

**Small & Medium Agency
Chief Financial Officers Meeting Minutes**
October 18, 2011

PARTICIPANTS:

Karen Hansen, ADA/ASET
Nicole Slusz, AGA
Tim Jackson, GMA
Terry Riordan, HLA
Kevin Guimond, HLA
Michael Hawthorne, ICA
Scott Greenberg, IDA
Ken Bell, JCA
Sharon Gulden, LDA
Christa Lewis, MAA
Esther Olivas, MIA
Sandra Mengelkoch, PRA
Donna Burns, RCA
David Medina, TXA
Clark Partridge, ADA/GAO
Mike Smarik, ADA/GAO
Anita Kleinman, ADA/GAO
Tami Eckloff, ADA/GAO
Joanna Greenaway, ADA/GAO
Stu Wilbur, ADA/GAO

ITEMS COVERED

Clark Partridge – Welcome & Introductions

AFIS Replacement – Clark Partridge

Clark presented a slide deck that will be shown at the Executive Steering Committee meeting on the AFIS Replacement project this week. The project is currently ahead of where the consultants feel we should be at this point. We would like to keep it that way.

Q: There are several references in the presentation to the Governor's Office. What happens when there is a new Governor in a few years?

A: From our perspective we will be started on the project before a change in administration. This is part of the Governor's vision. What we are looking at probably won't be any different for the next Governor. We are driving efficiency in the State of Arizona.

Fund Transfer Questionnaires – Anita Kleinman

We mentioned last month that we are now requiring a fund transfer questionnaire for all funds being swept. The GAO web story that was sent out was focusing on one section of the law for fund sweeps. There are other sweeps taking place in other sections of the law. We will need a Fund Transfer Questionnaire form for all funds that are swept in fiscal year 12 regardless of what section of law it is from. There are three parts to the questionnaire. The first part asks whether you will be able to make the transfer this year and what the timing is. We already have that information so you don't really need to fill that out. We are looking for information on the second two questions. Are there any restrictions in sweeping the funds? Are there any federal dollars in the fund?

Mandatory Direct Deposit – Stu Wilbur

The direct deposit percentage is currently 98.3%. Of the remaining 1.7%, .7% is made up of new hires, just getting set up, another .7% are going through the pre-note process, i.e. changing accounts or signing up for the pay card, etc. and .3% or about 125 people that have not filled out the GAO-65 and have been getting regular pay checks. We have been communicating with the agency payroll offices to sign the employees up on their behalf and mail the forms to GAO and we will sign them up for the cash pay card. The first pay day for the pay card for those that have not complied will be November 4th. We want to give a 3 week time period for B of A to mail the card to the home address. Agencies have been working really hard to get the last few people signed up.

The number of warrants printed has been decreasing. For quite some time it was around 2,500, decreased to around 1,000, last payroll it was 658. It makes the payroll warrant process, printing, sorting and distributing much easier and faster.

Q: Board and commission members are supposed to be going to direct deposit also correct?

A: Yes. Anyone that receives regular payments whether they are quarterly or monthly, all those individuals are also subject to the mandatory direct deposit law.

We are still looking at other efficiencies, perhaps making the pre-note process better so those new to State service, or changing accounts do not have warrants.

ARRA Quarterly – Joanna Greenaway

Last week we completed the third quarter of this year for the American Recovery and Reinvestment Act. 437 awards were submitted, 31 were final reports. We are slowly scaling down the reporting. Many of the grants required an obligation of funds by September 30th. There will be some administrative wrap up so it will take some additional time to complete some of these grants. We would expect more of the grants to be marked as final in the next quarter's reporting.

Any other Questions or Concerns?

We have talked about the 3% Withhold. Until this program is either implemented or repealed we will continue to mention it. Clark is working on a draft of a letter that is to

be circulated amongst Governors to support the repeal. The cost of this program significantly outweighs the benefit of this program at the local, state, and federal level.

Future Agenda Items

AFIS Training

3% Withhold

NSF & Favorable/ Unfavorable Deposits Cleanup Project

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

Meeting adjourned at 2:56 p.m.

The next meeting is scheduled for Tuesday, November 22, 2011, at 2:00 p.m. in the General Accounting Office.