

OFFICE OF STATE FINANCE
DCAR NEWSLETTER

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Cut-off times for Deposits and Transfers on Friday January 15

With the conversion to the new deposit and deposit transfer screens the weekend of January 16, 2010, cut-off times for agencies entering deposits or deposit transfers on January 15th will be enforced.

Deposit users will be changed to view only access at 10am on January 15, 2010. Any deposit not successfully edited prior to the 10am posting process will be deleted from the system and the user will be notified to re-enter the deposit on the new screens on Tuesday January 19th.

Deposit Transfer users will be changed to view only access at 4pm on January 15, 2010. Any transfer not successfully edited prior to the 4pm posting process will be deleted from the system and the user will be notified to re-enter the transfer on the new screens on Tuesday January 19th.

Agencies who receive payments after the 10am deposit cutoff on Friday should still take the deposit to the bank, but will need to enter the transaction into the system on Tuesday.

Employee Tax Refunds

Employee payroll tax withholdings are not authorized to be refunded to an employee once withheld from their payroll. Refunds will not be given for those employees who did not submit a W-4 in time for payroll processing. All agencies should have a deadline for employees to submit W-4 changes. The effective date of the new W-4 will be the beginning of the next pay cycle for the employee. This is in compliance with IRS regulations. When the effective date entered is before the beginning of the next pay cycle, the system will recalculate the taxes already withheld for a closed period and this is not authorized by the IRS.

Correcting W-2s

Corrected W-2 forms must be delivered to OSF by February 26, 2010. Please send the original W-2, a copy of the corrected form, and a letter explaining why the correction is needed. If the correction is due to a statutory canceled warrant which is not to be replaced, please 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 original W-2 is correct.

Reporting Requirements for Repayments of Prior Year Wage Amounts

Repayments from employees made in the current year (2010) that are for overpayments of wages in a prior year (2009) must be repaid at the gross overpayment amount in accordance with Internal Revenue Service regulations. A Corrected W-2 or a W-2C, as applicable, is required to be completed and sent to OSF. Only Social Security and Medicare wages and taxes are corrected on the Form W-2 or W-2C.

DO NOT correct Federal or State taxable wages or income taxes. The employee received and had use of the funds during the year of overpayment and as such, the amounts are taxable for federal and state purposes. The employee may be entitled to either a deduction or credit on their current year (2010) Form 1040. Please advise them to speak to their tax accountant. Additional instructions for Form W-2 and Form W2-C are available on the IRS Web site, www.irs.gov. For assistance, contact Lisa Raihl at 521-3258, lisa.raihl@osf.ok.gov or Jean Hayes at 522-6300, jean.hayes@osf.ok.gov.

Employee IRS Forms W-4 and W-5

Agencies are reminded to review and ensure employee's have valid forms on file for 2010. The exempt Form W-4, Employee's Withholding Allowance Certificate, expires on February 16, 2010, and employees must submit a new form to continue the exemptions for 2010. If you receive an exempt W-4 after February 16, 2010, do not process a tax refund to the employee or submit one to OSF for processing. The W-4 will take affect on the next pay cycle; it is not retroactive to the beginning of the year.

The Form W-5, Earned Income Credit Advance Payment Certificate, expired on December 31, 2009. A new W-5 must be on file for the employee to receive the advanced earned income credit for 2010. For forms received throughout the year, the W-5 will take affect on the next pay cycle; it is not retroactive to the beginning of the year.

1099 M Corrections

As you find 1099s that need to be corrected, please issue a new 1099 to the vendor using the blank forms provided with the originals. Additional copies can be made at any copy machine. An Excel format for 1099s that can fill in the blanks and print on the blank form is available. It can be sent to you in an email upon request.

Send a copy of the incorrect 1099 and the corrected 1099 with any documentation to support the change to OSF. These corrections must be returned to OSF by February 26, 2010 to be submitted to the IRS. All other corrections still need to be submitted to our office as needed for correction with the IRS. Please contact Beth Brox with any questions at 405-522-1099 or Beth.Brox@osf.ok.gov.

