

Centralized Services Administrators

Tuesday, December 15, 2015

10:00 AM @ the DPHHS Sanders Auditorium

- I. CAFR Update – Cody Pearce
 - a. Draft turned in on time: Nov. 23rd
 - b. Auditor questions requiring agency involvement may arise sometime in January

- II. State Financial Services Division (SFSD) Staffing Updates – Cody Pearce
 - a. Lee Gilkey Retirement
 - b. Neil Fryer, Treasury/Warrant Writer Manager
 - c. Jamie Wattnem, Warrant Writer
 - i. Working on the 2015 1099 reporting

- III. Procurement Updates – Brad Sanders
 - a. Procurement Card Program policy revision
 - i. The policy was moved from the General Services Division (GSD) to the State Fiscal Services Division (SFSD)
 - ii. New websites and an employee agreement form were included to section III – Policy Procedures & Requirements, A – Obtaining a Card
 - iii. Section III – Policy Procedures & Requirements, D – Receipts & Approval
 - 1. The revisions made to allow for more timely reconciliation
 - 2. Items not changed:
 - a. Cardholder is required to maintain receipts
 - b. The Procurement Card Missing Receipt form has not changed
 - c. Receipts must be submitted to the agency's accounting office
 - 3. Receipts Submission
 - a. Previously there was only one way to submit receipts to supervisors; receipts may now be submitted in one of three ways:
 - i. Submitted to supervisor for approval with no further documentation
 - ii. Submitted to supervisor for approval along with an online transaction report or monthly statement
 - iii. Submitted to supervisor for approval attached to transaction log
 - b. All receipts must be approved by an employee's supervisor
 - iv. The policy is in-effect and is posted to the MOM Policy webpage
 - b. eMACS
 - i. Phase 1: Complete
 - 1. Sourcing Module
 - ii. Phase 2: Expect to have it ready this summer
 - 1. Contract Management Module
 - a. Provides a record of all agency contracts, including:
 - i. Contract effective dates
 - ii. Renewal dates
 - iii. Automatic notification of contract events
 - iv. Track spending

- b. Allows for authoring of contracts using a pre-established library of contract templates
 - c. Auto-routing for review, and possibly for electronic signature
 - 2. AP Modules
 - a. Payments made in the AP Module will transfer into SABHRS
 - 3. eProcurement Module: an expansion of the current eMarket Center
 - 4. The Implementation team includes staff from Revenue and DOA: SFSD, SITSD, GSD

IV. SABHRS Financials Updates – Cheryl Grey & Matt Pugh

- a. IT expenditures
 - i. Volume 10: report to legislature regarding IT expenditures
 - ii. Logan Nordahl is working on updating MOM Policy 316 which will be posted by month-end
 - iii. Agencies that do not have job codes in SABHRS will have to gather information differently
 - iv. Questions can be directed to Jenifer Alger in ITSD
- b. Ongoing/Upcoming projects
 - i. Payment Plus
 - 1. The initial phase completed
 - 2. The vendor file was reviewed again and approximately 200 vendors were identified as potential candidates
 - a. Plan to contact these vendors, in partnership with US Bank, in early January
 - ii. IBARS
 - 1. In final phase of upgrade
 - 2. SABHRS and OBPP are testing the EPP and CP Modules
 - 3. Expected completion is spring 2016
 - iii. Kicking off upgrading from PeopleSoft 9.1 to 9.2
 - 1. This will be the last major upgrade
 - 2. Future upgrades will be a system of smaller, more frequent updates, which will allow discrimination among which functionality will be selected for delivery
 - 3. Goal date is fall 2016
 - iv. AM
 - 1. Pilot project
 - a. Working with Tami Gunlock at DOA to implement and test the process
 - b. In the process of selecting barcode scanners and printers for inventory management
 - 2. DOR – Carol Schopfer
 - a. DOR needs are different than what PeopleSoft allows
 - b. DOR is currently working on a project to develop an enterprise purchasing and management system outside of SABHRS
 - i. Track assets based on owner and current physical location (with owner, in repair with DOR IT, etc.)
 - ii. Still mapping all processes to determine business requirements
 - iii. Any interested agencies can contact [Carol](#)

