

**Small & Medium Agency
Chief Financial Officers Meeting Minutes**
April 22, 2008

PARTICIPANTS:

Megan Darian, ADA
Don Steward, AGA
Debb Pearson, APA
Julie McKnight, AUA
Michael Fowler, BDA
Randi Orchard, BNA
Dena Dotson, EPA
Lizette Morgan, GFA
Bob Savage, GFA
Barbara Nicholson, GTA
Tracy Schmidt, HDA
Diana Marczak, HUA
Scott Greenberg, IDA,
Ken Bell, JCA
Joan Thompson, LAA
Sharon Gulden, LDA
Graham Bennett, LOA
Evangeline Webster, MEA
Esther Olivas, MIA
Richard Bichanich, PRA
Tyler Palmer, RGA
Nancy Bennett, RTA
Mark Carroll, SDA
Don Bentley, SPA
Marcia West, TOA
David Medina, TXA
Cheryl Fraulob, UOA
Sandy Sutton, WFA
Clark Partridge, DOA/GAO
Michael Smarik, DOA/GAO
Angela Dillard, DOA/GAO
Jan Sharon-Strieby, DOA/GAO
Joanna Greenaway, DOA/GAO
Shannon Landis, DOA/GAO
Stu Wilbur, DOA/GAO
Anita Kleinman, DOA/GAO
Amy Newby, DOA/GAO
Jaimie Soulvie, DOA/GAO

ITEMS COVERED

Clark Partridge – Welcome & Introductions

P-Card and Travel Card

Agencies should be transitioned from the American Express cards to the new U.S. Bank VISA cards by the first of June. If an agency has not contacted or been contacted by Tiffany Franks please give her a call at (602) 542-6522. Tiffany will provide the agencies with information on switching their current P-Card to U.S. Bank and obtaining Travel Cards.

American Express Card Transition

Before an agency attempts to close their account they need to ensure that their new U.S. Bank VISA card is working. Agencies need to make certain their American Express accounts are closed and a final statement is received. If an agency needs help with closing their account they can contact their AFIS liaison.

Q: Will U.S. Bank have a similar ghost card available for travel?

A: U.S. Bank utilizes ghost accounts without a plastic card for travel reservations. The ghost account can have the agency's name on it. These types of ghost accounts are called Central Travel Accounts (CTA) and have an actual account number assigned to them. U.S. Bank will send a letter with a three digit CCV code to be utilized for hotel or airline reservations. Due to security reasons U.S. Bank will not issue a plastic ghost account. All plastic cards from U.S. Bank must have individual names on the cards.

Some agencies have had issues with hotels taking reservations and accepting payment without the plastic card present at the time of check-out. What happens with the hotel is when they take the account number and submit it to through the credit card network; it sends it through as a "card not present transaction", which makes the transaction fee for the hotel higher due to the chances of fraud. Hotels will use the ghost card to hold the reservations but when the employee checks out they want to see the plastic card. The best way to prevent this problem is to have travelers use their own travel cards and then they are not out-of-pocket any of the hotel/travel expenses. However, travelers are not required to obtain a travel card if they do not want one. The travelers continue to have the option of using a personal credit card if they so choose.

Board members and employees that do not travel very often would not be good candidates for the travel cards. It is the agency's decision on who they want to issue travel cards to.

Agencies need to make sure when employees leave an agency (either through termination, transfer, or retirement), the agency needs to get the travel cards back, just as they would with any other piece of equipment that the employee may be using.

Upcoming Audio Conferences

The GAO has scheduled the following audio conferences with CPE available:

Wednesday April 23, 2008 at 11:00 a.m. – Improving Government Transparency

Wednesday May 14, 2008 at 11:00 a.m. – The Anatomy of Ethical Slips in Government (this audio conference will only count as regular CPE and not as the ethic's CPE requirement for Arizona CPAs)

Wednesday July 17, 2008 at 11:00 a.m. – GASB Review: New Standards and the Latest on Service Efforts and Accomplishments (SEA)

Internal Audit Meeting with all Agencies

A web story was issued on April 16th to inform all the agencies that the GAO will be hosting the first meeting of Internal Auditors across State service on April 30, 2008 at 2:00 p.m. in GAO conference rooms A & B. This meeting will be an opportunity for internal auditing professionals at State agencies, Boards, and Commissions to get together and meet each other, discuss issues that may be common to our offices, discuss training opportunities, and share insights that may benefit our internal audit offices. The CFO Representatives were asked to inform their Internal Audit Manager or group about the upcoming meeting. If the agency does not have an Internal Audit Manager or group the CFO Representative will be welcome to join.

