

**Small & Medium Agency
Chief Financial Officers Meeting Minutes**
January 19, 2010

PARTICIPANTS:

Megan Darian, ADA/SBO
Julie McKnight, AUA
Lori Boncoskey, GHA
Scott Greenberg, IDA
Brett Larsen, LAA
Sharon Gulden, LDA
Esther Olivas, MIA
Carmen Flores, PVA
Don Bentley, SPA
Cheryl Fraulob, UOA
Angelica Romero, WFA
Clark Partridge, ADA/GAO
Mike Smarik, ADA/GAO
Joanna Greenaway, ADA/GAO
Anita Kleinman, ADA/GAO
Tami Eckloff, ADA/GAO
Jaimie Soulvie, ADA/GAO
Angela Dillard, ADA/GAO
Amy Aeppli, ADA/GAO
Greg Vokoun, ADA/GAO

ITEMS COVERED

Clark Partridge – Welcome & Introductions

2009 W2s – Clark Partridge

The W2s for 2009 were mailed to all employees by the vendor on Friday January 15, 2010. The majority of employees should receive them this week. We are planning to have the W2s available on the YES website February 1st. When they are available, there will be four years of W2's; 2009, 2008, 2007 and 2006. We are hoping to have employees consent to only receive their W2 electronically starting with the 2010 W2. There will be a form on YES to consent to having only an electronic W2 starting next year. This will save on mailing costs.

Q: For next year, will the electronic version be available sooner than the paper version?

A: Correct. Since this is the first year, it will take a little longer for the validation process. Also this year we were working on the HRIS upgrade last weekend.

We did not want to be working on posting W2s for the first time when we were working on the upgrade.

If employees come to you looking for their W2, they lost it, they didn't get it in the mail, etc., please direct them to the YES website. We are going to try to not print any duplicates.

Q: Will the W2 online look just like the paper W2?

A: They may be a little different. The numbers will all be the same, but it may be in a slightly different format. The ones that were mailed were done using a print and mail format. The 2008, 2007, and 2006 may also be slightly different than what the employees received in the mail.

Q: Is it currently still 18 months of access to YES after an employee separates from State service?

A: Yes, currently it is 18 months. That has not changed yet. We will be working towards a separated employee having access to YES for 4 years from the date of separation.

HRIS Upgrade – Mike Smarik

The HRIS upgrade was done over this past weekend. It went well. If you are a HRIS user, you may see slight differences. There are training materials on line to see what all the differences are. One of the more visible upgraded items is when the user drills around; current payments are listed first with the oldest date being listed last. Prior to the upgrade, the oldest payment was listed first.

2009 1099s – Angela Dillard

The 1099 file will be sent to the vendor by the close of business today. Any corrections are hopefully already in. If a vendor does have corrections, have them contact us and corrections can still be done after the 1099s are issued. We don't have a count yet because the file has not been finalized. We are estimating about the same as last year, around 14,000.

ARRA Update – Joanna Greenaway

As of Friday January 15th we filed 431 reports to the federal government on behalf of the State of Arizona. This includes the universities and all the State agencies. There were some new issues this quarter. The federal government introduced some new hard edits. After each reporting period, there were a lot of corrections to be done which is a manual process. The 4th quarter reporting process took longer to complete, due to more information, more reconciliations, and more data.

There is a lot of work getting the information into the federal format. The feds gave some extra time this quarter due to the holiday. We probably will not have

the extra time on an ongoing basis. It is very critical that those agencies receiving ARRA monies make the cut off and submit their information more timely. There were agencies that still had not submitted their information by January 8th. The normal due date to the feds would have been the 10th. We will need to report the 1st of the quarter for the previous quarter. We need to be aware and have a good cut off of the 5th and then have all the information in by the 6th so that things can be kept moving forward. Some of the changes the feds made this quarter came out the week of Christmas and the week after Christmas. That is not a lot of time to prepare for something that affects the way you are transmitting data. If there are issues, make sure you are coordinating with Joanna or the Governor's Office of Economic Recovery staff or both.

We are trying to pull all the data we can from AFIS so things do not have to be done twice. This is working relatively well however there is still some data that is not in AFIS. Those items will require extra work on the part of the agencies. We also made corrections to items that were not corrected the last quarter so that was extra work this quarter also.

Policies, Procedures & Training – Clark Partridge

If there are policies that you see that aren't as explanatory as they should be or if there are training topics that you feel would benefit your agency, please let us know. If you think there are things that are required that are not as value added as they should be, please let us know. As resources become thin, we want to be sensitive to that. There are probably some key things that we can work on for training that would help the agencies up front to make things easier in the long run. We don't know what we will be able to do but we would like to try to help if we can.

Q: Who do we notify?

A: Please email suggestions to Clark or your GAO Liaison.

Budgets and Allotments – Clark Partridge

Budgets are getting tighter both in the current year and on an ongoing basis. We are likely to see additional cuts for FY10 as well as FY11. Some agencies have asked for all of their budget cuts to come out of their fourth quarter allotments. This skews things so agencies have a lot more resources in the third quarter and are very light in the fourth quarter. You should plan on doing some cuts in the third quarter. There may be circumstances where an agency plans to do a staff reduction and by the time the plan is in place, it is March 1st. The agency has already paid for the full staffing for two months of the third quarter. This would be an example where taking a larger amount of the cut in the fourth quarter would be appropriate, but it still wasn't the entire cut in the fourth quarter and none in the third quarter.

We will be reviewing requests and coordinating with OSPB. There may be circumstances where taking the entire cut in the fourth quarter is appropriate. We know from past experience agencies that have tried to take all of their cuts in the fourth quarter and have ran into trouble. We can move forward allotments but we cannot expand appropriations.

Transparency Project – Clark

Next month we are going to plan on having a demo on the Transparency Project. We are trying to leverage off another state for the work that has already been done to try to decrease our cost and increase our functionality. We are going to try to pull almost all of the information from AFIS. There are a few agencies that have detail in their systems that will need to be added in. The first phase will be AFIS data.

Issues, Concerns, Questions?

Q: How is the payroll card doing?

A: A little less than 100 employees have signed up for the card. That is pretty good for the initial push. We have about 95% of employees on direct deposit.

Q: When an employee leaves the agency, do we have to send them a letter that their US Bank card is being shut off?

A: Yes.

Q: Was there a form letter that was going to be sent out for this?

A: We are still working on the form letter. For now please send them a letter stating that their account has been closed and the effective date.

Q: Does it have to be sent certified?

A: There is no requirement from US Bank that the letter has to be sent certified. We just have to send the employee something stating the card has been terminated.

Q: Do we need to send something to US Bank saying the card was terminated?

A: You need to make sure you shut the card off. You don't need to send US Bank anything, just make sure you go in online and shut the card off.

Future Agenda Items

Emphasis on Electronic ACH Payments

NSF & Favorable/ Unfavorable Deposits Cleanup Project

Federal Funding Accountability and Transparency Act (FFATA)

State Transparency Project

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

Meeting adjourned at 2:30 p.m.

The next meeting is scheduled for Tuesday, February 16, 2010, at 2:00 p.m. in the General Accounting Office.