

**Large Agency  
Chief Financial Officers Meeting Minutes**  
October 30, 2007

**PARTICIPANTS:**

Megan Darian, ADA  
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Tim Newton, DEA  
Karen Johnson, DEA  
Li Li, DJA  
John Moorman, HCA  
John Humble, HSA  
John Lake, HSA  
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Chuck LeBlanc, PSA  
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Diane Gorham, DOA/GAO  
Anita Kleinman, DOA/GAO  
Amy Aeppli, DOA/GAO

***ITEMS COVERED***

*Clark Partridge – Welcome & Introductions*

**Travel Management Subsystem (TMS)**

The TMS has been placed on hold due to interface and workflow issues. The GAO will be exploring other options available through HRIS with Lawson. Lawson is developing an employee time entry system that has work flow built into it for HRIS that may be an acceptable option to use for travel and expense management. Utilizing HRIS for travel and expense management may reduce the risk involved with the TMS workflow tool. TMS would interface with HRIS so each time HRIS changed its requirements, the TMS workflow tool would have to be upgraded. Due to these risks, it appears it might be best to have Lawson maintain the travel and expense management tool on the HRIS side. This delay would also provide additional time to develop TMS to make sure all issues are addressed and streamlined for best practices.

When Lawson was originally evaluated as an option for paying travel, there was an issue with the two week time cycle to reimburse employees for their travel expenses. With the implementation of the new Travel Card employees may not have as much out of pocket expense for State travel and there is a greater grace period which should cause the two week cycle issue to be mitigated.

Regardless of what option goes forward, same day meals need to be taxed starting January 1, 2008. The temporary plan is to have the same day meals input directly into AFIS with an interface into HRIS. This proposed workaround should have minimal impact on the agencies. There will be new comp objects and TC's set up in AFIS for same day meals with or without an overnight stay vs. the single existing comp object. New processes will be implemented to help with the transition.

If AFIS is used to reimburse same day meals, some employee's paychecks may be lower as the taxes would be adjusted to reflect the same day meal reimbursements. This may be difficult to explain to some employees. If HRIS is used to reimburse the employee for their same day meals on their paycheck then the employee's paycheck would always be higher. This is another reason why HRIS is a more favorable option for travel reimbursements. Another benefit to reimbursing the employee for their travel on their paychecks is that the employee would not have to receive a separate travel reimbursement check.

The following questions were addressed:

**Q:** Why can't AFIS be used for non-taxable travel?

**A:** All options including payroll handwrites are being considered. The long term goal is to have all employee payments made through HRIS for internal control purposes.

**Q:** How are we going to treat board members if they travel?

**A:** If board members are going to be traveling they would have to be added to HRIS. Board members would have to follow the same policies, if they have a same day meal without an overnight stay it would be considered as taxable wages.

**Q:** What about volunteers?

**A:** The payroll system is for employees and officers of the State. A volunteer would be serving in an official capacity and therefore would be considered as an officer of the State. Same day meal reimbursements would be reported as wages and they would receive a W-2 from the State of Arizona.

**Q:** Is the main reason we are considering switching tracks from the TMS to Lawson/HRIS due to interface issue concerns?

**A:** There are several reasons. Data flow and work flow integrity are the two of the reasons Lawson/HRIS is being considered. With Lawson the travel reimbursements would have the same look and feel and less training would be required. The main reason other options are being considered is to ensure the correct path is being taken for travel reimbursements.

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

The new P-Card and Travel Card contract is getting very close to being signed. Once the contract is signed it will take approximately 60 days to roll out the Travel Card. Hopefully the new Travel Card will be in place for the January 1<sup>st</sup> deadline. Employees will be able to utilize the travel card in lieu of travel advances and could have up to 60 days to pay the Travel Card bill. Even though HRIS will only be processing the travel claims every two weeks, the 60 day payment window should allow plenty of time for the Travel Card to be paid by the employee on time.

## **Travel Policy**

A draft of the new travel policy content was distributed to the large agency CFO/representatives to give them an idea on where the travel policy is heading. The new travel policy will not be finalized or released until the system changes can be incorporated in the policy. Part of the new drafted travel policy would be to require receipts for all meals and incidentals. An agency questioned if this would increase the workload for processing travel claims. It would depend on the agency on if they would require additional staff to process travel claims. All controls, procedures and processes will be looked at over the next year. The final policy should be posted to the website at the end of November or the first of December.

