

Calendar of Events August and September 2004

August 20, 2004

Friday, August 20, 2004 SFMS will close Month 13 Fiscal Year 2004. Edit mode 3 transactions relating to Month 13 Fiscal Year 2004 must be processed or should have the effective date changed by Friday, August 20, 2004. Edit Mode 2 transactions relating to Month 13 Fiscal Year 2004 should be released on Friday, August 20, 2004. You may order month-end reports for Month-13 with the following criteria:

91 REPORT REQUEST PROFILE

AY	Period	FY	Frequency Control
05	CC		A**
05	CC		S
05	13	04	A**
05	13	04	S

Do not order Month-13 reports with a period of 'PM'. Since Month-13 is closed in August, a report period of 'PM' would select reports for July, 2004.

**Reports ordered with a frequency control of 'A' must have the 25 Agency Control Profile report flag set to 'Y' on FY 05 and the last month closed indicator on the 25 Agency Control Profile for FY 04 set to '13' prior to 5:00 p.m. Friday, August 20, 2004.

September 3, 2004

SFMS will be running DAFM351 on Friday, September 3, 2004. DAFM351 will create transactions to close nominal account balances into equity for Fiscal Year 2004. Transactions will be processed with a batch agency of 999 and an effective date of 6/31/04. DAFM351 will create an Interface (IN) file containing these transactions that will interface during normal batch processing Friday evening. Set the Last Month Closed Indicator to '12' for FY04 on the 25 Agency Control Profile. This will enable the transactions created by DAFM351 to post in the prior fiscal year with a 6/31 effective date. SFMS will be available on Saturday, September 4, 2004 for normal processing from 7:00am until 3:30pm.

September 10, 2004

SFMS Agency Support Analysts will work closely with agencies to ensure that all transactions that erred as a result of DAFM351 will be cleared before Friday, September 10, 2004. The Last Month Closed Indicator on the Fiscal Year 04 25 profile should be set to '13' by Friday, September 10, 2004.

Friday, September 10, 2004 SFMS will close July 2004. Edit mode 3 transactions relating to July 200 must be processed or should have the effective date changed by Friday, September 10, 2004. Edit Mode 2 transactions relating to July 2004 should be released on Friday, September 10, 2004. You may order month-end reports for July 2004 with the following criteria:

91 REPORT REQUEST PROFILE

AY	Period	FY	Frequency Control
05	CC		A**
05	CC		S
05	01	05	A**
05	01	05	S

Do not order July month end reports with a period of 'PM'. Since July is closed in September, a report period of 'PM' would select reports for August, 2004.

Calendar of Events August and September 2004

**Reports ordered with a frequency control of 'A' must have the 25 Agency Control Profile report flag set to 'Y' on FY 05 and the last month closed indicator on FY 05 set to '01' prior to 5:00 p.m. Friday, September 10, 2004.

September 17, 2004

Friday, September 17, 2004, SFMS will run the program, which creates the DAFR7940 Agency 1099-MISC Vendor Worksheet Report. These reports will be distributed to agencies the following week. SFMS will distribute these reports once a month between September and January in preparation for filing the 2004 1099-MISC forms.

September 24, 2004

Friday, September 24, 2004 SFMS will close August 2004. Edit mode 3 transactions relating to August 2004 must be processed or should have the effective date changed by Friday, September 24, 2004. Edit Mode 2 transactions relating to August 2004 should be released on Friday, September 24, 2004. The Last Month Closed Indicator on the 25 profile for fiscal year 2005 should be set to 02 by 5:00pm.

WARRANT CANCEL PROCESS

Effective May 15, 2004 we removed the cancellation of a warrant language from our AD39 Form "Certification of Claimant" and no longer allow the practice of canceling warrants without the warrant in hand. This is consistent with how warrant cancels were handled prior to the existence of SFMA.

