

**Small & Medium Agency  
Chief Financial Officers Meeting Minutes  
September 18, 2007**

**PARTICIPANTS:**

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Julie McKnight, AUA  
Diane Serra, CDA  
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Christina Murphy, ECA  
Dena Dotson, EPA  
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Diana Marczak, HUA  
Kim Willey, HUA  
Mitch Menchaca, HUA  
Robert Booker, HUA  
Ken Bell, JCA  
Sharon Gulden, LDA  
Graham Bennett, LOA  
Bill Kaehler, LOA  
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Joanna Greenaway, DOA/GAO  
Angela Dillard, DOA/GAO  
Randi Orchard, DOA/GAO  
Amy Aeppli, DOA/GAO  
Anita Kleinman, DOA/GAO  
Diane Gorham, DOA/GAO

***ITEMS COVERED***

*Michael Smarik– Welcome & Introductions*

**Travel Management Sub-System Update**

The Travel Management Sub System (TMS) is on a fast track to have it ready for the January 1, 2008 implementation. The pilot phase will not be available due to the due date restrictions. Agency testing is still scheduled for November. If anyone has any questions concerning the TMS project they can contact Amy Aeppli.

### **P Card and Travel Card**

The contract negotiation for the new P-Cards and Travel Cards are continuing and looking pretty good. The P-Card contact with AMEX will expire the end of February 2008. It is anticipated that the new Travel Card will be implemented shortly after the contract is signed.

### **Travel Policy**

The Travel Policy will need to be modified to include the new P-Card and Travel Card policies along with the new TMS procedures.

### **Agency Presentation: Commission on the Arts – Presented by Director Bob Booker**

Director Bob Booker gave an excellent and very informative presentation on the fundamentals and operation methods for the Arizona Commission on the Arts. For information on greater Phoenix's ultimate fun guide to Arts and Culture you can visit the website [ShowUp.com](http://ShowUp.com).

### **Appropriation Load Process**

New appropriation load procedures were implemented at the end of the fiscal year to help automate the appropriation load. The deadline to allow submittals of increase letters has past. If an agency needs to have an allotment moved up we suggest that the agency calculate the dollar amount and submit it on the GAO 511 or 6220 to the OSBP for approval with a copy to the GAO Appropriation Group.

### **Changes in the Administrative Adjustment Process**

A new administrative adjustment process was implemented at the end of the fiscal year. One of the agencies advised that they liked this process except that some user classes are not working. The user classes should all be worked out after this first year. The GAO Appropriation Group was able to process the administrative adjustments the same day they were received which helped reduced vendor calls to the agencies.

### **CAFR Deadline**

\*\*The GAO appreciates all the agencies getting their information in on time. If anyone has questions or problems with submitting their CAFR information please contact the GAAP Group or Ron Santa Cruz.

\*\*On September 12, 2007, the Governor recognized Clark Partridge and Ron Santa Cruz for receiving the Government Finance Officer's Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the FY2005

State of Arizona's Comprehensive Annual Financial Report (CAFR).

### **Payroll Benchmarking**

The GAO hosted a Payroll Benchmark meeting on September 12, 2007. Most of the attendees were from the large agencies. A few of the medium and small agencies were asked to participate to obtain a random sampling of resources that do approximately 90% of the payroll functions for the State. A questionnaire and training guide will be distributed to the agencies on September 24, 2007. The questionnaire is due back to the GAO by October 9, 2007. There were 100 questions total and the GAO Payroll Group was able to answer about 80 of them. About 20 questions will be distributed to the agencies for their response. Final benchmark information from all the participating states may be available by November or December. The information should be able to tell us where we are at compared to other states and organizations on how we process payroll transactions, number of staff required, and timeliness of our payroll transactions. This information may help us to determine the areas that we may want to incorporate possible process improvements and ensure we are doing best practices. If anyone has questions on the Payroll Benchmarking project they can contact Mike Smarik.

### **Payroll Card and Direct Deposit**

**\*\*Direct Deposit** - This fall the GAO will be working with ADOA's Human Resources (HR) Division to help encourage State employees to utilize direct deposit. Various agencies have requested the GAO to stop printing their direct deposit advices. Eliminating the printing of direct deposit advices can save the State a substantial amount of money involved with the printing and distribution costs for the advices. Employees will be directed to Y.E.S. to view their direct deposit information. Modifications will be made to Y.E.S. to create an image of the pay advice. This should help support multiple employees viewing their pay advices online at the same time. John Sheller with HR may contact some of the agencies to help put together a business case to support the elimination of printing the direct deposit advices.