OSF Form EWC – Electronic Warrant (Payment) Cancellation

Please be sure to complete the following block on the OSF Form EWC properly. There should only be data filled in for the 7EFT Bank Account line if the payment was funded with 7XX Class Funding (i.e., 700, 701, etc.). Do not put the agency number and 3-digit class funding if it is on other class funds (i.e., 19X, 2XX, 3XX, 4XX, etc.).

→ If 7EFT Bank Account – AGENCY _____ CLASS FUNDING <input type="text" value="7"/> _____	(Attach copy of voucher 'Invoice Information')
(3-digit Agy #)	(3-digit, i.e., 701) <u>page showing class-funding</u>
If EFT Bank Account – AGENCY <u>467</u> CLASS FUNDING <input type="text" value="7"/> _____	<u>925</u>

Calendar Year 2010 P-Card Pay Cycle

The following represents the actual dates of action associated with the P-Card payments, such as when the p-card download to PeopleSoft will occur each month, the date agencies can begin preparing their p-card vouchers, and the submission deadline for the vouchers received at OSF each month.

Voucher Month	Last Day of Billing Cycle	(After 5:00) Bank Data Download	Voucher Build Available	Scheduled Submission Deadline	OSF Runs "PC" Pay Group
Jan 2010	12/28/09	31 (Dec)	4	6	7
Feb	1/27/10	1	2	5	8
Mar	2/25/10	3	4	9	10
Apr	3/29/10	1	2	7	8
May	4/27/10	30 (Apr)	3	6	7
Jun	5/27/10	2	3	7	8
Jul	6/28/10	1	2	7	8
Aug	7/27/10	30 (Jul)	2	5	6
Sep	8/27/10	1	2	7	8
Oct	9/27/10	30 (Sep)	1	6	7
Nov	10/27/10	1	2	5	8
Dec	11/29/10	2	3	8	9
Jan 2011	12/27/10	30 (Dec)	3	5	6

Revised Account Code – 535180

The following account code has been revised to remove the "Services" expense since there is a service code in the Professional Services category (515650-Investigation and Security Services).

535180 SAFETY & SECURITY SUPPLIES

Payments for purchase of non-equipment safety and security items (e.g., fire extinguishers, flashlights, ammunition, goggles, helmets, hard hats, etc.) required to safeguard and protect human life, equipment and other property.

NOTE: Does not include clothing items, see OEC 535120. For services (e.g., security patrol, surveillance monitoring, etc.), see OEC 515650.

ODOT Oklahoma Mileage Table Updated

The Oklahoma Department of Transportation's Mileage Table has been updated to reflect the 2009 mileage data, updated from the 2005 data. Because mileages are subject to change due to highway additions and realignments, there could be some minor differences.

The mileage figures shown in this table approximate the shortest route between town centers utilizing both State Highways System (free) and State Turnpike System (toll) roads. ODOT considers this table to be intended for aiding in business trip planning. For filing travel vouchers, travelers should track their actual mileage and identify the "map" mileage from this table, with any excess mileage placed under vicinity mileage on their travel voucher. The mileage table is posted at the following ODOT Web site: <http://www.okladot.state.ok.us/hqdiv/p-r-div/howfar/okmile.htm>

State Treasurer's Agency Online User Access Validation

The State Treasurer's Agency Online User Access Validation is now available to all agencies that currently have access to any Online User applications provided by the State Treasurer's Office. The Online User Access Validation will contain a listing of all users within that agency that are currently setup with authorization to the Oklahoma State Treasurer's online services. This function will provide a convenient way for your agency to keep track of the employees you have signed up for Oracle user access and the applications they can utilize for banking transactions.