1. We will continue to cancel warrants with the Warrant Cancel slips and the available warrant attached. This procedure has not changed. We cancel the warrant on SFMA, the accounting transaction increases agency cash and decreases the expenditure. The payment control and payment cancel tables show a "C" cancelled status.
2. We will continue to send the AD36 Statement of Claimant to payees who request replacement warrants. This procedure has not changed. This is a rewritten or duplicate warrant. There is no new accounting event transaction on SFMA. The original warrant is in an "R" rewrite status and is cross referenced with the new warrant which is in an "I" issue status until it redeems. Then it is "P" paid status. Agency cash is only decreased once with the original issue of the warrant and expenditures increased once. If both warrants redeem, the funds are taken from 0401 General Fund. SFMS Operations is responsible for collecting the reimbursement from the payee.
3. We will also continue to send the AD39 Certification of Claimant to agencies who request replacement warrants on behalf of payees. This procedure has not changed, but is uncommon. This is a rewritten or duplicate warrant. There is no new accounting event transaction on SFMA. The original warrant is in an "R" rewrite status and is cross referenced with the new warrant which is in an "I" issue status until it redeems. Then it is "P" paid status. Agency cash is only decreased once with the original issue of the warrant and expenditures increased once. If both warrants redeem, the funds are taken from 0401 General Fund. In this situation, the agency is responsible for collecting from the payee since the agency signed the affidavit. SFMS Operations requests that Treasury transfers the money from the agency's fund to 0401 General Fund to cover the second redeem.
4. We have created a new Affidavit Form AD40 in response to concerns by several agencies regarding the change of cancellation procedure. We have implemented a special provision for lost warrants meeting specific criteria. Sometimes a warrant is lost and the funds are no longer owed to the vendor. This situation should occur infrequently. It would be inappropriate to expire these warrants and send the funds to State Lands for the claimant. Therefore, once a warrant is two years passed its issue date, we will cancel it in SFMA with the Affidavit Form AD40. We request that agencies only request this form once a lost warrant is two years old.

TIPS & TECHNIQUES

A SFMS Desk Manual

R*STARS: CENT.5

Revised: 08/12/05

DAFM351 GENERAL LEDGER CLOSE

Overview

The purpose of the DAFM351 General Ledger Close program is to close the nominal general ledger account balances to the appropriate equity accounts. This program runs each fiscal year on a date following Month 13 close. SFMS will be running DAFM351 for FY05 on Friday, **September 2, 2005**. The program generates transactions and creates an interface (IN) file that is processed with the nightly batch cycle. These transactions will zero out the nominal general ledger account balances for the prior fiscal year.

DAFM351 uses the following criteria for selecting records:

- If the Year End Close Indicator on the D31 Comptroller General Ledger Account profile equals '0' (Memo Account) or '1' (Real Account), no further action is performed.
- If the Year End Close Indicator on the D31 Comptroller General Ledger Account profile equals '2' (Nominal Account) and the selected General Ledger account balance is less than or greater than \$0.00, the General Ledger account balance is closed to the appropriate equity account.

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SD31 VER 2.0                STATE OF OREGON                08/12/05 11:20 AM
LINK TO:                    COMPTROLLER GENERAL LEDGER ACCOUNT PROFILE          PROD

COMP GL ACCOUNT: 3100      TITLE: REVENUE CONTROL - CASH
  GAAP GL CLASS: 310      (MUST BE IN D14)
NACUBO GL CLASS: 99       (MUST BE IN D46)
NORMAL BALANCE: C        (D=DEBIT, C=CREDIT)
YEAR END CLOSE: 2        (0=MEMO,1=REAL NOT CLOSED,2=NOMINAL CLOSED)
INVESTMENT TYPE: 99      G/L EDIT TYPE: S   OBJECT IND: R
GASB 9 CASH FLOW CAT: 99 STMT OF CHANGES CATEGORY: 99

INDICATORS IDENTIFY VALID BALANCE TYPES (BT, FROM D05 BALANCE TYPE PROFILE)
IN EACH FINANCIAL TABLE TO BE POSTED FOR THE GL ACCOUNT:
  APPROPRIATION: 12 (BT, NP=NO POST, AA=ANY)
  AGENCY BUDGET: 12 (BT, NP=NO POST, AA=ANY)
CASH CONTROL: NP (BT, NP=NO POST, AA=ANY)  DOCMNT: NP (BT, NP=NO POST, AA=ANY)
  GRANT: 12 (BT, NP=NO POST, AA=ANY)      PROJ: 12 (BT, NP=NO POST, AA=ANY)