V. Montana State Fund – Rene Martello & Mariann Huso

- a. Calendar year-end – required by SB123
 - i. Rene Martello: Overview of State Fund changes that may affect other agencies
 - 1. Most agencies will not notice any changes
 - 2. Those with expected changes have been contacted

- a. DOA – SFSD for new accounts
- b. Procurement – new procurement cards were required
- c. Payroll
- d. Budget Office
- e. State Auditor’s Office (which regulates State Fund)
- f. Financial requirements: State Fund must now prepare quarterly financials (in addition to annual financials)
- g. BOI – portfolio management has changed
- h. Retirement – pension liability is now reported as of Dec. 31st
- 3. IU journals should still work the same way
- 4. January 21st is the last day of the calendar year-end closing period
- 5. A \$35M premium will be returned to policy holders
 - a. \$2M will go to state agencies
 - i. State Fund will work with SFSD to offset the federal share, then Lance Zanto will communicate with state agencies regarding the distribution
 - b. The payments will start to be issued in mid-January
 - c. Guidance regarding the return of premium can be found in MOM 365 – Risk Financing & Related Insurance Issues, section VII – Policy Holder Dividends
- ii. Mariann Huso
 - 1. System modification included creating the CActuals Ledger (among other ledgers), new calendars and new GL business unit: 62030
 - 2. IU journals will not change: continue to use 61030
 - a. 62030 cannot be used for IJUs (an error message will generate if 62030 is selected)
 - 3. Testing: ensuring processes work for State Fund and do not affect any other agencies
 - 4. Soft close
 - a. Close will be Jan 21st, about 2pm
 - i. SABHRS Financials will be down for everyone
 - b. Needed to determine beginning balances for the new ledger/business unit
 - c. All IJUs with BU 61030 must be completed
 - 5. Changes for agencies
 - a. In certain lookups, expect to see new ledgers – also possibly in reports and queries (not for transactions)
 - b. SABHRS Data Mine: due to the volume of changes and risk to other agencies, Data Mine will not return any information for BU 62030
- iii. Any questions can be directed to [Rene](#) or [Mariann](#)

VI. Local Government Services Updates – Kim Smith (interim bureau chief)

- a. Audit requirements for local governments
 - i. State Single Audit act: 2-7-5xx, MCA
 - ii. All local governments must submit annual financial reports
 - iii. Governments receiving > \$500k/year must be audited
 - iv. Disciplinary actions
 - 1. Failure to file an annual report can result in withholding of funding
 - 2. If a government is audited and there are audit findings, the government is required to prepare and implement a corrective action plan
 - a. Non-implementation of the plan can result in withholding of funding
 - 3. Any withheld funding is released once the government comes back into compliance

4. Historically, financial assistance withholding has not been implemented by LGS, but it has been suggested recently
5. LGS is in the process of determining what qualifies as financial assistance and could be withheld
6. LGS will recommend withholding, but the decision would be made at a much higher level

b. LGSB Local Government Portal

- i. Just last month LGS went live with a portal for governments to submit the financial reports and for the public to access such reports
 1. Also available for viewing is audit and budget information, along with a report of delinquent filings
- ii. Only 2015 is currently available; prior years will be uploaded at a future date
- iii. Grant criteria
 1. Some agencies are using this data to determine grants should be issued to local governments, local government financial reporting compliance is considered
 2. For any agencies using portal data in such a matter, please contact [Kim](#)

VII. Board of Investments – Julie Feldman

a. STIP Developments

- i. There have been significant changes in the past few months and there are still more to come
- ii. Over \$2.5B is managed in STIP
- iii. 500 separate STIP accounts; ~330 for state agencies (remainder is local governments)
- iv. STIP allows state agencies and local governments to invest with high liquidity
- v. [STIP Web Portal](#): launched in Feb 2015 to allow agencies to submit electronic requests for buying and selling STIP
 1. The benefits include:
 - a. A substantial decrease of processing time
 - b. Immediate notification of unavailable funds
 - c. Real-time balance detail
 - d. The ability to download information
 - e. The ability to future-date transactions
 2. All transactions submitted by 2pm are effective the next business day (or the business day specified); transactions submitted after 2pm are not effective until the second business day
- vi. STIP Reserve
 1. Purpose: offset possible losses or market fluctuations
 2. It is built in meet the requirements of the board and is for the benefit of State agencies
 3. Income is earned daily
 4. Distributions are made monthly, net of fees, amortization, and STIP reserve expense; distributions can be reinvested
 5. The current reserve is \$30M, which is > 1% of the total STIP portfolio

