

OFFICE OF STATE FINANCE

DCAR NEWSLETTER

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The last issue of the *DCAR Newsletter*, Volume 13, Number 3, was issued on January 23, 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.

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CLEARING OF PAYROLL 992 ACCOUNTS

Cash balances in agency 992 payroll accounts must be cleared on or before July 1, 2003. OSF will clear any remaining balances after that date. However, if an agency should discover an employee did not receive credit for a bond, credit union, or insurance premium, OSF will process a claim for payment or provide reimbursement to the employee. If you have any questions, please contact Barbara Low at 405.522.6300 or Barbara.Low@osf.state.ok.us.

FISCAL YEAR END PAYROLL PROCESSING

The OPM Agency Payroll System will be closed at 5:00 pm Friday, June 27th, 2003 for end of year processing. It will be available to users again at 12:00 noon, July 1st 2003.

OSF will process all payroll claims received by 3:00 pm on June 30th, 2003. Any claims received after 3:00 pm will be rejected back to the submitting agency. Claims rejected will require resubmission on or after July 1st, 2003, with new claim numbers, starting with 1, or the first number assigned for the new year. Similarly, any Payroll Fund Transfer (PFT) received after 2:00 pm Monday, June 30th, 2003, will be rejected back to the submitting agency. Rejected PFT's will require resubmission on or after July 1st, 2003 with PFT numbers, starting with 1, or the first number assigned for the new year.

OSF will resume processing payrolls at 3:00 pm on Tuesday July 1st, 2003. The new FAAC line for FY 2004 will be 905-XXX-000400-00001 (XXX represents agency number).

Longevity payroll for July, 2003 cannot be run until July 1st, 2003, or later, due to the account number change.

As a reminder to Higher Education Institutions, Column 14-19 on the "C" record must be account number 000400 for any payroll received by OSF on or after July 1st, 2003. Please ensure that you have made this change to your payroll claims so they will process without error.

Payrolls and PFT's submitted after June 30th, 2003 for the prior year (FY2003) must have a notation on the form indication "prior year payroll."

Also please ensure proper notation of a prior period claim within the pay period code (e.g., B25P, B26P or M12P). Failure to include this code may cause a rejection of your payroll claim or the issuance of payroll warrants with an incorrect pay date.

CHANGE 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, 2004 has changed to \$1.34 per month for any qualified participant. The equivalent amount for a bi-weekly pay period is \$0.62. This change will be reflected in any payrolls submitted with a pay period code of M01 or B01.

PAYROLL TIDBITS

***Reporting Personal Use of a state-owned vehicle: The personal use of state-owned motor vehicles can cause income to be imputed to the employee. Title 47, O.S. Section 156.1, as amended, while forbidding the personal use of state-owned motor vehicles, permits the use of the vehicles for commuting when the employee is subject to emergency calls at home and the employee's status has been so designated with the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives. See the OSF procedure manual, Chapter 300, or contact OSF for further information.

***Upon notification of the death of an employee, agencies should inactivate an employee's direct deposit enrollment. Consequently, all payments after date of death will be made via warrant. Many banks will 'freeze' bank accounts upon notification of death and consequently return EFT transactions to

the sender, resulting in funds being returned to the State and re-issuance of the net pay warrant by OSF. By issuing warrants and delivering these to family members, EFT returns will be avoided.

Additionally, agencies should no longer add "Estate of" to a deceased employee's name record in the payroll system, as this name change will be reflected on the W-2 at year end, resulting in a 'mismatch' when the W-2 is processed by the Social Security Administration (SSA), further resulting in a failure to credit the wages to the employee's account within the SSA system.

***Please continue to denote payroll claims as 'main' or 'supplemental' (i.e., overtime, longevity, etc.), as these notations are used to monitor and ensure payrolls are timely processed.

***The Internal Revenue Service (IRS) and Social Security Administration (SSA) assess penalties for each information return (W-2, 1042, 1099, etc) issued with a name that does not match the name in their systems. Time and cost savings can be significant, if agencies are diligent in verifying the correct information.