GAAP GL CATEGORY: 30      NACUBO GL CATEGORY: 99      STATUS CODE: A
EFF START DATE: 06011990  EFF END DATE:                LAST PROC DATE: 09152001
Z06 RECORD SUCCESSFULLY RECALLED
```

Program Details

DAFM351 selects records where the transaction year equals the current fiscal year minus one. Records are sorted and summarized using the criteria below. Any records that meet the same criteria for a given agency will be summarized into one amount.

- Agency
- Fiscal year
- D23 fund
- 'Normal balance' indicator on the D31 profile - Each general ledger account has a 'normal debit' or 'normal credit' balance as defined on the D31. E.g. Revenues have a normal credit balance; expenditures have a normal debit balance.
- Appropriation year
- Grant number/phase
- Project number/phase
- Organization - For those agencies with an SGL Org level greater than 1 on the Project profile.

The program determines the appropriate equity account for each nominal account balance based on:

- Year End Close (YEC) indicator of '2' on the D31 Comptroller General Ledger Account
- From the D23 fund for each agency / fiscal year, a lookup of the GAAP Fund
- From the D24 GAAP Fund, a lookup of the GAAP Fund Type
- From the D21 GAAP Fund Type, a lookup of the closing debit/credit t-codes

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SD21 VER 2.0                STATE OF OREGON                08/12/05 11:34 AM
LINK TO:                    GAAP FUND TYPE PROFILE          PROD

    GAAP FUND TYPE: 01
                          TITLE: GENERAL
GAAP FUND GROUP: 01      (MUST BE IN D20 FUND GAAP GROUP PROFILE)
CLOSE DEBIT TC: 350     (TRANS CODE FOR CLOSING DEBIT BALANCE,
                          NOMINAL ACCOUNTS TO FUND BALANCE, OR
                          RETAINED EARNINGS; MUST BE IN 28 TC PROFILE)
CLOSE CREDIT TC: 351   (TRANS CODE FOR CLOSING CREDIT BALANCE,
                          NOMINAL ACCOUNTS TO FUND BALANCE, OR
                          RETAINED EARNINGS; MUST BE IN 28 TC PROFILE)
FUND BALANCE GL: 3020   (GL ACCOUNT NUMBER FOR THE EQUITY
                          ACCOUNTS MUST BE IN D31)
CAFR FUND TYPE: GENERAL (GENERAL, SPECREV, DEBTSRV, CAPPROJ,
                          ENTPRSE, INTSER, FIDUCIR, PENSION)
CAFR OPER STAT: G      (G = GOVERNMENTAL, P = PROPRIETARY,
                          H = HIGHER EDUCATION, A = AGENCY)
                          STATUS CODE: A
EFF START DATE: 12151993  EFF END DATE:                    LAST PROC DATE: 09152001
Z06 RECORD SUCCESSFULLY RECALLED
    
```

Transaction codes 336-340 and 342-353 are used to close all nominal account balances to the appropriate equity account. All generated transactions will post with a batch agency of 999, a batch type of 'Y', a document type of 'YG', and a transaction effective date of 6/31/05. Any transactions that do not post because of errors will be on the 530 screen under agency 999.

GL account 2960 Revenue Expenditure Summary is used as the offset to the equity GL account on all transactions. After all generated transactions have posted, the total of GL2960 plus all the nominal GL balances will equal zero as of 6/31/05.

The balances in the memo accounts (YEC '0') and real accounts (YEC '1') will not change.

D21 GAAP Fund Type & Associated Equity General Ledger

GAAP Fund Type # /Name	Closing T-codes		GL Acct	GL Account Name
	DR Bal	CR Bal		
01 General	350	351	3020	Unresvd/Undesgntd Fund Bal
02 Special Revenue	350	351	3020	Unresvd/Undesgntd Fund Bal
03 Debt Service	343	344	3007	Reserved for Debt Service
04 Capital Projects	350	351	3020	Unresvd/Undesgntd Fund Bal
05 Enterprise	353	352	3025	Net Assets
06 Internal Service	353	352	3025	Net Assets
09 Agency	340	342	1575	Trust Funds Payable
10 Pension Trust	345	346	3008	Net Assets Held in Trust for Pension Benefits
14 Permanent	350	351	3020	Unresvd/Undesgntd Fund Bal
15 Investment Trust Fund *	349	349	2951	System Clearing GL Level Only
16 Private Purpose	338	339	3023	Net Assets Held in Trust
17 Govt-Wide Reporting Fund	353	352	3025	Net Assets
18 Deferred Comp	338	339	3023	Net Assets Held in Trust
19 Post-Employmt Health Care Benefit	336	337	3004	Net Assets Held in Trust – Post Employment Health Care
99 Default Oregon *	349	349	2951	System Clearing GL Level Only

