

State of Colorado



DPA

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& Administration

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Alert #148

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Arthur L. Barnhart *alb*
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DATE: May 22, 2003

SUBJECT: New State Controller's Office Web URL Address
Rollforwards
Overexpenditures
Percentage of Retirees Expected
Revised Fiscal Rules
Travel Expense Reports – New Process
Closing Schedule
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New URL Address for State Controller's Office Web Page

The Department of Personnel & Administration is moving to a new URL address under the State of Colorado's new Colorado.gov domain. The State Controller's Office home page web address has changed to www.colorado.gov/dpa/dfp/sco. The organization of the SCO web page has not changed.

Rollforwards

Any general fund rollforwards of spending authority approved this year will not be approved until after final close. Because of the state's current financial situation, it is anticipated that few, if any, general fund rollforwards will be approved. Requests for appropriation rollforward in funds other than the general fund (fund 100) will be reviewed and considered on a case-by-case basis.

Because the statutes require a commitment voucher in place in order to have a legal basis for approval of a rollforward, contracts will be approved prior to rollforward request approval. Before work begins on these contracts, be sure funding is available in FY04 or a rollforward has been approved.

Overexpenditures

Statutes allowing the State Controller to approve overexpenditures contain a number of specific requirements. One of the requirements listed in CRS 24-75-109(2)(b) and CRS 24-75-111(3)(b) states that "No overexpenditure shall be allowed in excess of the unencumbered balance of the fund from which the overexpenditure is made as of the date of the overexpenditure." Fiscal Rule 7-4 requires that the State Controller be notified within 20 days of identification of the potential overexpenditure. The State Controller's Office (SCO) will be tracking and prioritizing all overexpenditure requests. You are reminded that warrants must be held on overexpenditures unless the State Controller approves them.

If you have any questions please contact your FAST accounting specialist.

Percentage of Retirees Expected

The percentage of current employees who are expected to retire from state service in future years as calculated by PERA's actuary is 58% for state division workers except state troopers for whom the percentage is 70%. You should use these percentages in calculating your Fiscal Year 2002-03 sick leave compensated absences liability.

Revised Fiscal Rules

The two recent revisions to the Fiscal Rules are effective July 1, 2003. These revised Fiscal Rules are currently available on the State Controller's Office website under the heading "What's New". Shortly before the July 1 effective date, these rules will be moved under Authoritative Guidance where the rules currently in effect are now located.

Travel Expense Reports - New Process

Our process for sending travel expense information to state agencies has changed. In previous years, we prepared and distributed reports to state agencies with employee and non-employee travel expenses by fund and object code. This year we have added the reports to the financial data warehouse. The reports are located under "Agency Reports" in the "YTD/Period End" hyperlink on the right side of the financial data warehouse home page. The three reports are:

- Travel Expenditure Detail – Employee (TRVEMAQ)
- Travel Expenditure Detail – Non-Employee (TRVNEAQ)
- Travel Turnaround Report (TRVTRAQ)

The advantage of having these reports on the financial data warehouse that you may run the reports at any time and that you can "drill down" on the expense balances in the report to determine what specific transactions are included in the report. The first two reports should be used to review travel expense transactions. The Travel Turnaround report (TRVTRAQ) will be used to submit final travel expense information for the fiscal year to our office. This report should be used instead of the paper report as described in Chapter 5: section 2 of the fiscal procedures manual. The Travel turnaround report automatically produces the turnaround report in an Excel spreadsheet. You should complete the report in the spreadsheet and send it via e-mail to your FAST representative by November 7.

If you do not have access to the financial data warehouse or you need assistance using the online reports please contact your FAST representative.

Closing Schedule for FY03-04

Change the date listed in the Fiscal Procedures Manual for the July 2003 close from August 8 to August 15. A complete list of the closing dates follows:

State Controller's Office FY 03 – 04 Closing Dates

<u>Period</u>	<u>Month</u>	<u>Year</u>	<u>Closing Date</u>
01	July	2003	August 15
02	August	2003	September 12
03	September	2003	October 17
04	October	2003	November 14
05	November	2003	December 12
06	December	2003	January 16
07	January	2004	February 13
08	February	2004	March 12

09	March	2004	April 16
10	April	2004	May 14
11	May	2004	June 11
12	June	2004	July 9

Pay Date Shift

SB 03-197 changed the pay date for salaries earned in the month of June from the last working day in June to the first working day in July. This applies to all state employees. It also includes the bi-weekly payroll for the pay period ending June 13, 2003. This pay period, normally paid on June 27th, will be paid on July 1st.