***As a reminder, all employees, whether full time, temporary, student, or nonresident aliens (foreign nationals), must provide a copy of their social security card to employers if it is available. Employers may, but are not required to, photocopy the card. No person should be added to the agency payroll system unless they are able to provide a copy of a valid social security card. A foreign national may apply through IRS to receive a social security number and subsequently will be reported through the 1042S component of the payroll system. If the card is not available, agencies can contact the Social Security Administration for telephone verification. Agencies can verify up to five names and numbers by calling 1-800-772-6270.

***Please be reminded that W-2 forms cannot be changed for 2002 except for social security and Medicare wages and taxes. Taxable wages and income taxes withheld cannot be adjusted if the agency receives a payback of a prior year overpayment.

***Any W-4 forms which claim exempt status or more than 10 exemptions must be sent to OSF for processing. Be sure to complete the name and address at the bottom of the form.

year end

FISCAL YEAR END MISCELLANEOUS CLAIMS & ORDERS PROCESSING

The following procedures will be in place for fiscal year end transaction processing:

- **ICS User Access**
ICS users will be denied access privileges between 5:00 p.m., Monday, June 30, 2003 and 1:00 p.m., Tuesday, July 1, 2003. Furthermore, ICS access on Tuesday, July 1, 2003 will be limited to entry of claims only until notified otherwise. Access to the ICS Direct system to create AFP orders and change orders, and for posting contracts and change orders under the ADPICS system will be denied until approximately 1:00 p.m. on July 1, 2003. A broadcast message will be issued

on the system once privileges are restored. Any users on-line at that time will be required to sign off and reconnect in order to establish full system access.

- **Miscellaneous Claims Processing**

The cutoff for timely receipt of miscellaneous claims at OSF for processing under FY 2003 business is 5:00 p.m., Monday, June 30, 2003. Any claims using FY 2003 claim numbers intended for payment as FY 2003 business must be received by OSF prior to this time. Claims received by OSF before the cutoff time but too late for processing in Monday, June 30, 2003 business will be held over for processing on Tuesday, July 1, 2003, although reflected in FY 2004 business.

Any FY 2003 claims received by OSF after that time will be rejected back to the agency for processing as FY 2004 business and will require corresponding FY 2004 claim numbers.

(Caution: Claims submitted after the cutoff deadline must have claim numbers assigned for FY 2004, beginning with Claim # 1, or the first number assigned as your beginning number series for the new year.)

- **EDT/ICS Direct Claims Submissions**

Agencies which upload claim data via EDT or ICS Direct should provide for sufficient internal lead time so that paper claims arrive at OSF by the deadline noted above. Otherwise, any FY 2003 transmissions without corresponding paper claims received after the deadline will be deleted and will require retransmission as FY 2004 business (with new claim numbers). Alternate System and 700 Fund users may transmit claim records on the morning of June 30; however, EDT Control Sheets or ICS Batch Slips must be faxed to OSF by 1:30 p.m.

- **Encumbrance Documents Submissions**

There are no year-end cutoff instructions for purchase orders/contracts, except agencies are reminded that their FY-03 funds should be fully encumbered by "June 30", for purchases made during FY-03. Agencies must file (process) their purchase order/contract or change request within 30 days from the date of purchase/awarding of said contract or purchase order. Otherwise, an explanation for late filing (processing) must be retained with the encumbrance document for any subsequent audits conducted. NOTE: Please remember that OSF no longer accepts orders, except for Authority for Purchases (AFP) from those agencies without the capability to electronically access the ICS Direct system.

WARNING! Payments due (Effective) July 1, 2003

Because of the 'expenditure by fiscal year' accounting requirement, payments due or effective on July 1, 2003 and after may not be processed as FY 2003 business (i.e., pre-FY 2004). This may involve such payments as rental agreements, post office box services, contractual maintenance agreements, subscription renewals, etc. Agencies are advised to forewarn their vendors and contractors of this end-of-year processing dilemma, which could delay payment beyond the due date.