b. New GASB Standards

- i. STIP investments can be reported on a net asset value (NAV) basis or amortized cost basis
- ii. Through FY15 it has been reported on an amortized cost basis
- iii. If continued, the maturity schedules and yields that are paid to agencies would fall
- iv. Beginning in October 2015 BOI has used the NAV basis
- v. The changes affect financial reporting only and do not affect operations

1. Agency financials: any wording or references to “money market fund” or “2a7-like pool” will need to be removed
2. Appreciation/depreciation will now be reported and is recorded in account 1636
- c. Unaudited STIP financial statements are available online: investmentmt.com/
- d. Resolution: effective for local governments only
- e. Cash Management
 - i. Current MOM policy requires agencies to inform the Treasury of any large incoming wires
 - ii. BOI is asking for direct notification for any large transactions
 1. Expecting “large” to be \$10M to \$25M as the amount, but working with investment staff to determine the final amount, which will be added to MOM policy)
 2. BOI would like to know ASAP (up to two months in advance), but at least several days in advance
 - iii. Advanced knowledge allows the investment staff to make better management and investment of the STIP for better returns

VIII. 1099 Reporting Season – Neil Fryer

- a. Deadline is January 15
- b. The [2015 training slides](#) are on the [Documentation & Training webpage](#)
- c. The 2016 process will be headed-up by [Dulcie McNulty](#) and [Jamie Wattnem](#); please contact either one with questions
- d. Training will be updated as deemed necessary
- e. Per MOM 325 – Cash Accounting (section IV, part C) please notify the treasury unit, by 3pm of the prior business day, for any sizable:
 - i. AR: Incoming EFTs or wires (over \$100k)
 - ii. AP: Outgoing ACH, warrants or wires (over \$10M)

IX. Agency Participation – Kristin Reynolds

- a. Survey
 - i. Topics:
 1. Customer service satisfaction
 2. Training needs
 - ii. Delivery: plan to send (by email) by month-end
- b. MOM Policy revisions
 - i. These are taking place over the next several months
 - ii. Agency comments and suggestions have been complied and will be considered in the revisions
 - iii. Agency volunteers requested to collaborate with SFSD to make the policies more user-friendly
 1. Specific policies:
 - a. MOM 371 – CAFR Procedures
 - b. MOM 375 – Fiscal Year-end Procedures
 2. Interested parties, please contact [Kristin](#)



Q: What is new with STIP? Web technology now enables STIP users to get into their STIP account, schedule a transaction, and download sales, purchases, and balances

Q: Is it completely web-based? Yes, there no need to send paper or facsimiles to the Board or communicate with Board staff. In fact, STIP is now exclusively web-based at:

<https://www.your-fundaccount.com/Montana/Login.aspx>

Q: Can I access from devices such as a smart phone? Yes! Any device that gets you onto the web and can interface with STIP's secure system will gain you access.

Q: When did STIP Portal take place? The new STIP portal has been up and running since February 2015. Since the web portal went live the Board has processed over 814 transactions for 164 local government entities (over \$800 M) through August 31st, 2015.

Q: What is the deadline for trades? Trades made by 2:00 pm each business day (trade date) effective the next business day (settlement date).

Q: How is STIP value reported? Beginning in FY16, the Board will account and report in its financial statement STIP investments on a Net Asset Value (NAV) basis. NAV per share of a STIP unit will be shown monthly on our webpage beginning in October 2015.* This will also impact participant financial statement reporting. STIP will continue to be transacted on a dollar in/dollar out basis.

Q: What are some advantages that participants have seen with the new STIP Portal? Saves time and paper! The portal also gives participants the ability to verify transactions in real time. The portal also provides security and increased internal controls.

