



Office of the State Controller

Alert # 198

TO: Controllers and Chief Fiscal Officers of State Departments,
Higher Education Institutions and Boards

FROM: David J. McDermott, State Controller *Robert Jarvis
for David McDermott*

DATE: June 29, 2012

SUBJECT: Compensated Absences Liability – Percentages of Employees Expected
to Retire Under PERA
Pay Date Shift
Information Technology Chart of Account Changes Beginning in Fiscal Year 2013
COFRS Interface Requests
Federal Funds Transparency Act, HB12-1009
OSC Staff Changes
Temporary FAST Assignments

Compensated Absences Liability – Percentages of Employees Expected to Retire Under PERA

In conjunction with PERA's latest actuarial valuation, PERA's actuary, Cavanaugh Macdonald Consulting, LLC has provided the Office of the State Controller (OSC) with the percentage of state employees expected to retire with PERA benefits. Sixty-six and seven-tenths percent (66.7%) of State Troopers and fifty-five and five-tenths percent (55.5%) of other State Division members are expected to retire with PERA benefits. Please note that these percentages are different than those used in the prior year (Fiscal Year 2010-11), and they must be used in computing the sick leave-related portion of your Fiscal Year 2011-12 compensated absences liability. You may refer to Chapter 3, Section 3.13 of the March 2012 Fiscal Procedures Manual for more information on computing the compensated absences liability accrual. Please contact your FAST Field Controller if you have any questions.

Pay Date Shift

House Bill 12-1246 was signed into law on April 16, 2012. The result is that beginning in Fiscal Year 2012-13 state employees paid on a bi-weekly basis will no longer be part of the year-end (June) pay date shift. Since the bill becomes effective July 1, 2012, the bi-weekly payroll will shift as usual for June of Fiscal Year 2011-12.

As mentioned in Open/Close Training this Spring, there are three bi-weekly payrolls that will post to June of 2012. The bi-weekly payroll that posts on June 1, 2012 is for services performed entirely in the month of May and therefore should not be subject to the pay date shift. The OSC and OIT have revised their process to ensure that the June 1, 2012 bi-weekly payroll is excluded from the automated pay date shift cash/liability entry. The OSC will calculate a percentage of payroll object codes posted in COFRS as of July 11, 2012, that estimates the portion applicable to the monthly payroll and two biweekly payrolls based on prior year actual data. In the Financial Data Warehouse, two reports have been created to

assist in reviewing the payday shifted amounts. In FDW, go to the Other Reports link, select the agency or department, the accounting period 12 (one month only), and either of the following reports:

Report ID: PAYS1 Summarized Payroll Amounts (payroll amounts by object code).

Report ID: PAYS2 Summarized Payroll Amounts to be Rolled (with percentages used).

Accordingly, agencies that are converting Type 22 expenditures to Type 24 expenditures for General-funded June payroll should exclude the June 1, 2012 bi-weekly expenditures from their calculation. If you have any questions related to pay date shift issues, please contact your FAST Field Controller for assistance.

Information Technology Chart of Account Changes Beginning in Fiscal Year 2012-13

The Governor's Office of Information Technology has requested modifications to the information technology object codes in the chart of accounts beginning in Fiscal Year 2012-13. The primary focus of the modification is to consolidate the current object codes into broader categories. Attached is a list of the existing codes with the crosswalk to the codes to be used in Fiscal Year 2012-13. A list of descriptions is also included for your convenience. Please contact Brenda Berlin at 303-764-7928 or brenda.berlin@state.co.us if you have any questions.

COFRS Interface Requests

In preparation for and during the Year-End Close, the Office of the State Controller (OSC) will accept requests for new interfaces or modifications to COFRS; however, no interfaces to or modifications of COFRS will be processed by the Office of Information Technology (OIT) during the period from June 1 to September 1. As in the prior year, the interface and modification hiatus is an annual standard practice intended to limit risk during the critical closing period. After September 1, OIT will process approved requests on a first-received first-processed basis within resources available at that time. Requests currently in the queue will be processed as available resources allow. However, the appropriation for the COFRS modernization will likely further limit the resources that OIT can dedicate to COFRS interface requests.

Please send COFRS interface and/or modification requests to your Field Controller on the OSC Field Accounting Services Team (FAST). The FAST will submit approved requests to the OIT Service Desk for logging. Do not send interface/modification requests directly to Sue Dietl or any other named individual at OIT. When you submit the request for the interface to the OSC, please remember that the approval received from the OSC is to authorize the new interface to COFRS to occur, but processing of the request by OIT will occur as noted above.

