

**Small & Medium Agency
Chief Financial Officers Meeting Minutes**
February 17, 2009

PARTICIPANTS:

Biju Kamaleswaran, AGA
Julie McKnight, AUA
Lizette Morgan, GFA
Diana Marczak, HUA
Glen Hurd, ICA
Scott Greenberg, IDA
Ken Bell, JCA
Sharon Gulden, LDA
Esther Olivas, MIA
Wilma Himel, RGA
Marcia West, TOA
Michelle Brooks, DOA/ADA
Megan Darian, DOA/ADA
Clark Partridge, DOA/GAO
Mike Smarik, DOA/GAO
Angela Dillard, DOA/GAO
Amy Newby, DOA/GAO
Joanna Greenaway, DOA/GAO
Anita Kleinman, DOA/GAO
Tami Eckloff, DOA/GAO

ITEMS COVERED

Clark Partridge – Welcome & Introductions

Agenda

Our apologies for not finishing and posting the agenda prior to the meeting. This will be a very short meeting.

Internal Controls

The Internal Controls Survey is at the ADOA Director's Office for final review. Hopefully the review will be completed soon now that the transition is relatively complete.

Budget

- Due to the continuing budget situation, there is an increasing reliance on the cash flow reports your agency is sending in. Please make sure the reports are accurate and are following the Legislative intent.
- There was a webstory posted last week regarding the FY09 budget. There are some funds in question due to legal restrictions.

- There are still some agencies that have not completed the transfers for the first sweep of funds. Please take care of this.
- The second sweep is in addition to the first, not in replacement of the first.
- Any questions on the first sweep should have been raised by now.
- We learned a few things from the first sweep. We have made changes to the form and have implemented having it emailed back to us.
- A webstory will be coming out. There will be a line added to the Cash Flow form to differentiate between regular transfers and sweep transfers.
- Biennial appropriation agencies need to fill out cash flow statements showing FY08 & FY09. You may need to contact the budget office as to how they want it handled if there is not enough appropriation in FY09.
- Section 29 pertains to transfers in Section 29 of the legislation.
- Sections 4 and 5 of SB1001 should be done by February 28th or as soon practical.
- If you have issues, bring them forward as soon as you can.

Q: FY09 cuts vs. FY10 cuts in addition to or include?

A: Not sure what the Legislature has planned.

Q: We've heard a "fix trailer bill" is coming. What will this do?

A: This is a bill to fix omissions, etc. It is possible the Legislature will come out with a bill to correct some issues with the FY09 budget. Make sure you are communicating with your budget analysts. Don't transfer any more than the law authorizes.

Q: Are you posting a web story on how and when for transfers?

A: The instructions are out on the web. You can send in your transfer forms. Forms will be processed after the agency and OSPB have been communicated and coordinated with. Section 3 and 6 appropriation reductions will be next. Section 7 to follow. Reminder reducing expenditures does not mean reducing the appropriation. Our change to allowing the agencies to input appropriation changes seems to be working.

American Recovery and Reinvestment Act

- Changes are still being made.
- We don't know how many agencies will be receiving funds.
- We need to make sure we coordinate.
- There will be unique reporting requirements. Every dollar, every transaction will need to be reported separate and distinct from regular dollars.
- The bill has a combination of trying to get money out quickly with unique reporting requirements.

- There has been mention of possibly waving and expediting procurement requirements.
- Be careful of accountability.
- Speed translates to risk.
- If you accept the stimulus dollars, make sure you understand the strings that will be attached.
- Start thinking of options.

Q: Stimulus dollars will apply only to certain agencies, others will not receive any?

A: Possibly. Just remember if you do receive funds, you need to have the funding out clause for all your contracts. If not, you are on your own. This is a State requirement for contracts.

Q: We'd like to open up people's minds. We'd like to see more sharing of resources between agencies. Maybe employees being furloughed at one agency can pick up some hours at another agency.

A: This would need to be consistent with the mission for both agencies. You cannot grow your statutory authority. It would have to be a mission critical position so as not to circumvent the hiring freeze.

Q: If anyone wants to expand in Tucson, there is space available. The Department of Insurance will be moving out of their Tucson location.

Q from Anita: Appropriation reduction affected agencies, would the agencies like to be able to decide what comes out of the 3rd and 4th quarter? Or would you rather it be formula driven?

A: We will see where we are at the end of February. Don't wait to make difficult choices. It will only get harder.

We will do the best we can with the resources we have left. We may no longer do some things.

Future Agenda Items

Emphasis on Electronic ACH Payments

Travel & Expense Management Sub-System

Payroll Card

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 3:10 p.m.

The next meeting is scheduled for Tuesday, March 24, 2009, at 2:00 p.m. in the General Accounting Office.