Q: Will there be STIP participation requirement changes? Yes, by January 1, 2016*, all users existing and new will need to have their governing boards identify through a resolution their bank, account numbers, and authorized officials who can make STIP transactions. Additionally, users will need to acknowledge some basics about STIP. The Board will be confirming this information every year to each STIP participant to maintain accuracy.

Q: How does this increase accountability? For both the user's protection and the Board's, we want to ensure that the appropriate officials authorize the bank accounts and the representative(s) managing STIP investments.

Q: Who may I call if I have questions? Feel free to call **April Madden, STIP Program Manager, 444-0003** or **David Ewer, Executive Director, 444-1285**.

*Change to NAV/resolution requirement subject to Board approval during the October 2015 meeting.

	Montana Operations Manual Policy	Category	Procurement/Surplus Property
		Effective Date	10/01/2012
		Last Revised	<u>1108/1725/2015</u>
Issuing Authority	Department of Administration General Services Division <u>State Financial Services Division</u>		
Procurement Card Program			

I. Purpose

The purpose of this policy is to establish the requirements for obtaining and using a procurement card, provide an efficient, cost-effective method of procuring and paying for State supplies, services, and travel; and reduce petty cash requests, travel advances, out-of-pocket travel expenses, and reduce the number of State warrants issued.

II. Scope

This policy applies to state employees that have been granted access to a state procurement card.

III. Policy Procedures and Requirements

A. Obtaining a Card

Cards will be issued to an employee as authorized by their supervisor. Employees must complete and sign the New Account Information Record found at <http://emacs.mt.gov/CreditCardPrograms>. The spending limit is set at a default amount of \$5,000.00 per month, which must be approved by the employee's supervisor. Any changes in the spending limit must also be approved by the supervisor.

An employee must read and sign the Employee Agreement Form at <http://emacs.mt.gov/CreditCardPrograms> before they receive their card, indicating that they will adhere to the policy requirements.

The Employee Agreement and New Account Information Record must be signed by the supervisor and submitted to the Agency Coordinator.

B. Card Usage

Although the card is issued in the individual's name, **it is the property of the State, and can only be used for State of Montana purchases.** The employee

must sign the back of the card, and is responsible for the card's security and the transactions made with the card.

The card can be used at any vendor or merchant who accepts Visa, and is in an approved Merchant Category Code. Card charges may be audited and/or cancelled at any time.

C. Denials

If a transaction is denied, the employee should contact US Bank Customer Service using the toll-free number on the back of the card. The merchant's name, the date, dollar amount, and approximate time of the attempted purchase should be provided to the bank. US Bank will investigate the denial, and provide a report to the employee, or the Agency Coordinator.

Various Merchant Category Codes such as jewelry stores and pawn shops have been blocked from use. If an employee presents a card to any of these vendors, the transaction will be denied.

D. Receipts and Approval

The cardholder is responsible for obtaining a receipt for each transaction. ~~Receipts must be attached to the monthly statement.~~ If a receipt was not received or is missing, a Procurement Card Missing Receipt form must be completed and submitted to the agency's accounting office. Cardholders are encouraged to access the online banking system to review their credit card transactions. Receipts must be approved by the supervisor. Approval options include signing the receipt, signing the monthly statement or online banking transaction report with the attached receipts, or using an agency form to log, attach, and approve receipts. All receipts must be submitted to the agency's accounting office. At the agency's discretion, personal meals may be charged only while in approved travel status, and a copy of the receipt must be attached to the travel voucher. ~~The employee is responsible for obtaining a receipt for all transactions. Receipts must be attached to the monthly statement. In the event that there is not a receipt, a Procurement Card Missing Receipt form must be completed and submitted with the employee's monthly card statement. Personal meals may only be charged while in approved travel status and the receipt must be attached to the travel voucher.~~

E. Reconciliation and Payment

Each agency is responsible for reconciling their cardholders' transactions in the State's financial system. Statements will be paid by the State of Montana. Documentation must be filed and retained according to the agency's policies and procedures. ~~Monthly statements will be mailed to the employee at the address identified on the New Account Information Record form. The monthly statement identifies all card transactions during the previous billing cycle. The employee must verify all transactions, and sign and date the statement. The employee's supervisor must review and approve all transactions, and sign the statement before forwarding to the agency's accounting office. Statements will be paid by the State of Montana. Statements must be filed and retained according to the~~

~~agency's policies and procedures.~~

F. Billing Disputes

If an item on a statement is not approved by the employee (e.g., employee did not make the transaction, incorrect amount, etc.), the employee must contact the vendor to resolve the error. If the vendor agrees that an error has been made, the account will be credited. The disputed transaction should be identified on the statement as a reminder that the item is pending resolution.

