

**Small & Medium Agency  
Chief Financial Officers Meeting Minutes**  
January 24, 2012

**PARTICIPANTS:**

Megan Darian, ADA/State Boards Office  
Nicole Slusz, AGA  
Julie McKnight, AUA  
Bob Savage, GFA  
Lori Boncoskey, GHA via GoTo Meeting  
Barbara Wulbrecht, GMA  
Tim Jackson, GMA  
Sylvia Simpson, ICA  
Scott Greenberg, IDA  
Ken Bell, JCA  
Sharon Gulden, LDA  
Angela Cade, SFA  
Jennifer Zimbal, STA  
Patricia Sandino, TEA  
David Medina, TXA  
Megan Duty, VSA  
Liz Atkinson, WMA via GoTo Meeting  
Clark Partridge, ADA/GAO  
Mike Smarik, ADA/GAO  
Angela Dillard, ADA/GAO  
Anita Kleinman, ADA/GAO  
Jaimie Soulvie, ADA/GAO  
Ron Santa Cruz, ADA/GAO  
Tami Eckloff, ADA/GAO  
Joanna Greenaway, ADA/GAO  
Stu Wilbur, ADA/GAO  
Amy Aeppli, ADA/GAO  
Greg Vokoun, ADA/GAO  
Yesenia Mejia, ADA/GAO

***ITEMS COVERED***

*Clark Partridge – Welcome & Introductions*

**W2s and 1099s – Stu Wilbur and Angela Dillard**

47,423 W2s were produced for 2011. 48.75% of employees consented to receiving their W2 online. There was a lot of activity on the first day W2s were posted. The web site was up and down. We will continue to work on this issue for next year. We try to get all the W2s posted on the same day since we send emails ahead of time to agency IT personnel to let them know the email notifications are not spam and not to block the

notifications. The vendor is in the process of getting the W2s to be mailed ready, hopefully by the end of this week. We will send a web story when they are put in the mail. If employees lose the printed copy of their W2, their instructions are to go online. The online version will be open to everyone, regardless of whether they consented or not on February 1.

Just over 13,000 1099s have been mailed out to vendors. If you have or hear of any corrections, form 94B on the GAO website will need to be filled out and sent to the GAO vendor group. A web story went out on this subject. If the correction qualifies it will be input. The file goes to the IRS by the end of March.

We are doing a daily TIN and name match for vendors as part of the B Notice process. We are trying to catch mismatched items faster when vendors register. Every time there is a B Notice, the IRS can assess a penalty of \$100 each.

**Q:** What is a B Notice?

**A:** When a 1099 is issued to a vendor, they have their name and tax ID listed on the 1099. When there is a discrepancy between what is listed on the 1099 and what the database for the IRS says, we receive a "B Notice". The IRS sends a file in October every year for the previous years' 1099s showing there was a discrepancy. If we cannot get the discrepancy resolved, we will deactivate the vendor. When we have a discrepancy we should be withholding 28% backup withholding if we cannot get the correct information. We do not have that capability with AFIS. We can only deactivate the vendor so they cannot be paid any more.

### **Fraud Tool Kit – Greg Vokoun**

The Association of Government Accountants has acted as a sponsor for the Partnership for Intergovernmental Management and Accountability. Clark Partridge is currently the head of the partnership. The partnership sets guidelines for products, services and projects that they feel will be beneficial to governmental accountants.

One of the projects the partnership took on was the Fraud Tool Kit. This has been a two year effort to create the website. On December 1, 2011 the Fraud Tool Kit was released. Greg gave a presentation of the website which can be found at [agacgm.org/tools/fraudprevention](http://agacgm.org/tools/fraudprevention).

### **AFIS Replacement – Clark Partridge**

We have several agencies participating with us to build the "straw man" of the new system requirements. We have put together focus groups for 14 different areas. Each area has 3 sessions, each session is 4 hours long. Agencies not participating in the "straw man" will receive the Cliff Notes version.

We have a tool called Decision Director that we are using to review the requirements and determine what the most important business requirements are. What types of things are different for your agency vs. other agencies? The things that are most critical

to your business will be addressed. The focus group sessions started in January and will continue well into April. The first four focus groups will be wrapping up next week.

There is money for the AFIS Replacement project in the Governor's budget request. It has been comingled intentionally with other projects so the amount we have for this project will not be known by anybody, especially the vendors that will be bidding. We won't know what the cost of this project is until the bids are received. We want to create an environment that is conducive to getting the best price for the State that we possibly can.

**Q:** What is the target date for the AFIS Replacement?

**A:** Depending on what happens with the Legislature, July of 2015 for implementation. We are working on the requirements now. STA Consulting has information from multiple different states that they have worked with, three within the last two years.

We are discussing a Travel Management Subsystem and what the capabilities would be in an ERP system. If you have needs and concerns, make sure identify them.

#### **ARRA Quarterly Report Update – Jaimie Soulvie**

This quarter we submitted 426 reports down from a high of almost 600. 174 were marked 50% or more complete. 201 were marked fully completed with 51 of those marked final. 45 are marked less than 50% complete, 6 are flagged as not having been started yet. Total received to date is \$1.6 billion reportable federal dollars. Matching dollars are not included in that figure. 400 + projects are still ongoing.

#### **Single Audit - Anita**

There has been a statewide finding on two of the pro rata funds that are paid as part of the personal services and ERE. One is the Attorney General Legal Services and the other is the Technology Charge. The legal services has been disallowed by the feds. The Technology Charge has been partially disallowed. We have been working with our federal cognizant agency, the Department of Health and Human Services, to pay back the feds. Individual federal agencies are contacting the State agencies for repayment of their piece for the disallowed costs. If you hear from your federal agency and they want to know what their piece is and wanting you to pay, do not pay and contact GAO.

Part of the Governor's Budget Plan is to change the funding for the Attorney General's Legal Services Fund. We need to make sure what we are doing is compliant with the federal requirements.

The Auditor General's Office is wrapping up their work on the CAFR and then they will be turning their attention to the Single Audit. We are looking to complete the Single Audit by the March 31<sup>st</sup> deadline.

### **CAFR – Ron Santa Cruz**

The CAFR is currently going through quality control with the Auditor General's Office. It is slated to be completed within the next month. We had some problems with some component units and other agencies with late submissions and missing deadlines. If you missed the deadline for the Closing Package this year, start having conversations now on how that is going to change for next year. Next year we will be on target to hit a December 31<sup>st</sup> deadline.

### **Any other Questions or Concerns?**

None.

### **Future Agenda Items**

**AFIS Training**

**NSF & Favorable/ Unfavorable Deposits Cleanup Project**

If you have any questions or concerns, please contact the GAO.

Meeting adjourned at 3:08 p.m.

The next meeting is scheduled for Tuesday, February 21, 2012, at 2:00 p.m. in the General Accounting Office.