Agencies are asked to review the users that are currently assigned access to OST's online applications and verify whether or not these individuals should have usage or no longer needs this capability. In addition to that, we strongly encourage agencies to take a look at those individuals that have not accessed our systems within the last six months because of retirement, transfer or release of employment. If changes are needed, users can be easily deactivated with the Online User Access Form located at the State Treasurer's Website at Banking Services, On-line User Access Form, and choose "Delete User". As a reminder, all agencies are requested to send your updated information to the Office of the State Treasurer (OST) whenever your agency may experience any turnover in user's setup in OST's Online User Access Services.

If you do not currently have access to any of our Online User Access Systems, please fill out the Banking Online User Access enrollment form and submit it to the Treasurer's Office. If you have questions regarding this process, please contact Diedra O'Neil, Treasury Services Coordinator, 522-4256 or Betty Pearson, Treasury Services Manager, 521-6070, with any questions that you may have regarding OST's Online User Access requirements.

Internal Controls Corner – Additional Reminders

The following issues continue to be noted during OSF audits of vouchers.

Invoice Summary Page

In the case of a multiple page invoice, agencies may attach only the first page if it is a summary page that provides all information necessary to approve payment of the claim. At a minimum, the summary page must include the period of service, the current charges (including a breakdown of taxes to ensure that sales tax is not charged & paid) and a description of the service provided. If the summary page does not include all the necessary information, the entire invoice must be attached. (DCAR Newsletter, Vol.16, Issue 5, dated 6/8/2006) **Note: If only the summary page is provided, the agency is responsible for maintaining the detailed records to support these purchases for a period of 7 years to correspond with the retention period for the official state voucher record.**

Purchasing “Commodity” Code - Account Number Assignment

It should be noted that although there was an attempt to get a close match of the expenditure account codes assigned to the purchasing commodity codes, they may not be the proper match for some purchases. It is the agency’s responsibility to verify that the correct account is used. If OSF determines that the correct account is not used for the payment, it will be an audit finding and adjustments may be required.

Account Code Use Clarification – 554120

The account 554120 - Approved Programs-Payments and Reimbursements, should be used in cases where services are being performed on behalf of the paying state agency. This is for payments to state and local government agencies and non-profit organizations. It should not be confused with the 555000 account series which is where funds are being passed-through to entities for performance of their normal functions.

Consistency of Invoice Numbers

Agencies should adopt written policies standardizing how payers enter the invoice ID on the voucher. Compliance with the standard policies ensures consistency so that system edits will detect duplicate invoice IDs and prevent duplicate payments. Accurate invoice numbers also help to ensure proper credit is applied by the vendor.

The policies should cover:

- That the invoice must be entered exactly as it appears with the inclusion or exclusion of leading zeroes and non-numeric and non-alpha characters.
- When the agency must process the invoice on more than one voucher, the agency policy must specify when that is allowable and what specific identifiers will be added at the end of the vendor invoice number (alpha or numeric).
- When no identifiable invoice number or code is present, the agency policy must specify what specific identifiers will be used.
- When processing an invoice and credit memo together, both the invoice and credit memo IDs should be entered on the voucher. It is advisable to enter the invoice ID first, followed by the credit memo ID, since vendors are more likely to search for an invoice ID. Please address invoice and credit memo IDs entered on one voucher in the agency’s written policies standardizing how payers should enter invoice IDs. (DCAR Newsletter, Vol. 19, Issue 8, dated 5/28/2009)

Authorized Pay Groups – SP Restricted

Please remember that the only 'pay groups' agencies should be using for voucher processing are MO, TU, WE, TH, FR and PC (p-card). Agencies should not be using the pay group SP without OSF authority and such authorization is only for one-time exceptions. This pay group is reserved for OSF use only, without such approval.

