

**Large Agency  
Chief Financial Officers Meeting Minutes**  
September 25, 2007

**PARTICIPANTS:**

Paul Nicola, DCA  
Tim Newton, DEA  
Angela Garcia, EDA  
Michael Clark, EVA  
John Moorman, HCA  
John Humble, HSA  
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Craig Rudolphy, DTA  
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Clark Partridge, DOA/GAO  
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Angela Dillard, DOA/GAO  
Joanna Greenaway, DOA/GAO  
Kjell Anderson, DOA/GAO  
Diane Gorham, DOA/GAO  
Anita Kleinman, DOA/GAO  
Mary Miller, DOA/GAO

***ITEMS COVERED***

*Mike Smarik – Welcome & Introductions*

**Travel Management Sub-System (TMS) Update**

\*\*Some of the large agencies have been attending meetings on the new TMS with Amy Aeppli. The project is at a critical point and is being fast tracked with short timeframes. The GAO Travel Team has spent the last few weeks working on the project plan and critical path with ADOA's Informational Services Division and project that the January 1<sup>st</sup> deadline can still be made. The team will try to keep the agencies informed of the upcoming events concerning TMS.

Modifications to the Travel Policy are being worked on but are not ready to be published at this time. The current timeframe is to have the programming complete by Thanksgiving and the user acceptance testing around the first week of December. Diane Gorham will be developing the training and training classes will begin in December.

\*\*The GAO has completed approximately 50 functional design documents and there are only a couple of documents left. The programmers program from a Use Case document and should have that completed by mid-October. A few agencies expressed their concerns about not having the information required and the time needed to set up their interfaces with TMS.

\*\*An agency asked if there is a contingency plan in place in case the January 1<sup>st</sup> deadline cannot be made. Yes, there are two alternatives available if the TMS will not be ready. The first one would be to capture the taxable transactions and have them loaded into HRIS. The other alternative would be to ask the IRS to push back implementation date.

\*\*If anyone has any questions concerning the TMS project, please contact Amy Aeppli.

### **P Card and Travel Card**

\*\*Several agencies were involved in the discussions to determine which bank offered the best solutions for the new P Card and Travel Card. The State Procurement Office (SPO) is currently in contract negotiations with US Bank to use a VISA product for both the Travel Card and P Card. At this time SPO is working on a participating agreement with US Bank on their WSCA contract to roll out the Travel Card. The current P Card contract with AMEX will expire at the end of February 2008. Hopefully the new contract will be signed within the next couple of weeks.

\*\*US Bank will not require credit checks on the Travel Cards. It will be up to the agency to determine which employees they would like to have cards issued to and to monitor the credit limits on their employees' Travel Cards.

\*\*Agency program administrators will be able to go online and change the limits and inactivate Travel Cards. It will be up to the agency to determine if they would like to utilize their existing P Card program administrators for the new travel cards. Both card programs can be accessed on the website with one user login to view the card(s) history. US Bank's website has a lot of functionality and options available.

\*\*The new Travel Cards should be able to replace travel advances. There will be more reporting details available for travel with the new Travel Card.

\*\*Travel Cards are for State business only. Agencies will need to monitor the cards to ensure that the employees pay for any charges incurred that were not related to travel expenses.

\*\*Employees will be able to use the Travel Cards for hotel expenses.

\*\*There are two options available for airfare charges: airfare may be charged on the Travel Card if permitted by the agency or a ghost card account maintained at the agency level can be used. More specific direction will be given in the new travel policy once the contract has been signed.

\*\*P Cards will be moved to purchasing functionality only and not be used for travel.

\*\*Better reporting and details will be available for travel with the new Travel Card.

\*\*Employees are liable for Travel Card expenses. The agency is liable for P Card expenses.

### **Travel Policy**

The travel policy will be released in coordination with the Travel Management Subsystem (TMS) deployment.

### **Allotment and Budget Issues**

\*\*All allotment changes should be sent to the OSPB with a copy to the GAO on the Appropriation/Agency Budget Transaction GAO 511 form. Once the form is with the OSPB, the Appropriation Group in the GAO can track the changes for the agency to ensure they get processed. After the start of the new fiscal year, it is easier if the agency specifies what dollar amount they would like moved from one quarter to the next instead of percentages. The letters on general percentages are the requests that would be submitted before the start of a new fiscal year.

