

OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES DCAR NEWSLETTER

Lynne Bajema, State Comptroller
 Steve Funck, Deputy State Comptroller
 Raymond C. Hankins, Deputy State Comptroller

Volume 23, Number 8

FY-2013

Feb. 14, 2013

The last issue of the DCAR Newsletter, Volume 23, Number 7, was issued on Jan. 11, 2012. The DCAR Newsletter is available on the OMES web page at:

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

Accounting: Jennie Pratt	(405) 521-6160	jennie.pratt@omes.ok.gov
General Ledger: Dan Thomason	(405) 522-4992	dan.thomason@omes.ok.gov
Payroll: Lisa Raihl	(405) 521-3258	lisa.raihl@omes.ok.gov
Transaction Processing: Steve Wilson	(405) 521-4679	steve.wilson@omes.ok.gov
Payroll Processing: Elsa Kunnel	(405) 521-6178	elsa.kunnel@omes.ok.gov
AP Manager: Patricia Garcia	(405) 522-6855	patricia.garcia@omes.ok.gov
Vendor Maintenance: Julie Dvorak	(405) 522-1749	julie.dvorak@omes.ok.gov
OSF Service Desk (PeopleSoft questions)	(405) 521-2444	helpdesk@omes.ok.gov
Financial Reporting Unit: Matt Clarkson	(405) 521-2759	steve.wilson@omes.ok.gov
ARRA: Steve Funck	(405) 521-3231	steve.funck@omes.ok.gov
ABS: Chris Forster, Director	(405) 521-4619	Chris.forster@omes.ok.gov
Riley Shaull, Chief Operations Officer	(405) 521-4775	riley.shaull@omes.ok.gov

TABLE OF CONTENTS

The State's 2012 Comprehensive Annual Financial Report is Now Available.....	3
PAYROLL	3
Internal Revenue Service (IRS) Forms and Publications Update	3
Employee IRS Form W-4	3
Income Tax Withholding Tables Update	3
Correcting 2012 W-2s.....	4
Types of W-2s.....	4
State Holiday Reminder for Payroll Processing	4
OMES Form 94P.....	5
Biweekly Payroll Conversion Procedure Reminder	5
Class-Funding 994 and use of 633xxx accounts – Higher Ed update.....	5
PeopleSoft HCM Query for 633xxx Account Reconciliations.....	6
Timely Payroll Processing	6
ACCOUNTING	7
Account Code Title Correction.....	7

Travel Period for 24-Hour Rule 7

TRAINING8

 Certified Governmental Financial Manager Training..... 8

 NASACT Training Webinar 8

 OFMA Meeting - March 28, 2013 9

The State's 2012 Comprehensive Annual Financial Report is Now Available

OMES has completed the State's Comprehensive Annual Financial Report (CAFR) for fiscal year 2012. We would like to thank all State Agencies for providing timely and accurate financial information, the State Auditor and his staff for their ongoing commitment to complete the audit of the State's CAFR on a timely basis, and the OMES Central Printing staff for their outstanding service while meeting tight CAFR printing deadlines. The CAFR is available online through OMES's website and is located at <http://ok.gov/OSF/documents/cafr12.pdf>.

PAYROLL

Internal Revenue Service (IRS) Forms and Publications Update

The IRS has published several 2013 forms and publications that were not available at the beginning of the year. Of particular concern to agencies are the following:

- 2013 Form W-4, *Employee's Withholding Allowance Certificate*
- 2013 IRS Publication 15, *Circular E, Employer's Tax Guide*
- 2013 IRS Publication 15-A, *Employer's Supplemental Tax Guide*
- 2013 IRS Publication 15-B, *Employer's Tax Guide to Fringe Benefits*
- 2013 IRS Publication 1494, *Table for Figuring Amount Exempt from Levy on Wages, Salary, and Other Income (Forms 668-W(ACS), 668-W(c)(DO) and 668-W(ICS))*

Employee IRS Form W-4

Agencies are reminded to review and ensure employees have valid forms on file for 2013. The exempt Form W-4, Employee's Withholding Allowance Certificate, expires on February 18, 2013, and employees must submit a new form to continue the exemptions for 2013. If you receive an exempt W-4 after February 18, 2013, do not process a tax refund to the employee or submit one to OMES for processing. The W-4 will take effect on the next pay cycle; it is not retroactive to the beginning of the year. The PeopleSoft HCM query: GO_PY_TAX_EXEMPT_STATUS - Fed or State Tax Exemption can be run by agencies to see who currently is claiming an exemption from income tax withholding. The IRS has posted the 2013 W-4 form on their website: <http://www.irs.gov/pub/irs-pdf/fw4.pdf>

Income Tax Withholding Tables Update

Prior to the American Taxpayer Relief Act of 2012 being enacted, the IRS and the Oklahoma Tax Commission both released income tax withholding tables for 2013. Both have since updated the income tax withholding tables and they are available at the respective websites. For institutions of higher education, please ensure the updated tables are being used in the payroll systems. For agencies processing payroll on the State's PeopleSoft HCM system, the tax updates have been installed.