If granted the one-time approval, please write on the batch slip the name of the OSF – Transaction Processing contact who authorized the use of the SP pay group. Our voucher auditors will verify the approval with appropriate OSF staff. Any voucher batches submitted using the SP pay group without said name listed, will be rejected back to the agency. (See DCAR Newsletter, Vol. 18, Issue 2, dated 9/26/2007)

Completion of the Comprehensive Annual Financial Report for FY-2009

OSF has completed the State's Comprehensive Annual Financial Report for fiscal year 2009. We want to thank all State Agencies for their cooperation in providing timely and accurate financial information. We also want to thank the State Auditor and his staff for their outstanding commitment, diligence and perseverance in completing the audit of the State's CAFR on a timely basis. And thanks once again to the staff at DCS central printing services for their continued efforts with the printing and production of the CAFR. The CAFR is available online through OSF's Web site and is located at <http://www.ok.gov/OSF/documents/cafr09.pdf>.

AGA Grants Management Training Available

Are you receiving ARRA grant funds and struggling with the accounting and financial requirements? AGA's on-site Grants Management training course may help. The course provides a general overview of grants management, including preparation, review and submittal of proposals; negotiation and acceptance of grants; post-award financial and administrative management; closeout and audit; and relevant compliance issues.

If your agency is interested in this training, please contact Norcetta Whitfield at norcetta.whitfield@osf.ok.gov with the following information: agency name, how many would be interested in attending the training, contact name and contact phone number.

OSF will compile the responses and let you know if a training class will be held.

Training Opportunity

"The Myths of Performance Measures in Government"

Carol McFarland, Oklahoma Health Care Authority

AGA Oklahoma City Chapter

Luncheon Meeting January 13, 2010

For more information or to register, visit <http://www.agaokc.org/Meeting%20Schedule.htm>

January 27, 2010 Audio Conference

The Office of State Finance is hosting an audio conference in Oklahoma City for the month of January titled: **President's Executive Order: Reduce Improper Payments and Eliminate Waste**

During this audio conference, hear from “the leaders” on the new requirements of the Executive Order to:

- Create an online dashboard of key indicators and statistics on improper payments
- Create and publicize a single mechanism for the public to report suspected incidences of waste, fraud or abuse
- Establish more frequent error reduction targets and more frequent error measurement for certain high-priority programs
- Employ new internal techniques within agencies to better detect and mitigate improper payments
- Provide the OMB Director a report describing the likely causes of the agency's failure and actions will take to meet reduction targets for programs where targets for reducing payment error rates are not met for two years in a row
- Increase data-sharing among federal agencies and programs and, where applicable, state and local governments and other stakeholders to improve eligibility verification and pre-payment scrutiny
- Mandate quarterly reporting on any high-dollar errors identified by the agency and actions the agency will take to recover the improper payment and to prevent future improper payments
- Pursue administrative actions to provide State, local and other organizations with incentives for reducing improper payments
- Seek to enhance contractor accountability by pursuing methods such as subjecting contractors to debarment, suspension, and financial penalties for failing to timely disclose credible evidence of significant overpayments received on government contracts

To discuss the Executive Order and its implications are Jeanette Franzel, CGFM, CPA, Managing Director, Financial Management and Assurance, U.S. Government Accountability Office; Jeffrey C. Steinhoff, CGFM, CPA, Retired Managing Director, Financial Management and Assurance, U.S. Government Accountability Office, Past AGA National President and currently Executive Director, KPGM Government Institute; George D. Strudgeon, CPA, Audit Director, Human Services Management Specialty Team, Virginia Auditor of Public Accounts; and Daniel I. Werfel, Controller, Office of Federal Financial Management, U.S. Office of Management and Budget.

Title: President's Executive Order: Reduce Improper Payments and Eliminate Waste
Date: Wednesday, January 27, 2010
Time: 1:00 PM to 2:50 PM - registration will begin at 12:30
Location: State Capitol, Room 104 – First floor, North hallway
Cost: Free for persons attending at the Capitol
CPE Credit: 2 CPE Credits will be awarded upon completion of the audio conference
RSVP: To Norcetta Whitfield at norcetta.whitfield@osf.ok.gov with your name, agency name and number, phone number and e-mail address.