\*\*Each agency should be planning appropriately for possible upcoming budget shortages. The end of September is a good time to analyze and project how the rest of the year might be.

### **Appropriation Load Process**

\*\*New appropriation load procedures were implemented at the end of the fiscal year to help automate the appropriation load. Anita Kleinman asked the agencies how the new appropriation load procedures were working and if any improvements or recommendations were needed to help streamline the process.

\*\*One of the agencies responded that they have been satisfied with the changes and the process was working a little faster since the general salary adjustment was limited and contained separate codes. The agency did ask if we could hold the general salary items open longer. The agencies would like to be able to load the sweep faster.

### **Changes in the Administrative Adjustments**

A new administrative adjustment process was implemented at the end of the fiscal year. One of the agencies advised that they liked this process except that some user classes are not working. The user classes should all be worked out after this first year. The GAO Appropriation Group was able to process the administrative adjustments the same day they were received which helped reduced vendor calls to the agencies.

### **CAFR Deadline**

The CAFR time frame reminder was given to the agencies. The agencies were asked to communicate issues to the GAAP Group that might hold up meeting the deadlines.

### **Payroll Benchmarking**

A Payroll Benchmark meeting was held on September 12, 2007 for the large agencies. A few of the medium and small agencies were asked to participate to obtain a random sampling of resources that do approximately 90% of the payroll functions for the State. A questionnaire and training guide were distributed to the agencies on September 24, 2007. The questionnaire is due back to the GAO by October 9, 2007. There were 100 questions total and the GAO Payroll Group was able to answer about 80 of them. About 20 questions were distributed to the agencies for their response. A comprehensive response is due by October 12<sup>th</sup>.

If anyone has questions on the Payroll Benchmarking project they can contact Mike Smarik.

### **Payroll Card and Direct Deposit**

**\*\*Direct Deposit** - John Sheller with ADOA's Human Resources Division may have contacted some of the agencies to gather information concerning their expenses related to the distribution of direct deposit notices. Each agency has additional costs that go along with the distribution of direct deposit notices. The agency distribution costs will be combined with the GAO's distribution costs to help support the GAO's business case to eliminate the printing of direct deposit notices. If printing of the direct deposit notice is eliminated, employees will be directed to Y.E.S. to view their direct deposit information.

**\*\*Payroll Card** – The payroll card would eliminate the printing of payroll warrants for employees who do not wish to have direct deposit. The payroll card would be loaded every payday with the employee's pay. The payroll card is more secure than a warrant and would eliminate employees having to pay the check cashing fees when they do not have a bank account. Notifications of the upcoming changes are planned for this fall to encourage employees to set up direct deposit accounts. Hopefully by January or February the printing of direct deposit notices will be discontinued.

**\*\*The State** has a statutory responsibility to furnish a statement of earnings to employees who are on direct deposit. The statement does not have to be paper; it can be electronic via the Y.E.S. website. Kiosks may be utilized for employees who do not have access to a computer to obtain their pay information. Agencies need to identify which employees do not have access to computers and look at what is required to ensure their employees are able to obtain easy accessibility to a computer. Some employees may need to be educated on how to operate a computer.

**\*\*Currently** the leave balance screen on Y.E.S. does not have a history or a way to track previous balances. Mike Smarik will look into this issue.

**\*\*Y.E.S.** will hopefully be updated to create an image of the employee's paystub that would be stored on a separate server. This should prevent the problems with accessing the website during enrollment. Wage information would be available for five years and then purged. In the future, W-2s will be viewed in the same manner to eliminate the printing of W-2s and duplicate W-2 requests.

### **Upcoming Training**

**\*\*Web stories** will be issued for the upcoming TMS, Travel Policy, Travel Card, and P Card training.

**\*\*The GAO** will be scheduling several audio conferences with CPE available.

Below is a list of potential upcoming audio conferences:

Wednesday October 31, 2007 at 11:00 am - Single Audit Fundamentals

Wednesday November 14, 2007 at 12:00 pm - Tools for Performance Audit

Wednesday December 12, 2007 at 12:00 pm - Anatomy of Fraud

Thursday January 17, 2008 at 12:00 pm - SAS No. 112

Wednesday February 6, 2008 at 12:00 pm – Internal Controls

Wednesday March 26, 2008 at 11:00 am – Emerging Issues at FASAB & GASB

### **Upgrade to GAO Website: Search Ability**

\*\*Currently Diane Gorham is working on two versions of the GAO website. One of which will be transitioned to the ADOA division consolidated website which is a main content server driven site called Plone. The new website may take three to four months to get completed as old duplicate information is being removed before the transition.

