

ALERT! ALERT! ALERT!

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ALERT #136

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Arthur L. Barnhart *ALB*
State Controller

DATE: February 5, 2001

SUBJECT: *Use of the State Procurement Card for Purchase of Services*
GASB Update Training
Overexpenditure Reporting
New Warrant Design
New Member in the Reporting & Analysis Section
Brief Update on the Status of GASB 34 and 35

Use of the State Procurement Card for Purchase of Services

The State Procurement Card may be used for purchase of services in those departments that are prepared to capture reportable payments in a 1099 reporting system. This determination is the responsibility of each department controller and chief fiscal officer of each institution of higher education as technical support and resources for capturing and recording this information varies widely. Instructions for recording reportable credit card service payments in COFRS may be obtained from Joyce Miller at 303-866-3816.

Questions regarding use of the State Procurement Card for purchase of services at the colleges and universities should be directed to the controller/fiscal officer at each institution.

GASB Update Training

The Colorado Fiscal Manager's Association is sponsoring a Governmental Accounting Standards Board (GASB) Update training. David Bean and Joe Blythe from GASB will discuss recent pronouncements and other activities of GASB. Included in the discussion will be the new financial reporting requirements under GASB statements number 34 and 35. A higher education focused session will be on Thursday, March 1st. A general governmental focused session will be on Friday, March 2nd. Both sessions will be held at the Arvada Center for Arts and Humanities. A registration form can be found on the SCO website under "What's New" and "Training." The link to the registration form is:

<http://www.sco.state.co.us/training/traininginfo.htm>

The registration deadline is February 22, 2001. Please contact a member of the Field Accounting Services Team with questions.

Overexpenditure Reporting

Departments are reminded that State Fiscal Rule 7-4 states:

"When the chief executive officer becomes aware of an overexpenditure condition within the State Agency, a report shall be submitted within 20 working days to the



Governor, through the Office of State Planning and Budgeting and the State Controller.”

The report should contain a detailed explanation of the cause of the overexpenditure, what actions are being taken to minimize the effect of the overexpenditure prior to year end, and whether the department is planning on requesting approval for an overexpenditure or an appropriation transfer. The report should also confirm that warrants are being held for payments over the appropriated amount. For additional information see Chapter 3, Section 1 of the Fiscal Procedures Manual.

Please contact your field accounting specialist if you have any questions.

New Warrant Design

Information printed on warrants issued by the State Controller’s Office will change with the next order of warrant stock (probably May 2001). Currently the amount of a \$100 warrant is shown as digits printed in a box on the warrant. The new design will also show the amount written out as “one hundred and 00/100” on the face of the warrant. This change will prevent fraudulent changes to dollar amounts.

Additionally, a phone number will be printed in the “Charge to:” box. This change will make it easier for payees who have questions about the payment to contact the paying agency. Agencies are being contacted by SCO to obtain a phone number for each check category listed on the COFRS CCAT table. Phone numbers may be changed at any time by contacting Sandi Shultz at 303-866-2126.

New Member in the Reporting & Analysis Section

Karoline Clark has joined the Reporting & Analysis Section. She comes to us from Metro State College and began on February 1, 2001. We are thrilled that Karoline chose to join our staff.

Brief Update on the Status of GASB 34 and 35

Agencies will close COFRS and related financial systems for fiscal year 2000-01 under the current model and instructions published in the March 2001 Fiscal Procedures Manual. This represents little change from prior years.

Agencies will open fiscal year 2001-02 under the new reporting model. The major impact of the change for opening the books will be changes in the fund structure and related changes to the intrafund and interfund transfers. The SCO has revised the fund structure and developed the needed transfer codes in the fiscal year 2001-02 chart of accounts. The Fiscal Procedures Manual will include information specifically on the GASB 34 and 35 implementation in a separate chapter(s). Training on the GASB 34 and 35 implementation will be scheduled separately and/or in conjunction with the annual Fiscal Procedures Manual training. Some issues related to the implementation are still being resolved in part because GASB has issued an Omnibus exposure draft amending GASB 21 and 34. Questions regarding this issue should be directed to Alan Boisvert (303-866-3894) or David McDermott (303-866-2739).