**\*\*Payroll Card** – Approximately 10% of all State employees receive a paper warrant for their pay. The payroll card would eliminate the printing of payroll warrants for employees who do not wish to have direct deposit. There are several advantages in using a payroll card. The payroll card would be loaded every payday with the employee's pay. The payroll card is more secure than a warrant and would eliminate employees having to pay the check cashing fees when they do not have a bank account.

**\*\*W-2s** - The GAO is investigating having W-2 information available online via the Y.E.S. website with the same concept as the pay advice.

### **Upcoming Training**

**\*\*Web stories** will be issued for the upcoming TMS, Travel Policy, Travel Card, and P Card training.

**\*\*The GAO** will be scheduling several audio conferences with CPE available.

Below is a list of potential upcoming audio conferences:

Wednesday September 19, 2007 at 11:00 am – The Reporting Landscape

Wednesday October 31, 2007 at 11:00 am - Single Audit Fundamentals

Wednesday November 14, 2007 at 12:00 pm - Tools for Performance Audit

Wednesday December 12, 2007 at 12:00 pm - Anatomy of Fraud

Thursday January 17, 2008 at 12:00 pm - SAS No. 112

Wednesday February 6, 2008 at 12:00 pm – Internal Controls

Wednesday March 26, 2008 at 11:00 am – Emerging Issues at FASAB & GASB

### **Upgrade to GAO Website: Search Ability**

\*\*Currently Diane Gorham is working on two versions of the GAO website. One of which will be transitioned to the ADOA division consolidated website which is a main content server driven site called Plone. There will be changes to the GAO website when the consolidation is completed. The new website may take three to four months to get completed as old duplicate information is being removed before the transition.

\*\*The group agreed to have the existing GAO website updated with the Google search engine prior to the transition. The new search engine will allow searches on all types of individual documents by using key terms, document types, or whatever terminology requested. If anyone finds outdated information when using the new Google search or has any questions about the GAO website they can send an email to the GAO webmaster by using the 'Contact Us' link on the website.

### **GAO Registration Page Reminder**

Per policy, each agency should ensure that someone in their agency is registered on the GAO website to receive financial updates and compliance information. The GAO webmaster will be checking to see if there are any agencies that have not signed up to receive updated information. The GAO website is how the GAO distributes information to the agencies.

### **Director 101**

Diane Gorham has been developing a 90 minute 'Director 101 Training' for the Department of Administration (DOA) for the past eight months. The information is intended for new agency Directors and Assistant Directors (ADs). The training will provide resources and information about what the DOA is all about. Each DOA division has contributed high level information to the document to help clarify the functions of their division and to provide helpful information for new Directors and new ADs. As the corporate sector is different than State sector, the information should help those new to State service understand how State sector works. The DOA's division ADs have done two test pilot presentations on the 'Director 101'. Agency financial contacts may be asked to help review the contents of the material before it is finalized for distribution. Once the presentation is completed it may only be offered on a quarterly basis.

### **Budget**

The State budget has been in several news articles. The State's revenues are down from what was originally anticipated. As of this date, no budget cuts have been announced. Mike asked the agencies to monitor their budgets. The start of the 2008 fiscal year was short \$200 million anticipated revenue, first two months of the year is already \$50 million short of projections. If this continues the State may not be looking very good for the 2008 budget.

### **Allotment and Budget Issues**

The following allotment and budget information was discussed in the September 25, 2007 Large Agency CFO Meeting.

**\*\*All allotment changes should be sent to the OSPB for approval with a copy to the GAO on the Appropriation/Agency Budget Transaction GAO 511 form. Once the form is with the OSPB, the Appropriation Group in the GAO can track the changes for the agency to ensure they get processed. After the start of the new fiscal year, it is easier if the agency specifies what dollar amount they would like moved from one quarter to the next instead of percentages. The letters on general percentages are the requests that would be submitted before the start of a new fiscal year.**

**\*\*Each agency should be planning appropriately for possible upcoming budget shortages. The end of September is a good time to analyze and project how the rest of the year might be.**

### **Issues, Concerns, Questions**

Anita Kleinman is working on setting up the funds that will be effective tomorrow, September 19, 2008. The supplementary appropriations are effective tomorrow. Out of the 12 Chaptered Bills there have only been a handful of agencies affected and they will be entered into the system by the GAO. The GAO Liaisons will be contacting the agencies to submit their paperwork.

### **Future Agenda Items**

#### **Emphasis on Electronic Payments (Direct Deposit & ACH)**

Mike asked the agencies to help promote vendors to sign up for ACH

#### **Internal Controls**

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

Meeting adjourned at 3:03 p.m.

The next meeting is scheduled for Tuesday, October 23, 2007 at 2:00 p.m. in the General Accounting Office.