\*\*The group agreed to have the existing GAO website updated with the Google search engine prior to the transition. If anyone finds outdated information when using the new Google search or has any questions about the GAO website they can send an email to the GAO webmaster by using the 'Contact Us' link on the website.

### **GAO Registration Page Reminder**

Per policy, each agency should ensure that someone in their agency is registered on the GAO website to receive financial updates and compliance information. The GAO webmaster will be checking to see if there are any agencies that have not signed up to receive updated information. The GAO website is how the GAO distributes information to the agencies.

### **Director 101**

Diane Gorham has been developing a 90 minute 'Director 101 Training' for the Department of Administration (DOA) for the past eight months. The information is intended for new agency Directors and Assistant Directors (ADs). The training will provide resources and information about what the DOA is all about. Each DOA division has contributed high level information to the document to help clarify the functions of their division and to provide helpful information for new Directors and new ADs. As the corporate sector is different than State sector, the information should help those new to State service understand how State sector works. The DOA's division ADs have done two test pilot presentations on the 'Director 101'. Agency financial contacts may be asked to help review the contents of the material before it is finalized for distribution. Once the presentation is completed it may only be offered on a quarterly basis.

### **Budget**

Clark asked the agencies to be aware and be prepared for possible upcoming budget issues for the State. Some agencies and programs may be more affected than others.

### **Issues, Concerns, Questions**

The following questions were asked:

**Q:** A while back the GAO redistributed TB No. 00-8 as a reminder on reimbursement of appropriated funds. The reminder said that the GAO was going to be checking transfers on appropriations. Is the GAO going to check deposits which go directly to the Treasurer's Office? Deposits can be more of a

problem than transfers would be. Does the GAO have a mechanism to validate deposits? We have never had to write a letter of reduction of expenditures.

**A:** Deposits are a risk. Unfortunately due to the system that we have there are limitations on what we can do. There is no report to evaluate deposits. Other than auditing there is not much that can be done. This is one of the items that have been slated to be audited by the GAO Internal Audit Group. Some of the items are legitimate reductions of expenditures. The Treasurer's Office is not responsible for checking the coding on deposits. The GAO Internal Audit Group will have to perform sampling, transactions testing, follow-up and request information. Yes, deposits are an issue and a risk.

**Q:** The Department of Transportation (DOT) was supposed to receive a Federal wire for \$29 million last Thursday and it was rejected due to the Treasury Offset Program. They are sending it now as ACH and it will not be here until this Thursday. There are a few issues with this: 1- The payment will be here a week after they wanted it. 2- The payment delay is going to impact DOT's CMIA calculations. 3- The Federal Government does not know whose pin number is out there or whose they are using that is preventing the money from coming. When DOT called the Federal Government, they said that there were not any tax payer ID's out there.

**A:** Clark and Anita will follow-up on the issue. If the Federal Government caused the error, the late payments can possibly offset interest that is charged against the State on CMIA. Craig Rudolphy with DOT will forward the email to Anita and Clark.

**Q:** The 'Director 101' seems like a good idea. Are they going to make the class mandatory for new Directors and ADs to go?

**A:** No, it will not be mandatory but it will be strongly recommended that they attend. The class will be kept relatively short and only the high points will be addressed. It has been discussed that the training might be presented in one of the Governor's Cabinet Meetings or in a separate meeting.

## **Future Agenda Items**

### **Emphasis on Electronic Payments (Direct Deposit & ACH)**

More effective ways have been discussed to encourage vendors to sign up for ACH. There may be a mailer sent to all vendors to ask them to ensure they are signed up correctly, that their tax information is correct, and their minority codes are correct. We would also like to know what some of the barriers are that are preventing the vendors from signing up for ACH. The GAO Vendor Search website has cut down on a lot of the invalid vendor information that we were getting.

### **Internal Controls**

The internal control questionnaire draft is almost completed and will be distributed to the agencies. It will be distributed to the agencies in connection with the Single Audit and CAFR.

If you have any questions or concerns, please contact the GAO.

Meeting adjourned at 3:33 p.m.

The next meeting is scheduled for Tuesday, October 30, 2007 at 2:00 p.m. in the General Accounting Office.