FY-2004 PURCHASE ORDERS/CONTRACTS & AFP NUMBER SERIES

The number series to be used on FY 2004 authorizations for purchase - AFP orders (OSF Form 6), for purchases effective July 1, 2003, and after, is 9XXXXXX, e.g., 900001 (6 digits total). The Department of Central Services (DCS) - Central Purchasing advises that the number series for ADPICS orders for the new fiscal year shall begin with "F" followed by 6 digits, e.g., F000001, and their requisition number series shall begin

with "P" followed by 6 digits, e.g., P000001. (This includes DCS - Construction & Properties contracts for the new fiscal.) Should you have any questions or need assistance regarding the AFP instructions, please contact Elsa Kunnel at 405-521-6178. For your questions concerning ADPICS orders, please contact DCS at 405-521-2110.

ADPICS VENDORS NAMES ON WARRANTS NEED REVIEW

ICS warrants may have a different name from what agencies may be expecting due to the cleanup of the ADPICS file in anticipation of converting it to the new system. Agencies are advised to review the names on warrants for payments against ADPICS purchase order vendors for completeness.

For example, a warrant written with the ADPICS vendor name may have previously said "Walters Police Dept." However, now the warrant will probably say "City of Walters". In the new system a second line will have "Police Department" listed, but current ICS warrants do not print the second line.

Therefore, it may be necessary to use corrected mailing labels between now and October 1, 2003 due to the present systems limitations. We apologize for the inconvenience, but it is a necessary step to prepare for the new system.

ADPICS VENDOR FILE MAINTENANCE

Please be sure to use the current forms for requesting new vendors and changes to existing vendors in the ADPICS system. Requests for new vendors must include a completed IRS Form W-9 signed by the vendor. Fax the requests for "Non-Registered" vendors to this office at 405-521-3383 or 405-522-0392. Agencies must fax requests concerning "Registered" Vendors to Rhydonia Sloan, DCS, at 405-521-4475. Copies of the forms are included in this newsletter and are also found at: http://www.youroklahoma.com/coreoklahoma/instr_vend.html. These forms are to be used until further notice.

Request for New Vendor
Request for Update or Addition, Non-Registered Vendors
Request for Update or Addition, Registered Vendors

7XX FUNDS CHANGES EFFECTIVE FISCAL YEAR 2004

The use of 7XX funds require certain actions by agencies. Agencies must submit Form 57 to the budget division to establish a budget for each fund. Agencies are also responsible for maintaining adequate cash balances to pay warrants.

Currently, the system allows warrants to be processed even when budgets and cash balances are not sufficient. This procedure was established for a specific purpose and was not intended to allow agencies to process warrants for which cash and budget authority do not exist. Deliberate creation of negative cash or budget balances by an agency may result in action on the part of the Special Account Board to suspend your privileges.

NOTICE: Effective Fiscal Year 2004, controls will be in place which will not allow warrants to be

processed if budget is not available. Agencies should develop procedures now to monitor the available budget and cash balances on 7XX funds. Existing negative balances must be resolved by June 10, 2003.

If you have any questions, please contact Jennie Pratt at jennie.pratt@osf.state.ok.us.

CORE IMPLEMENTATION SCHEDULED FOR OCTOBER 1, 2003

As most of you are now aware, the go-live date has been rescheduled to October 1, 2003 for the Financial and Purchasing Application and January 1, 2004 for the Human Resources Application. New training schedules are being developed to ensure that your personnel will have an opportunity to participate. Please check the CORE website at www.youroklahoma.com/coreoklahoma/ for further updates.

Revised claim forms will now be effective October 1, 2003. The vendor application forms attached to this newsletter will continue in effect until further notice.

GAAP CONVERSION PACKAGES AND AUDIT DUE DATES

It's that time again! The OSF Financial Reporting Unit will be distributing GAAP conversion packages in June for some agencies and in July for others. Agencies are strongly encouraged to start planning now to ensure the timely submission of these packages. The due dates for all packages, with the exception of Infrastructure, will remain consistent with previous years (i.e., part due in July and the rest due in September). Infrastructure packages will now be due in mid August.

For audited agencies that have a general fund component, the due date for the general fund portion will remain September 30, 2003. All other agencies should submit a final audit (approved by audit committee, if required) by October 31, 2003.

As always, earlier submission is encouraged! If you have any questions regarding GAAP conversion packages or audits, please contact your financial reporting analyst.