*** Nominal general ledger account activity is not valid for these fund types. Agencies should review these funds to ensure nominal activity has not been posted.**

GL Account 2951 is used to ensure all erroneous transactions do not close to an equity account. Agencies are required to make correcting entries to any fund that has a balance in GL account 2951. Nominal general ledger account activity is not valid for GAAP fund types of 15 and 99. If DAFM351 finds any nominal activity in these fund types, it will close the erroneous transactions to GL account 2951.

Agency Guidelines

- On **Friday, August 26, 2005** order the DAFR8650 and DAFR8920 reports for MO13, FY05. These are the “before” reports that will be needed to verify equity balances after DAFM351 runs on Friday, September 2, 2005.
- On **Friday, September 2, 2005 before 4:30 PM** set the Last Month Closed Indicator to ‘12’ for FY05 on the 25 Agency Control Profile. This will enable the transactions created by DAFM351 to post in the prior fiscal year with a 6/31 effective date.
- On **Friday, September 2, 2005** order the DAFR8650 and DAFR8920 reports for MO13, FY05. These are the “after” reports, since they will run after the DAFM351 interface file has posted that night. If there are no 530 screen errors for an agency, the equity balances on the “before” and “after” reports can be compared to ensure that the program ran correctly. If there are errors on the 530 screen, new 8650 and 8920 reports will have to be ordered after the remaining transactions clear.
 - All nominal account balances will still remain on the reports.

- GL 2960 Revenue Expenditure Summary will carry a balance. This balance will be the opposite of the sum of all the nominal balances. The total of all the nominal balances plus the GL2960 balance will be zero.
- The appropriate equity GL accounts will reflect an increase/decrease equal to the total amount of the nominal balances.
- The SFMS Agency Support Analysts will work with their agencies to clear any DAFM351 transactions on the 530 screen. Analysts will use the DAFR8461 System Reconciliation Exceptions and the DAFR2151 Error Report to assist with the necessary corrections.
- A copy of the DAFR2151 Error Report for batch agency 999 will be faxed to each agency. Errors resulting from DAFM351 must be corrected by **Thursday, September 8, 2005**. Some typical errors include:
 - Inactive, deleted or changed profiles, e.g., agency code, index or PCA, grant or project.
 - Profiles with an effective end date that prevents further activity, e.g. 20 Appropriation Number Profile or D23 Fund Profile.
- Agencies will use User Class 48 to view the errors on the 530 screen under Agency 999.
- DAFM351 produces control report DAFR3511. This report reflects the transactions that were created and will post during the batch cycle. DAFR3511 reports the summarized balances by GL account and fund for each agency. The SFMS agency support analysts will provide a copy of this report to each agency.
- The SFMS Agency Support Analysts will notify agencies when the 25 profile for FY05 may be reset to Last Month closed of 13. If there are 530 screen errors, the 25 profile will need to remain at last month closed of 12 to clear the transactions. To prevent accidental posting of June effective date transactions to FY05, the 25 profiles will be monitored by SFMS. Only agencies with DAFM351 transactions still on the 530 screen should have the last month closed set to 12 for FY05.
- After any DAFM351 errors have been corrected, agencies will request new DAFR8650 and DAFR8920 reports for MO13, FY05 on **Friday, September 9, 2005**. This set of reports should be used with reports ordered on August 26, 2005 to compare equity account balances.
 - All nominal account balances will still remain on the reports.
 - GL 2960 Revenue Expenditure Summary will carry a balance. This balance will be the opposite of the sum of all the nominal balances. The total of all the nominal balances plus the GL2960 balance will be zero.
 - The appropriate equity GL accounts will reflect an increase/decrease equal to the total amount of the nominal balances.
- Contact your SFMS Agency Support Analyst for assistance or to report any possible problems with DAFM351.

**A/P Administrative
Measures**

DRAFT

As of 8/10/04

A/P Administrative Measures Goal Statement:

To optimize accounts payable services in the State of Oregon.