Federal Funds Transparency Act, HB12-1009

The reporting requirements contained in HB12-1009, the Federal Funds Transparency Act, includes all previously reported financial information (via Exhibit K) plus three additional elements to be reported for each grant for executive branch agencies and offices of the governor, excluding institutions of higher education. Agencies and institutions not subject to the additional requirements may elect to report. The previously existing reporting requirements continue to apply to all agencies and institutions of the State, and shall, along with the new elements, apply at the previously reported level. As the new elements are not strictly financial in nature, we encourage cooperation and coordination between accounting, budget, and program staff in response to the requirement to report additional information.

The new grant-level elements have been incorporated into the attached Exhibit K1 (formerly Exhibit K) and include:

Purpose: In column O, include a description of how the funds were used. The description should contain sufficient detail and context to be understandable to a reader unfamiliar with the program, and should contain enough detail to distinguish similar federal programs from one another.

Obligations: In column P, include any financial obligation to the State such as a State matching requirement along with the source of the matching funds, asset maintenance obligations, unfunded administrative costs, and potential liabilities or future State costs. Do not include current performance obligations to carry out the purpose for which the funds were received, as that is implicit in the purpose. However, include obligations to continue performance or services with State resources once the federal funds are expended, indicating the expected source of those funds.

Percentage of Federal Funds Spent on Administrative Expenditures: Administrative expenditures include federal funds received for both indirect and direct program administration. Indirect expenditures are currently reported and include those costs that benefit but are not specifically allocable to a federal program, such as the cost of the department's executive director. Direct administrative costs include costs directly chargeable as administrative costs under the regulations of the federal program, and typically include items such as office supplies, accounting staff, and travel costs. A sub-column has been added column M of the exhibit for the input of direct administrative costs. The required percentage will be calculated as the Direct Admin and Indirect expenditures in column M as a percentage of total grant expenditures (all sub-columns of column M). If not required to report administrative expenditures, include both the direct program and direct administrative expenditures as Direct Program expenditures.

The legislation also requires the reporting of four new department-level elements. Prior to this legislation the report contained only grant-specific elements. The first two department-level elements below are available without additional departmental reporting and will be included in the report for all agencies and institutions. The second two departmental-level elements below will be reported on a new exhibit, Exhibit K2, which is attached.

Total Federal Funds Received by Department: The OSC will report each department's federal funds received as the total program direct, administrative direct, indirect, and pass-thru expenditures reported in column M on the Exhibit K1.

Percentage of departmental spending from federal dollars: The OSC considers each agencies' reporting of federal funds received above, and total departmental expenditures as posted on COFRS, adjusted by any posted Exhibits H, satisfaction of the requirement for the reporting of the department's percentage of federal spending. The OSC will calculate this element as the total federal expenditures (reported via the Exhibit K1), divided by total spending calculated as all COFRS account types 22, 23 and 24s (excluding funds 471 and 990).

Operating plan given a 5% reduction in federal funding: Include a discussion of the department's operating plan in the event that there is an overall 5% reduction in federal funds. Clearly indicate the impact of a reduction in any remaining ARRA funds versus non-ARRA funds. Given the specific nature of the most federal funds, it may be helpful to discuss at a division or program level, by the general nature of the grants as one-time or ongoing, whether discretionary or entitlement, and so forth.

Operating plan given a 25% reduction in federal funding: Similar to the 5% plan, include a discussion of the department's operating plan in the event that there is an overall 25% reduction in federal funds.

The electronic version of the Exhibit K1 and K2 have been updated and are available on our website at: http://www.colorado.gov/dpa/dfp/sco/FiscalProcedures/Cur/manual_cur.htm. Please contact Gini Powers at 303-866-3894 or gini.powers@state.co.us, or Karoline Clark at 303-866-3811 or karoline.clark@state.co.us.

OSC Staff Changes

Frank Ferrano joined the OSC as a temporary internal auditor. Welcome Frank!

Theresa Sanders joined the OSC as a temporary payroll accountant. Welcome Theresa!

Temporary FAST Assignments

The attached agency assignments are effective July 1, 2012. The assignments are temporary while Melissa Moynham is out of the office on maternity leave. Once Melissa Moynham returns, another Alert or email will be issued with new permanent assignments.