If the vendor does not agree that an error has been made, the employee or Agency Coordinator must contact US Bank and identify the disputed charge. A disputed transaction **must be identified and submitted to US Bank using the Cardholder Dispute Form (attached), within 60 days of the transaction date.**

The amount due on the next monthly statement will be reduced by the amount of the disputed item until the transaction dispute is resolved. If a dispute is not submitted in writing to US Bank within 60 days of the transaction date, the agency is responsible for resolving the dispute with the vendor or paying for the disputed item.

G. Lost or Stolen Cards

US Bank must be notified immediately if a card is lost or stolen.

IV. Enforcement

Each agency is responsible for policy enforcement. Consequences for violations of this policy include, but are not limited to, cancellation of Procurement Card privileges, reimbursement for any improper use, disciplinary action up to and including termination, and possible criminal charges.

V. Definitions

- Agency Coordinator: Agency employee who manages the procurement card on behalf of an agency or a division.
- Merchant Category Code: A four-digit number used by the bankcard industry to classify suppliers into market segments.
- Procurement Card: Credit card utilized to purchase supplies and services relating to government business.

VI. Closing

For questions about this policy, contact the State Procurement Bureau at:

Department of Administration
State Procurement Bureau
125 N. Roberts Street, Mitchell Building, Room 165
Helena, MT 59620-0135

Rick Dorvall, 406-444-3366
rickdorvall@mt.gov

Centralized Services Administrators Meeting

Sign In Sheet

15-Dec-15

Please Print Name

Agency	Attendee #1	Attendee #2	Attendee #3
Administration	Shirley Mathews	Cheryl Grey	Matt Pugh
Admin-Lottery			
Agriculture	Libbi Lovshin	Mary Hunt	
Architecture & Eng			
Board of Housing			
Board of Investments	Jalie Feldman	Frank Cornwall	Polly Burtin
Board of Public Ed			April Madden
Bureau of Mines & Geol			
Commerce	Ben Johnson		
Commissioner of Higher Ed	Frankie Busick	Sharon Lincoln	
Corrections			
Crime Control	Cosie Young		
DNRC	Jacin Scholtz		
DPHHS	Cheryl Richman	Judy P...	
Environmental Quality	Janice Boyd	Chad...	
Fire Service Training			
FWP			
Governor's Office			
Great Falls College - MSU			
Historical Society	Dense King		
Judiciary	Becky Buska		
Justice	Christi Jacobsen	Natasha Bird	
Labor and Industry	Natalie Smitman	Kenore Haodie	
Library Commission			
Livestock			
Military Affairs			
MSU (Bozeman)			
MSU-Agra Exp Station			
MSU-Billings			
MSU-Extension Office			
MSU-Northern (Havre)			
MT Arts Council			

J. M. Khan
T. Bumble

Agency	Attendee #1	Attendee #2	Attendee #3
MT Chiropractic Legal Counsel			
MT Consensus Bureau			
Office of Public Instruction			
PERS	Holli Kochler	Barbara Quinn	
Political Practices			
Public Service Commission			
Revenue	Steve Austuri	Tracy Inorano	Carol Schuster
Schl Deaf and Blind			
Secretary of State	Branci Pasi		
State Auditor	Staci Litschauer		
State Fund	Russ Martello	Rachel Peterson	John Conover
State Public Defender			
Teacher's Retirement	Nolan B...		
Transportation	Jason Quinn	DAVE HAMER	
UM - MT Tech (Butte)			
UM-Forestry/Consrv Exp			
UM-Helena VoTech			
UM-Missoula			
UM-Western (Dillon)			

Council House

SS now