

OFFICE OF STATE FINANCE

DCAR NEWSLETTER

Volume 14, Number 3

FY-2004

March 31, 2004

The last issue of the DCAR Newsletter, Volume 14, Number 2, was issued on January 16, 2004. 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 and Reporting (DCAR) staff members:

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Tax Rates & Maximums for 2004

The tax rates and maximums for 2004 reported in the previous DCAR (Volume 14, Number 2), were incorrectly reported. Below are the correct rates and maximums for tax year 2004:

(Year 2003 rates are provided for comparison purposes):

	<u>2004</u>	<u>2003</u>
FICA (Social Security) Withholding Rate	6.2%	6.2%
FICA (Social Security) Gross Maximum	\$87,900.00	\$87,000.00
FICA Annual Maximum Withholding	\$ 5,449.80	\$ 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	\$14,300.00	\$11,700.00
Unemployment Annual Maximum	\$ 143.00	\$ 117.00

Withholding Funds

Payrolls processed after January 1, 2004 posted payroll withholdings to Class-Funding 99400. It had previously been reported that the payroll withholding funds would not change between calendar years. At that time, PeopleSoft payroll was expected to be implemented January 1, 2004. With the delay of PeopleSoft payroll, it became necessary to change the withholding funds to 99400.

Agencies that processed calendar year 2004 withholding claims from the 99300 class-funding will need to process expenditure corrections to correct the class-funding on those claims to 99400. Expenditure corrections are made using the voucher style 'Journal Voucher'. Please refer to training manuals P112 – PO Vouchers or P113 – Regular Vouchers for instructions for processing a 'Journal Voucher'.

Changes in Fees for Deferred Plans

The rate certified for administrative cost which will be calculated in payrolls submitted for the fiscal year ending June 30, 2005 has changed to \$1.67 per month for any qualified participant. The equivalent amount for a bi-weekly pay period is \$0.77. This change will be reflected in any payrolls submitted with a pay period code for FY05.

ASA/Clearing Account Reconciliations

Agencies should continue to submit their ASA/Clearing Account Reconciliations through the ICS System through June 30, 2004. Instructions for the new format will be sent prior to July 1, 2004. If you have any questions, call Carol Sims at 405-521-6164.

REMINDER: ASA/CLEARING ACCOUNT RECONCILIATIONS ARE DUE TO OSF ACCOUNTING BY THE 10TH OF THE MONTH.

CMIA Interest Reporting

Agencies should continue to submit their CMIA Reporting through the ICS System and send the signed copy of the report to OSF Accounting for approval. If you have any questions, call Julie Haley at 405-521-6179.

Deposit Corrections

The Treasurer's Office can correct business unit, class-funding and amount on deposits and transfers. If the correction is being done due to agency error, you must submit OSF Form 76, Treasury Deposit Correction, to STO attention Judy Olson. If you have any questions, call Judy Olson at 405-522-4222.

OSF Accounting can correct account number, sub-account, fund type, CFDA #, department and affiliate on deposits and transfers. Submit form 76, Treasury Deposit Correction, to Accounting, Room 122. If you have any questions, call Carol Sims at 405-521-6164.

Payroll Fund Transfer

OSF will no longer be sending out the Payroll Fund Transfer Report. A query has been created in PeopleSoft that the agencies can run for payroll fund transfers. The query name is OCP_Payroll_Fund_Transfer. The navigation to the query is Reporting Tools>Query>Query Viewer. The information can be downloaded from the query into Excel and subtotaled by any field, i.e. class-funding, department, etc.

REMINDER - Proper Submission of Vouchers

All vouchers submitted to the Office of State Finance must be properly folded. Vouchers should be tri-folded inward with right side of the form on top showing the 'Total Claim Amount', 'Agency Business

Unit' number, 'Claim Voucher' and 'Warrant No.' boxes 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 (i.e., 1 of 3, etc.) and showing the date and Pay Group.