Crosswalk of IT-Related Object Codes for Use Beginning in FY12-13, as Compared to FY11-12

Existing Object Code through FY11-12	Existing Name	New Object Code in FY12-13	New Name
1960	Personal Services-IT-Hardware		
1961	Personal Services-IT-Software		
1962	Personal Services-IT-Consulting	1962	Professional Services- IT
2231	IT Hardware Maintenance/Repair Services	2231	IT Hardware Maintenance
2232	IT Software Maintenance/Upgrade Services	2232	IT Software Maintenance
2260	Rental of IT Equipment-PCs		
2261	Rental of IT Equipment-Servers		
2262	Rental of IT Equipment-Network		
2263	Rental of IT Equipment-Other	2260	IT Hardware Operating Lease
2266	Rental of IT Software- PC		
2267	Rental of IT Software- Server		
2268	Rental of IT Software- Network	2261	IT Hosting Services
2630	Communication Svcs from Div of Telecom	2630 2630	Communication Services from OIT
2632	MNT Payments to DPA	2632	Network Billing From OIT
2640	GGCC Billings-Purchased Service	2640	Computer Center Billing from OIT
3116	NonCapitalized IT- Purchased PC Software		
3146	Noncapitalized IT- Purchased Server SW		
3147	Noncapitalized IT- Purchased Network SW	3116	Noncapitalized IT - Software
6211	IT PC's- Direct Purchase		
6411	IT PC's- Lease Purchase	6211	Capitalized IT- PCs
6212	IT Servers- Direct Purchase		
6412	IT Servers- Lease Purchase	6212	Capitalized IT- Servers
6213	IT PC Software-Direct Purchase		
6216	IT Server SW- Direct Purchase		
6217	IT Network SW- Direct Purchase		
6416	IT Server SW- Lease Purchase		
6417	IT Network Software- Lease Purchase		
6413	IT PC Software- Lease Purchase	6213	Capitalized IT- Software
6214	IT Other- Direct Purchase		
6414	IT Other- Lease Purchase	6214	Capitalized IT- Other
6215	IT Network- Direct Purchase		
6415	IT Network - Lease Purchase	6215	Capitalized IT- Network
6511	Capital Personal Services - IT/Hardware		
6512	Capital Personal Services - IT/Software	6511	Capitalized IT Services

Obsolete Codes Beginning in FY12-13

1960	Personal Services-IT-Hardware
1961	Personal Services-IT-Software
2262	Rental of IT Equipment-Network
2263	Rental of IT Equipment-Other
2266	Rental of IT Software- PC
2267	Rental of IT Software- Server
2268	Rental of IT Software- Network
3146	Noncapitalized IT- Purchased Server SW
3146	Noncapitalized IT- Purchased Network SW
6216	IT Server SW- Direct Purchase

6217	IT Network SW- Direct Purchase
6411	IT PC's- Lease Purchase
6412	IT Servers- Lease Purchase
6413	IT PC Software- Lease Purchase
6414	IT Other- Lease Purchase
6415	IT Network - Lease Purchase
6416	IT Server SW- Lease Purchase
6417	IT Network Software- Lease Purchase
6512	Capital Personal Services - IT/Software