Correcting 2012 W-2s

Corrected 2012 W-2 forms must be delivered to OMES by Feb. 22, 2013. 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 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.

Types of W-2s

The following are terms frequently used for different types of W-2s based on when the form is completed.

Original W-2: Form W-2 that was originally issued to an employee by January 31.

Reissued W-2: Original Form W-2 reissued to an employee due to the original form being lost, misplaced, not received, etc. Write ‘REISSUED STATEMENT’ on the employee’s new copies. A reissued W-2 can be produced at any time because the data is not being changed. The form can include a “reissue date”.

Corrected W-2: Used to correct the original W-2 when an error has been discovered before OMES submits the file to the Social Security Administration (SSA). “CORRECTED” must be written on the employee’s new copies. The form can include a “corrected date”.

NOTE: Corrected 2012 W-2 forms must be delivered to OMES by February 22, 2013, as stated in the above article, for inclusion on the file being submitted to the SSA.

W-2C: Used to adjust the original W-2 (or corrected W-2) information when an error has been discovered after OMES has submitted the file to the SSA.

NOTE: W-2Cs must be submitted to OMES as soon as completed and will be filed with the SSA. Please provide an explanation of the changes from the original W-2.

State Holiday Reminder for Payroll Processing

OMES policy requires that all payroll transactions and paperwork are filed with OMES FIVE (5) DAYS prior to the actual pay date to ensure adequate time for audit and processing. In planning your work for February, it is important to remember that Presidents’ Day is Monday, Feb. 18.

OMES Form 94P

Agencies should submit the OMES Form 94P; Overpayment Refund Request, as soon as possible after an employee has repaid an overpayment. When submitting the form to OMES, please do not include any copies of personal checks or detail not required to process the form. In addition, the agency should deposit any employee repayment into their own funds and not submit the checks to OMES. The form and instructions can be found on the OMES website under Division of Central Accounting and Reporting Forms.

Biweekly Payroll Conversion Procedure Reminder

Pursuant to HB 1111, of the 1st session of the 52nd Legislature, 2009, the Office of Management and Enterprise Services (OMES) has established procedures for agencies converting to the biweekly payroll schedule. As part of the pre-conversion process, interested agencies must first present a financial plan to the Director of OMES and certify that sufficient funds are available within the agency's existing budget to make the conversion. Interested agencies should contact the OMES HelpDesk to request information on the correct procedures for the conversion. The HelpDesk can be contacted at 405-521-2444 or HelpDesk@omes.ok.gov.

Class-Funding 994 and use of 633xxx accounts – Higher Ed update

As a reminder to institutions of higher education, with the completion of the conversion to the PeopleSoft HCM system, changes were implemented to include the total payroll cost in payroll claims. Amounts withheld are held in the 994 fund until payment is submitted to the appropriate vendor.

The 633xxx accounts are used in the 994 class funding for amounts to be paid from money withheld on the payroll claim. This withholding could be either employee withholding or state share. The primary purpose of this fund is to pool money due to providers/vendors that the agency is responsible to submit. It should not be used for other agency expenses. Funds that are disbursed from the 994 class funding should use the same 633xxx account that was used when the money was put into the 994 class fund. The 633xxx accounts are structured similarly to a tax withholding account or a 'due to' type of account.

For example, the retirement expense related to the payroll is recorded in the operating class funding when the payroll/pft is processed using a 5xxxxx account code and is also recorded in the 994 class funding appropriate 633xxx account. Using the 5xxxxx code again when making the payment from the 994 class fund would duplicate the expenditure at the agency. The correct 633xxx account should be used to make payment to the vendor.

PeopleSoft HCM Query for 633xxx Account Reconciliations

Public query 'GO_PY_DED_RUNID_BY_CONFIRM_DT' is available to assist with the reconciliation of agency 633xxx accounts. The query contains useful information such as deduction codes and descriptions for payee identification, the number of employees with a specific deduction, the total amount deducted for those employees, and the general ledger 633xxx accounts to which the deductions were posted. The query is driven by payroll confirm dates, and system prompts allow the user to select a time frame for payrolls processed. Access to the query is included in the payroll processor role. Agency finance personnel will need to coordinate with payroll personnel to have this query run for them. For questions or more information, please contact James Eyadiel at (405) 522-4064 or james.eyadiel@omes.ok.gov, or Lisa Raihl at (405) 521-3258 or lisa.raihl@omes.ok.gov.

Timely Payroll Processing

As a reminder the current policy is that payroll claim documents must be submitted to OMES five days prior to the pay date. This allows for system problems to be addressed and payroll processing to be completed timely.