The first performance measure is an efficiency measure as follows:

- Agency A/P units will be measuring the number of staff accounts payable hours compared to volume.

SFMS staff brought in warrants and number of lines of data for SFMA and ODOT staff provided the same check information for TEAMS. It was determined for agencies using SFMA it will work best to include all payment transactions that generate a warrant, ACH or balanced transaction (BT). Only the initiating agency's information will be included in the number of lines for the BT. If an agency uses a sub-system that flows into a SFMA generated warrant, instead of a check, please include the accounts payable staff time. SFMS revised its information to include the BT and ACH information discussed above.

We worked through a definition of accounts payable functions to include the following:

- Make sure the claim is legal (most agencies require payment from an original invoice)
- Review document and coding for completeness and appropriateness
- Appropriate approvals are on the document
- Pay the invoice
- Make scheduled payments on schedule
- Work with automated sub-systems that produce warrants
- Filing invoices
- Disputes/Communications handled by A/P staff

The second performance measure is a customer service measure. We plan to accomplish this by sending a short questionnaire to all vendors paid within the past six months. Agencies shared an interest in having the questionnaires coded to indicate which agency or agencies used this vendor. It was recommended the survey have a check off for the following categories

- All of the time
- Most of the time
- Seldom
- Never

Some of the draft questions we discussed were as follows:

1. What type of good or service did you supply the state?
2. Do you feel you received your payment(s) timely?
3. Did you receive an EFT, ACH (Direct Deposit) or check/warrant?
4. Was sufficient information included with the check/warrant or ACH for you to correctly apply the credit?
5. If not, what would help?
6. If you had questions did you know where to call?
7. How many communications did you have with the A/P staff over the past six months?
8. Were your questions answered?
9. Was the staff courteous and professional?

Vendor Name (Optional)

The third performance measure was an accuracy measure.

- Number of duplicate payments out of number of payment transactions (%). SFMS staff can identify the possible duplicate payments for SFMA and agency staff will need to determine if they are truly duplicates

The fourth performance measure was a timeliness measure.

- Percent of the time payments are made timely according to statute, policy or contract.

There was much discussion on how this could be measured. Because invoice date is not a required field in SFMA, a number of agencies do not complete this field of information, or do not fill this field with the intended information. For agencies using this field consistent with its intended use, a brio report can be run against the information in the financial Datamart. Other agencies, not on SFMA or using this field for a different purpose, could use a sampling process.

The A/P Performance Measure group indicated an interest in starting an A/P Managers quarterly meeting. Joy Sebastian will be sending out invitations via the SFMS-News Group. The Performance Measure group suggested the first meeting be in early October.

The A/P Performance Measure group had a number of conflicts with meeting the 4th or last Tuesday in the month. The attendees agreed to the third Wednesday of each month from 10:30 – noon.

Changes to the SFMA Training Program

SFMS was reduced by three staff as of July 1, 2004. The three staff were as follows:

- Accountant 2 – we automated the general fund bank reconciliation process and reduced the time needed from about 22 working days to about 5 working days.
- Accountant 3 – in Analysis and Development. This means that some programming changes and clean-ups will take longer.
- Trainer for SFMA – we combined the report/manual update, tester position with the trainer position. The trainer position was shifted to OSPS, because it was not being utilized.

To accommodate agency needs that did not surface until after the position was provided to OSPS, we have been operating the training program at close to full-time for the last year. We cannot continue to offer Lance Johnson's services as a trainer at this level. The newly defined training position provides for 40% training and 60% manual update and testing.

Our plan is to reduce Lance's training days to 2 days per week (40%) beginning sometime during the month of October.

We also plan to offer agencies the opportunity to train its own staff. We will provide the training modules and the training region.

We plan to hold our first training session for trainers in October. Does this have any interest?

IT Expenditure Comptroller Objects

Situation

- Critical government services depend on information technology (IT) infrastructure and systems
- Hundreds of millions of dollars are spent to develop, operate, manage, maintain and support IT infrastructure and systems each biennium
- Increased scrutiny is being placed on state's ability to manage this area of operations
- To manage IT infrastructure and operations well, accurate, detailed, and timely IT-related information is required (e.g. asset inventory, project portfolio, performance data, expenditure information, etc.)