Budget

Appropriation Reductions and Fund Transfers

Laws 2008, 48th Legislature, Second Regular Session, Chapter 53, of House Bill 2620 concerning the FY08 budget adjustment was signed by the Governor and went into affect at noon on Friday, April 18th. Clark has had conversations with the Attorney General's Office and Legislative Council concerning some problems with the bill. Issues include tobacco tax related funds and Prop 105 protected funds. Key items that need to be taken into consideration by agencies during the fund transfers include: not having enough money in the designated fund to do the fund transfer, if funds have pre-existing outstanding legal obligations for goods or services that have already been received, and if federal money is included in a fund that cannot be transferred to the General fund, but may have to be returned to the feds. Agencies will be preparing their own reductions paperwork similar to the process for regular appropriation loads.

Instructions for Section 1, which concerns appropriation reductions, should be posted to the GAO website tomorrow.

The web stories for Section 2 requiring the transfer of monies from 104 funds to the State General Fund for the purposes of providing adequate support and maintenance for agencies of the State and Section 3 includes several appropriations that must be reverted to the State General Fund will be released later this week. The GAO will be tracking the 104 funds to ensure they are processed correctly for the Joint Legislative Budget Committee (JLBC) and Office

of Strategic Planning and Budgeting (OSPB).

Once the back of the bill reductions (salary, rent, etc.) have been allocated by the JLBC additional instructions will be posted to the GAO website. For the remaining sections of the bill not addressed, the GAO will contact agencies separately to discuss what will need to be done in these specific cases. Please contact your GAO AFIS liaison if there are further questions.

Q: According to the bill there will be rent increases for FY08 on State owned buildings. Are the agencies going to be billed retroactive back to the beginning of the FY08?

A: On page 10 section 22 there is one million sixty thousand dollars appropriated for rent increases for FY08. The JLBC staff will determine who gets the appropriations. There is a zero net affect with the moving of funds. They will move the money to the capital outlay stabilization fund and then raid it there to move it to the general fund.

AFIS Fiscal Year-End

The Fiscal Year-End Memo and Closing Instructions were posted to the GAO website on April 16th. The first year end job in AFIS, the Profile Roll was run last Friday night. All of the agencies FY09 profiles have been created and they need to be reviewed by the agencies. If there are any discrepancies or questions please contact your AFIS liaison.

The appropriation load is scheduled to be run on May 23rd, if the Legislature passes the FY09 budget and the feed bill is received. If the bill is not passed, then the appropriation load will be rescheduled for June.

Two AFIS fiscal year end training sessions will be held this year in conference room 300. They are on Wednesday May 14th from 9:00 a.m. to 11:00 a.m. and on Tuesday May 27th from 1:00 p.m. to 3:00 p.m.

Fiscal Year-End Travel

The GAO is working on a longer term system solution which will hopefully include the end of FY payroll allocation as well with the next HRIS/Lawson upgrade. The fiscal year-end travel information is discussed in the Year-end Memo. June 20th is the last payday in FY08 with the compute being on the 17th of June, June 17th will be the last day to enter travel in for FY08. The first payday in FY09 will be July 3rd and if there is travel on that payday it will be charged to FY09. Agencies should do everything possible to try and get as many old travel claims processed prior to June 17, 2008.

There will be two options available for processing travel claims in the HRIS after the June 17, 2008 compute:

1. Travel transactions entered in the HRIS after June 17, 2008 that are to be

processed with the normal payroll cycle will be charged to the new fiscal year in both HRIS and AFIS. The agency will then need to process an administrative adjustment in the AFIS to transfer the charges to the correct AY during the administrative adjustment period.

2. Agencies may also input travel claims from June 18, 2008 through June 30, 2008 as handwrites in the HRIS. However, agencies must ensure that the labor distribution in the HRIS reflects the proper accounts as defined for Fiscal Year 2008.

If you have questions about processing travel claims during the 13th month, please contact Joanna Greenaway at (602) 542-6227 or Shannon Landis at (602) 542-6254.

NSF and Favorable/Unfavorable Deposits Cleanup Project

The GAO Internal Auditors met with the AFIS liaisons last week to identify old NSF and deposit discrepancies. The liaisons will be working with agencies to research and cleanup the accounts. The last cleanup was performed in 1996. Liaisons will be educating the agencies as they are working with the project. It is easier if an agency stays up to date on these issues. If agencies are reconciling monthly then these discrepancies will be showing up and being resolved quicker and easier. The only way the items can be removed from the accounting system is if they are explained and corrected or if the Attorney General approves it. Once the project is completed the GAO will meet with the Attorney General's Office to determine the next step.

Issues, Concerns, Questions

Q: Do all un-cashed warrants go to unclaimed property?

A: Most do but it depends on the fund source that it was drawn on. Federal funds do not go to unclaimed property.

Game & Fish discussed license refunds with their vendor contract.

Future Agenda Items

- Emphasis on Electronic ACH Payments**
- Payroll Card and Direct Deposit**
- Payroll Stuffers**
- Internal Controls**
- Payroll Benchmarking**
- Travel & Expense Management Sub-System**
- Federal Transparency Act**

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

Meeting adjourned at 3:23 p.m.

The next meeting is scheduled for Tuesday, May 20, 2008 at 2:00 p.m. in the General Accounting Office.