The legislation also changed the calculation of the general fund surplus to record these salary expenditures against general fund revenues upon payment of these expenditures in July. This means salary expenditures will be recorded against the FY04 budget for *general funded* salary expenditures only. The legislation does not apply to salary expenditures funded by cash or federal sources accounted for in the general fund (fund 100).

Financial statements for the state must be prepared according to generally accepted accounting principles (GAAP). Therefore, the salary expenditures must be expensed for financial statement reporting in FY03, but will be expensed for budgetary reporting in FY04. The table below summarizes the effect of June salary expenses for financial statement and budget purposes.

Work Period	Normal Pay Date	Revised Pay Date		
			GAAP	Budget
May 17- May 30	June 13	June 13	Posts to FY03	Leave in FY03
May 31-June 13	June 27	July 1	Posts to FY03	Move to FY04
June 14-June 27	July 11	July 11	Posts to FY03	Move to FY04
June 28-June 30	July 25	July 25	Accrue in FY03 if Material	Leave in FY04
June 1-June 30	June 30	July 1	Posts to FY03	Move to FY04

In order to accommodate the payroll disbursement on July 1, 2003, and the difference in budgetary and financial reporting, the following process will occur.

Agencies using CPPS:

- June payroll batches for bi-weekly and monthly payroll will post to COFRS as normal, including cash being transferred from each fund /agency combination to fund 100 agency 999 to fund the payroll.
- Departments that redistribute payroll by using LDC or other in-house allocation programs should distribute the effected payroll in the same manner as they do the rest of the fiscal year. However, all distribution entries to redistribute payroll expenditures from the original payroll batch posting must be completed by July 9, 2003.
- COFRS, using an analysis of payroll expenditures recorded as of July 9, 2003, will generate and post a JV entry to allocate the payroll liability and related cash amounts in fund 100 agency 999 back to the proper fund/agency combinations. This will record the proper liability amount in the correct fund. The entry will be automatically reversed on FY 04 to record the disbursement of pay on July 1st.
- Given the process COFRS will use to allocate the June payroll liability and related cash, entries made to payroll expenditure codes recorded in period 12 should only relate to June payroll expense. Please process any correcting entries for year-to-date payroll related expenditures through May 2003 in period 11.
- For budgetary purposes, agencies are required to generate an adjusting journal voucher (JV) document to change the payroll expenditures for the general funded portion of the affected payrolls by crediting type 22 expenditures and debiting type 24 expenditures. The fund, agency, appropriation code, and object code must be included in this entry. Organization codes may be used if expense budgets are maintained, but are not required. For appropriation codes requiring a grant budget line (GBL), a dummy code should be established to keep the grant reporting clean. Federal draws should be completed as normal for June payroll expenditures.
- A budgetary adjusting entry based on estimated June payroll may be processed prior to the payroll posting in June, but must be adjusted to actual amounts by agency close, July 30, 2003.
- The budgetary adjusting JV must be reversed in FY04, exactly as processed. Use of the reversal feature in the JV document should be used to avoid re-keying of the entry. The Long Bill line item needed to reverse the entry will be re-established in FY04, even if not included in the agencies FY04 Long Bill. This is necessary for the correct reversal of the JV entry. After the reversal entry has been recorded, and reconciled by the SCO, agencies may move the payroll expenditure as necessitated by FY04 budget constraints or may have budgetary issues to be discussed with agency budget offices and/or OSPB.

We will notify agencies when the reconciliation process is complete, probably by the close of period one, August 15, 2003.

- While many agencies had supplemental legislation reducing personnel services lines only in FY 03, it was the intent of the legislature that personnel services as well as the associated benefit expenditures constitute the salary expenditures to be paid on July 1, 2003.
- For employees terminating service or retiring from state service effective June 30, 2003, GAAP requires payments due and payable on the effective date of termination to be accrued. These types of expenditures should not be expended in July, even if processed through the payroll system in July.

Agencies not using CPPS:

- Payroll related to June should not be disbursed until July 1, 2003.
- A liability for accrued payroll payable should be recorded as of June 30, 2003, and cleared on July 1st.

Please be aware that budgetary reports will not include type 24 entries, nor will type 24 expenses show on COFRS tables such as APPI. GNL reports will show type 24 expenditures, but are summarized separately from the type 22 expenditures.

Contact your field accounting specialist if you have additional questions.

Organizational Change in the SCO

Effective April 1, Alan Boisvert retired but will return in a permanent part-time capacity June 1. As a result, the Indirect Cost Unit has been combined with the Reporting and Analysis Unit (R & A). Dennis Palamet is the new supervisor of R & A and may be contacted at 303 866-3240. All other phone numbers remain the same.