IT-Related Object Codes & Definitions, for Use Beginning in FY12-13

Object Code	Name	Definition
1962	Professional Services- IT	This code is used to record the purchase of Information Technology staff augmentation services from third party vendors and/or OIT.
2231	IT Hardware Maintenance	This code is used to record the purchase of hardware maintenance services and agreements for items such as PCs, peripherals, servers, memory devices, network components, etc.
2232	IT Software Maintenance	This code is used to record the cost of software maintenance agreements. Excludes the original software license purchase.
2260	IT Hardware Operating Lease	This code is used to record operating lease payments for hardware such as servers, memory devices, network components, etc.
2261	IT Hosting Services	This code is used to record the purchase of application hosting services from outside vendors. Excludes payments to OIT for hosting of equipment and/or applications.
2630	Communication Services from OIT	This code is used to record payments to OIT for communication services such as phone equipment, long distance, voice mail or public safety radios. Payments for "Communication Services" Common Policy should be recorded here.
2631	Communication Svcs from Outside Sources	This code is used to record payments to outside vendors for communication services such as cellular device usage.
2632	Network Billing From OIT	This code is used to record payments to OIT for network connectivity, security, and related information technology staff. Payments for "MNT" Common Policy should be recorded here.
2640	Computer Center Billing from OIT	This code is used to record payments to OIT for computer center-related services and related information technology staff. Such services include email, mainframe, server hosting, server housing, COFRS, or CPPS. Payments for "GGCC" Common Policy should be recorded here.
2650	OIT Purchased Services	This code is used to record payments to OIT for Information Technology business support staff. Payments for "OIT Management and Administration" should be recorded here.
3116	Noncapitalized IT - Software	This code is used to record the purchase of software for which the total does not exceed capitalization threshold and should be expensed in the current year.
3140	NonCapitalized IT- PCs	This code is used to record the purchase of PCs and laptops that are purchased as a single unit, including hard drive, memory, monitors, and mice. Assets do not meet the capitalization threshold and should be expensed in the current year.
3141	Noncapitalized IT - Servers	This code is used to record the purchase of servers and server components. Assets do not meet the capitalization threshold and should be expensed in the current year.
3142	Noncapitalized IT- Network	This code is used to record the purchase of equipment for a network or equipment related to the security of a network such as routers, switches, and firewalls. Assets do not meet the capitalization threshold and should be expensed in the current year.
3143	Noncapitalized IT- Other	This code is used to record the purchase of standalone devices and other peripherals such as printers and scanners. Assets do not meet the capitalization threshold and should be expensed in the current year.
6211	Capitalized IT- PCs	This code is used to record the purchase of PCs and laptops that are purchased as a single unit, including hard drive, memory, monitors, and mice. Assets meet the capitalization threshold and should be capitalized and depreciated.
6212	Capitalized IT- Servers	This code is used to record the purchase of servers and server components. Assets meet the capitalization threshold and should be capitalized and depreciated.
6213	Capitalized IT- Software	This code is used to record the purchase of software. Assets meet the capitalization threshold and should be capitalized and amortized.
6214	Capitalized IT- Other	This code is used to record the purchase of standalone devices and other peripherals such as printers and scanners. Assets meet the capitalization threshold and should be capitalized and depreciated.
6215	Capitalized IT- Network	This code is used to record the purchase of equipment for a network or equipment related to the security of a network such as routers, switches, and firewalls. Assets meet the capitalization threshold and should be capitalized and depreciated.
6511	Capitalized IT Services	This code is used to record the cost of IT services purchased from a third party vendor and/or OIT which meet the capitalization threshold and criteria. Amounts recorded here are amortized or depreciated.

**EXHIBIT K1
SCHEDULE OF FEDERAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012**

Agency Code ^(A)	Employer ID Number ^(B)	Primary DUNS Number ^(C)	Subrecipient State Agency DUNS Number ^(D)	Federal Agency Name ^(E)	OSC Assigned Fed Org Code ^(F)	Federal Program Name ^(G)	CFDA Number ^(H)	Non-Federal Pass-Through Entity ^(I)	Other Identifying Number ^(J)	Due-From or (Advanced By) Fed Sources 6/30/11 ^(K)	Receipts ^(L)			Expenditures ^(M)			Due-From or (Advanced By) Fed Sources 6/30/12 ^(N)	Purpose of Funds ^(O)	Obligations due to Fund Acceptance ^(P)
											Direct	Subrecipient	Non-Cash	Direct Program	Indirect	Pass-Thru			
Total Federal Amounts																			

Totals

^(A)Please provide the agency code associated with each grant.

^(B)Please provide the employer identification number associated with each grant.

^(C)If the grant is received directly from the federal government, provide the Primary DUNS numbers in list format or associate it with each grant.

^(D)If you have passed a direct Federal award to ANOTHER STATE AGENCY, please provide the DUNS number of the other state agency (D).

^(E)If an OSC Assigned Org Code or a CFDA Number is not provided in (F) or (H) then a Federal Agency Name must be provided in (E).

^(F)If a CFDA Number is not provided in (H) then an OSC Assigned Federal Org Code should be provided in (F). See the table following this exhibit for a list of codes.

^(G)If a CFDA Number is not provided in (H) then a Federal Program Name must be provided in (G). Enter "R&D" if activity is related to research and development.

^(H)A CFDA Number should always be provided if assigned.

^(I)For funds received as a subrecipient provide a CFDA Number, a Non-Federal Pass-Through Entity Name, and an Other Identifying Number

(assigned by Pass-Through Entity) in (I) (J) and (K) through (N).

^(J)Provide an Other Identifying Number in (J) if a CFDA Number in (H) is not assigned or if you received funds as a subrecipient

(use number assigned by entity providing you the funds.)