While most agencies are timely with payroll, some agencies have not met payroll deadlines in the past. On rare occasions, OMES and OST have had to intercept the EFT file and manually change the effective date to ensure that employees are paid on time. To do this, other agencies' payrolls must be held for an additional day.

Within the next few months, the State Treasurer's office will be implementing a new application that will be used for payment processing. While this system adds flexibility in many ways and reduces the lead time needed to process payroll payments, we will no longer be able to manipulate file data. Therefore, it is even more important to make sure payroll is processed accurately and submitted timely.

Because OMES must have the payroll file to the OST by 4:00 PM each day, agencies must have payroll faxed to OMES by 3:00 PM.

Make sure your employees get paid on time. Remember to consider holidays and leave time in your payroll scheduling. Process payroll early!!!

ACCOUNTING

Account Code Title Correction

The following account code is corrected to reflect the proper name of *Other Retirement* and not *Other Insurance* as it has been carried in the account code listing. This code was apparently mislabeled during a revision of the codes, but we believe it is being recorded properly by agencies normally using the code. The code definition is correctly labeled as retirement in the system.

<u>CODE</u>	<u>Title and Description</u>
633120	EMPLOYEE WITHHOLDINGS – OTHER RETIREMENT – 1% FEE

Payments for withholdings withheld from the state payroll for Other Retirement – 1% Fee.

Travel Period for 24-Hour Rule

Title 74, § 500.9, Subsection E., reads: “Reimbursement for meals and lodging on out-of-state trips shall not begin more than twenty-four (24) hours before the meeting, workshop, conference or other objective of trip begins and shall not continue more than twenty-four (24) hours after said meeting, workshop, conference or other objective of trip ends.” (Note: we apply this rule to in-state travel when appropriate.)

Some agencies are having difficulty applying the 24-hour rule start times properly. We have seen such registration times beginning 2 or more days prior to the actual start of the event. Such early starts for per diem and lodging are not appropriate without proper justification, such as special business-related meetings prior to the conference. Activities that are primarily provided clearly for the entertainment of participants, such as sightseeing tours, athletic events, etc. are not appropriate. However, when the event begins with a meal or dinner reception and are considered “meet and greet” activities, these could be acceptable for the timing of the 24-hour rule. Again, proper documentation of the business purpose for participating in such early (or later) activities should be provided with the travel voucher as justification for extending the start of the 24-hour travel period.

There may be other appropriate situations such as limitations on flight times requiring an earlier flight. In this case, with proper justification, we could accept the early travel status. However, if it is just a person’s preference to leave early when later flights would be available, the early travel status exceeding the 24-hour rule would not be acceptable. Travel status for receiving per diem and lodging would be based on the 24-hour rule from the start of the event.

TRAINING

Certified Governmental Financial Manager Training

The certification training set for February 2013 is now full. However, due to high demand for this course, the Oklahoma City Chapter of the Association of Governmental Accountants is offering a second course, if there are 20-25 people enrolled. The second opportunity for this 6-day course will be held on Wednesday through Friday, March 6-8, 2013, and Monday through Wednesday, March 11-13. The course provides 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@omes.ok.gov.

NASACT Training Webinar

The Office of Management and Enterprise Services (OMES) is hosting the following Webinar in Oklahoma City:

GASB's Pension Accounting and Financial Reporting Standards: A Focus on Statement No. 68

This webcast will focus on the key changes in employer accounting and financial reporting that will result from implementation of Statement No. 68. Topics to be discussed include the following:

- Revisions to requirements for measurement of liabilities for pension obligations, including changes to the determination of the discount rate.
- New requirements for the measurement of pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.
- The impact of the new requirements on information reported by governments participating in cost-sharing multiple-employer plans, including the determination of the portion of the net pension liability to be recognized by cost-sharing employers.
- The effect of special funding situations on employer reporting.

Specific attention will be provided on the impact of the financial reporting implications on governments participating in cost-sharing multiple-employer plans (e.g., local governments, school districts, etc.)

Join Robert H. Attmore, Chair, GASB, and Michelle Czerkawski, Project Manager, GASB, for this informative two-hour training session. At the conclusion of the presentation, you will be provided an opportunity to ask questions live.

Date: Wednesday, March 6, 2013
Time: 1:00 pm to 3:00 pm – Registration will begin at 12:30 pm
Location: Room 104 in the State Capitol Bldg.
Cost: Free if attending the webinar hosted by OMES
CPE: 2.0 CPE credits will be awarded upon completion of the webinar
RSVP: To Susan Perry at susan.perry@omes.ok.gov with your name, agency name and number, phone number and e-mail address. Please specify the March 6th webinar.

OFMA Meeting - March 28, 2013

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, March 28, 2013
TIME: 1:30 to 4:00 pm
PLACE: Business Conference Center Auditorium
MetroTech Springlake Campus
1900 Springlake Drive, Oklahoma City, OK
