

ALERT! ALERT! ALERT!

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ALERT #127

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Arthur L. Barnhart *ALB*
State Controller

DATE: February 14, 2000

SUBJECT: *Statewide Policy on Bank Fees Charged to Agencies for Credit Card Use by Customers*
Fiscal Rule Changes Effective March 1, 2000
New Payroll Fiscal Rules to be Effective May 1, 2000
Additions to the Division's Web Page
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Statewide Policy on Bank Fees Charged to Agencies for Credit Card Use by Customers

A review of the NASACT Credit Card Survey indicates there is no consistent accounting policy for recording credit card fees in other states. The State Controller's Office is issuing the following policy regarding the charging of bank card fees that best reflects the legal aspects of the transaction:

- ♦ If the full amount of the payment to the state is received from the customer and the agency subsequently disburses bank fees, or otherwise provides funds for the bank fees, the agency shall record the revenue gross and the bank fee as an expenditure. Object code 4105 – Bank Credit Card Fees has been established for this purpose. When the fee has not been specifically budgeted to the agency, then the agency may use a type 24 (which does not reduce available budget) to expense the bank fee. Institutions of higher education may post the fee to a non-appropriated fund.
- ♦ When the agency receives the payment net of the bank card fees, then the agency shall record the revenue gross and the bank card fee as a debit to revenue in either 5208 – Credit Card Fees Nonexempt or 5209 – Credit Card Fees Exempt. Nonexempt or exempt classification is dependent on the nonexempt or exempt status of the revenue collected in the transaction.



This policy shall be in effect for the fiscal year ending June 30, 2000. Questions about this policy may be directed to Dennis Wolfard at 303-866-3895 or your accounting specialist.

Fiscal Rule Changes Effective March 1, 2000

The following changes to the fiscal rules have been adopted and will become effective on March 1, 2000.

- ♦ A request for an administrative hardship should come to the state controller from the chief financial officer with notification to the executive director.
- ♦ New meal per diems to conform with federal rates.
- ♦ In Chapter 5 - Travel, a definition is provided for electronic signatures and language was added to allow travel authorizations to be handled electronically.

The text of the rule changes is available on our web site (www.sco.state.co.us). Copies of the change should be available from Central Stores after March 1, 2000.

New Payroll Fiscal Rules to be Effective May 1, 2000

The following fiscal rules relating to Payroll have been adopted and will become effective on May 1, 2000. The delayed effective date will allow the Division of Human Resource Services to delete the current payroll rules from the personnel rules.

- ♦ Mandatory Direct Deposit - All payments will be made by direct deposit unless specifically exempted by the state controller.
- ♦ Final Pay on Termination - If the state terminates an employee, final pay is due within three days, otherwise, on their next regular pay day.
- ♦ Official Payroll System - The State Payroll System will be used exclusively unless the state controller has granted an exception.

The text of these rules is available on our web site (www.sco.state.co.us).

Additions to the Division's Web Page

In an effort to reduce the size of our Fiscal Procedures Manual (formerly the Open/Close Instructions) and to keep information current, the State Controller's Office has moved the following appendices to its web site: Alert Index, Capital Construction Flowchart, Chart of Account Definitions, Federal Funds Spending Authority Worksheet, Fiscal Managers Contact List, and Spending Authority Indicator Codes. In addition, a copy of the chart of accounts will be maintained on our web page that can be searched using the find feature in Adobe Acrobat Reader. These documents will be updated at least quarterly.

Open/Close Training

The Field Accounting Services Team (FAST) is beginning to plan for Open/Close Training for FY99-00 closing and FY00-01 opening. As in past years the training will highlight changes and areas where agencies might have difficulty. We currently plan to offer three sessions for smaller agencies and agency specific training for agencies with 10 or more attendees. Agencies in the same locations may be combined for training purposes as well.

In addition, we will be offering a training session for new employees from any agency. This will consist of two sessions: one on opening the books and another session on closing the books. These will be scheduled and will require registration for spaces. By splitting these two sessions, agency staff may attend one or both depending on the focus of their jobs. For the closing training session, the FAST is seeking agency volunteers to discuss sections such as accounts payable accruals, interagency transactions and canceled warrants. We would like some real-life examples so new staff get a good understanding of how the process works. Any one interested in volunteering, please contact Linda Bradley at 303-866-4162.

Controller Vacancy at Judicial Department

A Controller position has been announced with the Judicial Department. The announcement can be viewed on the Internet at:

<http://www.courts.state.co.us/scao/jobann/Feb11.00.PDF>