The reason receipts are required in the new travel policy draft is due to the Attorney General 1979 opinion and State statute for reimbursement of expense. The current Attorney General Office is ready to reaffirm formally in writing the previous opinion to require receipts. The official opinion stated: until such time to ensure that the State is not violating the gift clause by paying in excess of what the employee actually spent for their meals that the Department of Administration must require receipts for meals. There are certain things that need to be done to comply with the IRS requirements, State statute and the Attorney General's Opinion.

The change from 35 miles to 50 miles was due to an administrative issue not from a budget issue as the Phoenix Metropolitan area has grown.

Per the draft of the new travel policy, mandatory fees from hotels such as parking, resort or gym fees will be clarified in the new travel policy. As long as the mandatory fees and hotel rate stays under the maximum lodging rate it is acceptable. It is the employee's responsibility to ensure no other charges are associated with their stay and adhere to the travel policy.

The Travel Status chart on the new travel policy draft was explained. The chart is a guide to help determine what meals the traveler should be reimbursed for while in travel status.

If anyone has any comments, issues or observations on the new travel policy

please forward them to Clark or Mike.

### **Payroll Benchmarking**

The Payroll Benchmarking results should be back by the first of December. Clark thanked everyone who took the time to participate in the project.

### **Upcoming Training**

\*\*The GAO has scheduled the following audio conferences with CPE available:  
Wednesday October 31, 2007 at 11:00 am –Single Audit Fundamentals

Wednesday November 14, 2007 at 12:00 p.m. – Tools for Performance Audit

\*\*The GAO will be scheduling and issuing web stories for the following audio conferences with CPE available:

Wednesday December 12, 2007 at 12:00 p.m. – Anatomy of Fraud

Thursday January 17, 2008 at 12:00 p.m. – SAS No. 112

Wednesday February 6, 2008 at 12:00 p.m. – Internal Controls

### **CAFR Deadline**

Clark thanked the agencies for adhering to the CAFR deadline. He asked the agencies to keep the GAAP Group informed of any potential problems or issues.

### **GAO Registration Page Reminder**

Current agency registrations should be updated and new employees should be registered.

### **Budget**

The State's General Fund looks grim and other funds that feed into it. The Budget Offices are also looking at fund sweeps.

### **Pay Week the Week of Thanksgiving**

The GAO will be sorting and distributing the day before Thanksgiving which is Wednesday November 21<sup>st</sup>. Payroll may not be ready for pick-up by 9:00 am. Please be prepared for that day so couriers can come and pick-up payroll to be distributed in a timely manner. If necessary, payroll can be picked up on Friday.

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

\*\*The GAO is continuing to work on the payroll card for employees who do not elect to have direct deposit. The security issue with the payroll may have been resolved.

\*\*The elimination of direct deposit advices is still being considered. State employees will need to have access to a computer to view their pay information.

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

The Google search engine and Quick Links were added to the GAO website on September 27, 2007. The new search engine has enhanced the search ability for the GAO website and should assist anyone in locating information faster and more efficiently. If anyone has any issues or finds outdated information when

using the new Google search or Quick Links they can email the GAO webmaster by using the 'Contact GAO' link on the bottom of the GAO website.

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

\*\*HRIS's labor distribution from last pay period was incorrect and did not affect all employees. Joanna is working on the reconciliation.

\*\*The TOP OFF mock disaster/emergency exercise held on Tuesday October 16, 2007 for all State agencies presented some issues that will need to be addressed. Agencies will need to start buying items correctly. Large quantity of items will need to be purchased during an emergency which would require credit limits to be raised immediately on P-Cards. Plans and strategies need to be in place on how to go and buy large quantities of items quickly and having enough P-Cards available for an emergency are items being addressed.

### **Future Agenda Items**

**Emphasis on Electronic Payments (Direct Deposit & ACH)  
Internal Controls**

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

Meeting adjourned at 3:50 p.m.

The next meeting is scheduled for Tuesday, November 27, 2007 at 2:00 p.m. in the General Accounting Office.