Problem

- Current budget, accounting, and state payroll systems are:
 - not designed to capture aggregate IT expenditure information across state government at a detailed level.
 - designed to control and report budget and cost information by organization and budget authority.
- Current systems and chart of accounts do not enable IT expenditure accounting/reporting at summary and detailed level.
- Verifiable enterprise view of IT Budgeting/Expenditures at a sufficient level of detail is not currently possible.

Questions:

How do we know how much we are spending on IT?

How do we know what IT-related goods and services we are buying?

Objective

Produce regular, consistent, verifiable, and auditable IT expenditure data at a level necessary for enterprise management decision support purposes.

Recommendation

Modify existing administrative core systems.

- Identify and make required policy changes to support sustainable detailed reporting and IT decision making/management on an enterprise scale.
- Build common IT Definitions/Chart of Accounts.

Benefits

- Leverages investments already made in current systems. Lessens the need for other, duplicative, manual reporting processes.
- Strengthens connection between BAM (budget), SCD (financial management & reporting), IRMD (information resources), HRSD (human resources) processes and decision making.
- Produce regular, consistent, verifiable, and auditable IT expenditure data

IT Expenditure Comptroller Objects

Key Steps (Scope) and Current Status

- Develop common set of definitions (aligned with IT Asset Management Domain Team Definitions) ~ *Draft included*
- Collaboratively develop a statewide IT Chart of Accounts ~ *Draft included*
- Policy Decision regarding number of accounts added to ORBITS ~ *Done*
- Assess feasibility of making required changes to Statewide Budget and Expenditure Reporting Systems ~ *In Progress*
 - ORBITS, SFMA, Agency Budget/Financial Systems
- Identify and assign key resources (business and technical staff, money)
- Make required changes to Statewide Budget and Expenditure Reporting Systems
- Collaboratively develop Agency Instructions
- Develop policies & procedures
- Communicate with agencies and develop/deliver agency education/training

Participants

DAS

- Director's Office
- State Controller's Division
- Budget and Management Division
- Information Resources Management Division

Agencies

- SFMA Users Group, CIO Council, Agency Finance Staff
- ODOT (TEAMS application)
- Corrections (JD Edwards system)
- Other

2005-2007 Budget Instructions (Page 34 & 35)

- **ORBITS Chart of Accounts - (Expendable Property & Professional Services)**
 - Note: The chart of accounts available in ORBITS relating to Expendable Property and Professional Services has been expanded to distinguish between IT-related and Non-IT related budget items. Please contact your agency's budget analyst for any needed clarification regarding this change.
- **IT-related chart of accounts for 2005-2007 Expenditure reporting**
 - Further, IRMD and the State Controller's Division are working on an expanded IT-related chart of accounts for use during the expenditure reporting process in the 2005-07 biennium. The use of this expanded IT-related chart of accounts will be required to provide the detailed information necessary for quality, comprehensive, and state government-wide information resources management planning and coordination to occur.

For complete information:

http://www.das.state.or.us/DAS/IRMD/CIO/docs/ENT_REPORTING_IT_EXPV9.pdf

Background & SD&C progress

- Upgrade from COBOL II to OS/390 or what may be to some Enterprise COBOL.
- This upgrade is necessary, as COBOL II will no longer be supported after year end.
- Not all the functions of COBOL II are supported by Enterprise COBOL, which may result in some additional coding.
- SD&C has compiled all the R*Stars and ADPICs programs using the OS-390 compiler.
- We are just starting the testing phase of the upgrade the week.

Testing Phase

- The OS/390, E21, test region was built August 15th. This region was copied from the acceptance region and is a mirror image of Acceptance. We are in the process of reconciling the two regions to verify they are identical. We expect to complete this process Wednesday this week.
- Two identical regions are required to make sure we have a controlled environment in which to run both OS/390 compiled programs and COBOL II compiled programs.
- A&D will begin testing the on-line programs on August 18th.

Project Time line and magnitude

- We expect to complete the project by the end of November this year.
- Testing will consume approximately 75% of A&D analysts time for the next 3.5 months.
- IRMD has been working on this project since May of this year and have only recently completed the OS/390 compilation. (Two Main Frame Programmers full time and two half time)
- IRMD costs are estimated to be \$400,000 plus the cost of building and maintained the test region.
- The next few weeks will be busy for A&D as we finalize test plans, distribute work loads and settle into the testing process.