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SCHEDULE OF FY-2004 PAY PERIODS

Please distribute the following FY-2004 Pay date schedules to Payroll and Human Resource Directors. Questions may be directed to Barbara Low at 405.522.6300 or Barbara.Low@osf.state.ok.us.

SCHEDULE OF FY 2004 MONTHLY PAY PERIODS

Pay Period Number	Begin Date	End Date	Pay Date
M01	07/01	07/31	07/31/03
M02	08/01	08/31	08/29/03
M03	09/01	09/30	09/30/03
M04	10/01	10/31	10/31/03
M05	11/01	11/30	11/26/03
M06	12/01	12/31	12/31/03
M07	01/01	01/31	01/30/04
M08	02/01	02/28	02/27/04
M09	03/01	03/31	03/31/04
M10	04/01	04/30	04/30/04
M11	05/01	05/31	05/28/04
M12	06/01	06/30	06/30/04

**SCHEDULE OF FY 2004 BIWEEKLY
PAY PERIODS
NON-HIGHER EDUCATION**

Pay Period Number	Begin Date	End Date	Pay Date
B01	06/29	07/12	07/25/03
B02	07/13	07/26	08/08/03
B03	07/27	08/09	08/22/03
B04	08/10	08/23	09/05/03
B05	08/24	09/06	09/19/03
B06	09/07	09/20	10/03/03
B07	09/21	10/04	10/17/03
B08	10/05	10/18	10/31/03
B09	10/19	11/01	11/14/03
B10	11/02	11/15	11/26/03
B11	11/16	11/29	12/12/03
B12	11/30	12/13	12/24/03
B13	12/14	12/27	01/09/04
B14	12/28	01/10	01/23/04
B15	01/11	01/24	02/06/04
B16	01/25	02/07	02/20/04
B17	02/08	02/21	03/05/04
B18	02/22	03/06	03/19/04
B19	03/07	03/20	04/02/04

B20	03/21	04/03	04/16/04
B21	04/04	04/17	04/30/04
B22	04/18	05/01	05/14/04
B23	05/02	05/15	05/28/04
B24	05/16	05/29	06/11/04
B25	05/30	06/12	06/25/04
B26	06/13	06/26	07/09/04

**SCHEDULE OF FY 2004 BIWEEKLY
PAY PERIODS
HIGHER EDUCATION**

Pay Period Number	Begin Date	End Date	Pay Date
B01	06/22	07/05	07/18/03
B02	07/06	07/19	08/01/03
B03	07/20	08/02	08/15/03
B04	08/03	08/16	08/29/03
B05	08/17	08/30	09/12/03
B06	08/31	09/13	09/26/03
B07	09/14	09/27	10/10/03
B08	09/28	10/11	10/24/03
B09	10/12	10/25	11/07/03
B10	10/26	11/08	11/21/03
B11	11/09	11/22	12/05/03
B12	11/23	12/06	12/19/03
B13	12/07	12/20	01/02/04
B14	12/21	01/03	01/16/04
B15	01/04	01/17	01/30/04
B16	01/18	01/31	02/13/04
B17	02/01	02/14	02/27/04
B18	02/15	02/28	03/12/04
B19	02/29	03/13	03/26/04
B20	03/14	03/27	04/09/04
B21	03/28	04/10	04/23/04
B22	04/11	04/24	05/07/04
B23	04/25	05/08	05/21/04
B24	05/09	05/22	06/04/04
B25	05/23	06/05	06/18/04
B26	06/06	06/19	07/02/04

**SCHEDULE OF FY 2004 MONTHLY
PAY PERIODS
DEPARTMENT OF HUMAN
SERVICES**

Pay Period Number	Begin Date	End Date	Pay Date
M01	06/16	07/15	07/15/03
M02	07/16	08/15	08/15/03
M03	08/16	09/15	09/15/03
M04	09/16	10/15	10/15/03
M05	10/16	11/15	11/14/03
M06	11/16	12/15	12/15/03
M07	12/16	01/15	01/15/04
M08	01/16	02/15	02/13/04
M09	02/16	03/15	03/15/04
M10	03/16	04/15	04/15/04
M11	04/16	05/15	05/14/04
M12	05/16	06/15	06/15/04