^(K)This column is not required for A-133 reporting. It is only used to facilitate the audit. If using, this should equal the beginning balance of amounts receivable from

or advanced by federal sources. Agencies use various balance sheet accounts to track these balances.

^(L)This field is not required for A-133 reporting. It is only used to facilitate the audit. Refer to the attached instructions for determining Federal receipts

(show the normal balance as positive number with no brackets).

^(M)This field is required for A-133 reporting. Refer to the attached instructions for determining Federal awards expended. Please refer to the guidance in Alet #198

for direct administrative expenses. Agencies and institutions not required to provide direct administrative expenses separately, should include them in the direct program expenditure column.

^(N)This field is not required for A-133 reporting. It is only used to facilitate the audit. This should equal the ending balance of amounts receivable from

or advanced by federal sources. Agencies use various balance sheet accounts to track these balances.

The following three columns required by HB 12-1009. They are to be completed by all principal departments of the Executive Branch and offices of the Governor, except institutions of higher education.

Additional information is required and should be submitted on the Word document, Exh K2. If these columns do not apply to your agency, please mark as 'N/A'.

^(O)Provide a description of the purpose for which the moneys were used.

^(P)Provide a description summarizing obligations imposed on the State as a result of accepting the federal moneys.

Note: Column widths were set to accommodate letter sized paper; expand column widths as necessary to match the data elements entered.

Prepared By: _____

Phone Number: _____

Email Address: _____

Agency Name: _____

Agency Code _____

Date Prepared: _____

EXHIBIT K2
SCHEDULE OF FEDERAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012

Plans for operating the State Agency if there is a Reduction of:

Five percent or more in the total amount of all federal moneys that the state agency receives:

Twenty-five percent or more in the total amount of all federal moneys that the state agency receives:

Prepared By: _____
Phone Number: _____
Email Address: _____
Agency Name: _____
Agency Code: _____
Date Prepared: _____

**Field Accounting Services Team (FAST) Agency Assignments
Effective July 1, 2012**

Back up persons are noted by the name
in the column to the right of the agency name.

JING YE jing.ye@state.co.us 303-866-3891 [Backup]		
AGRICULTURE	BAA	Trinka
HISTORICAL SOCIETY	GCA	Tom
CU SYSTEM	GFA-GFE	Trinka
METRO STATE COLLEGE	GTA	Trinka
WESTERN STATE COLLEGE	GWA	Trinka
ADAMS STATE COLLEGE	GYA	Trinka
MESA STATE COLLEGE	GZA	Trinka
LABOR & EMPLOYMENT	KAA	Tom
LOCAL AFFAIRS	NAA	Susan
REGULATORY AGENCIES	SXX	Susan
SECRETARY OF STATE	VAA	Susan
TREASURY	WAA-WCA	Susan

SUSAN THOMSON susan.thomson@state.co.us 303-866-4161 [Backup]		
EDUCATION/CSI/CSDB	DAA-DAC,DBA	Trinka
GOVERNOR'S OFFICE	EAA-ESA	Jing
DHE/PRIV OCC ED	GAA/GPA	Tom
COLLEGE ASSIST	GDA	Tom
MINES	GLA	Trinka
AHEC	GMA	Trinka
COLLEGE INVEST	GRA	Tom
JUDICIAL	JXX	Jing
LAW	LAA	Trinka
NATURAL RESOURCES	PXX	Trinka

TOM GAMACHE tom.gamache@state.co.us 303-866-3890 [Backup]		
PUBLIC HEALTH & ENV	FAA-FMA	Susan
CSU SYSTEM	GGA-GGJ	Trinka
FT LEWIS COLLEGE	GSA	Jing
TRANSPORTATION	HAA	Susan
MILITARY AFFAIRS	OAA-OCA	Jing
PUBLIC SAFETY	RAA	Trinka
REVENUE	TAA-TGA	Susan

TRINKA MULLIN trinka.mullin@state.co.us 303-866-4162 [Backup]		
PERSONNEL	AAA-ARA	Tom
CORRECTIONS	CAA-CIA	Tom
COMM. COLLEGES	GJA-GJT	Tom
UNC	GKA	Jing
HUMAN SERVICES	IHA-ILF	Susan
LEGISLATIVE BRANCH	MAA-MEA	Jing
HEALTH CARE POLICY & FIN	UHA	Susan
CONTROLLER	999	

BRENDA SHELINBARGER brenda.shelinbarger@state.co.us 303-866-4165		
FIELD ACCOUNTING SERVICES TEAM ACCOUNTANT		