Be careful to include only the vouchers for the assigned Pay Group in the batch submitted. Also, there should be only one batch of claims submitted for a particular day's pay group. Agencies must not use the pay group 'SP' since it is reserved for OSF use and claims submitted with this pay group are held until we can inquire about them.

These voucher submission procedures are required to help OSF provide timely processing of agencies' vouchers. Variance from these procedures causes delays not only for the problem agency, but for all agencies whose vouchers we are trying to process.

** * * Improperly submitted vouchers are subject to rejection. * * **

REMINDER - Form Revisions

(Forms are available on the OSF/Comptroller Website)

Please use the revised forms which include the vendor information required for OSF to provide timely replacement of your warrants. Also, the revised VEND form must be submitted with replacement request forms when there is not a current vendor ID number.

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.

** Please provide the Claim Voucher Number on requests for replacement of lost or destroyed miscellaneous (vendor, travel, withholdings) warrants since the replacements are issued from the original voucher and the warrant is sent directly to the agency from the State Treasurer. Note: Invoice information on the warrant stub identifies it as a replacement.*

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 was 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.

Delete, Close, and Reversal of Vouchers

To determine what action to take to "cancel" a voucher (not a warrant cancellation), and whether the agency or OSF performs the task, you must determine the status of the voucher.

The voucher must not have been processed and no warrant assigned. Refer to the Core Business Process flow charts for performing these functions.

Voucher Type/Status:

Direct Voucher (no encumbrance)

Post Status:

Un-posted (never been posted, not even the "un-posting" step)

- Agency does the 'Voucher Delete' function. NOTE: If the voucher has been Budget Checked, be sure to do the Budget Check before saving (the icon will appear).

Posted

- Agency does the 'Voucher Close' function. NOTE: The balances will be adjusted in the nightly system process.

PO Voucher (including Authority Order)

Post Status:

Un-posted (never been posted, not even the "un-posting" step)

- Must not be matched (if matched, voucher must be unmatched – agency can do this)
- Agency does the 'Voucher Delete' function. NOTE: If the voucher has been Budget Checked, be sure to do the Budget Check before saving (the icon will appear).

Posted

- Agency submits a copy of the voucher with a request asking for the voucher to be reversed and whether the funds should be returned to the order or to the budget balance.
- OSF will prepare a Reversal Voucher to restore the encumbrance or the budget. (Reversal vouchers are also used on PO vouchers when the agency cancels a warrant and does not want it replaced.)

DCS Risk Management Insurance Premiums

The Department of Central Services, Risk Management Division has started invoicing agencies for insurance premium periods crossing fiscal years. Since the industry standard for such premiums are for payment at the beginning of the covered period, OSF will allow agencies to make the full premium payment with funds from the fiscal year in which the premiums are billed.

June 30, 2003 Comprehensive Annual Financial Report Issued

The Comprehensive Annual Financial Report for June 30, 2003 has been issued. We would like to thank all of the State Agencies for their cooperation and hard work in this endeavor. We especially want to acknowledge the effort of our CAFR reporting unit. The CAFR is available online and can be viewed in its entirety at <http://www.osf.state.ok.us/cafr03.html>

Personnel Change

OSF regrets to announce that Nancy McElyea has resigned as Deputy State Comptroller, effective February 26, 2004. Nancy served as Deputy State Comptroller, fulfilling the duties of Brenda Bolander when she joined the CORE Implementation team in February 2002. Brenda is in the process of transitioning back to her duties as Comptroller, splitting her time between CORE and OSF. The phone number for the Comptroller's office will remain 405-521-6162.

NOTICE

The Office of State Finance will no longer be printing and sending hard copies of the DCAR Newsletter. It will, however, be available on the OSF webpage at <http://www.osf.state.ok.us/comp-nl.html>. Please bookmark this page for future newsletters and inform your employees of the change. An e-mail will be sent to all Agency Finance Officers as well as CORE liaison when the newsletter is available on the website. OSF apologizes for any inconvenience this has caused.