll managers and supervisors. This is ideal for experienced payroll professionals seeking compliance training, professional development, or Certified Payroll Professional (CPP) certification.
For TCC course information, please visit http://www.tulsacc.edu/continuing-education/licensure-and-certification/paytrain-payroll-certification or call (918) 595-7200 to enroll.

For OCCC course information, please visit http://www.occc.edu/pdi/pdf/PTCU.pdf or contact Francine Gissy at (405) 682-7856 or fgissy@occc.edu.

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## ***Preparing for Year-End and 2013***

Oct. 26, 2012
Presented by the American Payroll Association
Tulsa, OK

Preparing for Year-End and 2013 brings you up to date on the latest changes in legislation and regulations that affect the close of 2012 and the beginning of 2013. Year-end processing tips, fringe benefit taxation and reporting, implementing new tax laws and regulations. Good for payroll, human resources, systems, accounting and finance professionals responsible for payroll operations and involved in year-end processing.

For more information, please visit http://www.americanpayroll.org/product/7/60

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## ***Certified Government Financial Manager Course***

The Oklahoma City Chapter of the Association of Governmental Accountants will offer this 6-day course in 2013 on Wednesday through Friday, Feb. 6-8 and Monday through Wednesday, Feb. 11-13. This is a rare opportunity to attend this certification course in Oklahoma City. Also, the national conference in 2013 is in Dallas. A two-day review course is offered at the National Conference and the certification testing is free with the review course. All combined, this may be an unusually cost-effective way for you or your staff to receive the CGFM certification. The February course will provide 48 hours of CPE. The cost is $1,150 for those who sign up before the early-bird deadline. For more information contact Riley Shaull at riley.shaull@osf.ok.gov. The class is limited to 30 attendees and is filling up fast, so register now.

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