

FINANCIAL MANAGEMENT ADVISORY COMMITTEE MINUTES

September 2, 2009

The Financial Management Advisory Committee met on Wednesday, September 2, 2009.

The following were in attendance:

<u>NAME</u>	<u>DEPARTMENT/DIVISION</u>
Jennifer Hall	OA – Accounting
Renee Godsey	DHSS
Mike Clark	DMH
Lenard Lenger	DOC
Helen Zimmerman	House Appropriations
Dan Redel	PSC
Mike Hancock	OSCA
Audrey Cunningham	DOLIR
Kathy Wehmeyer	DOLIR
Rebecca Imhoff	DOR
Diane Kemna	DPS – MVC
Kevin Onstott	DPS-MVC
Judy Gehrke	DED
Sandy Sebastian	DIFP-PR
Sherry Hess	DIFP-PR
Diane Riddle	MGC
Cindi Voss	Conservation
Cindy Luebbering	DNR
Andrea Beck	DESE
Robin Burkhart	DESE
Carol Newguard	SAO
Peggy Schler	SAO
Doug Porting	SAO
Arlene Boessen	AGO
Shirley Gerling	DIFP-Insurance
Sarah Clardy	DESE-VR
Nicole Hackmann	STO
Carol Willhite	DPS
Cindy Dixon	OA-Fleet Management
Theresa McDonald	DSS
Mark Kaiser	OA-Accounting
Stacy Neal	OA-Accounting
Tom Veasman	MODOT
Marianne Mills	OA-B&P
Marty Drewel	OA-B&P
Kim Sandbothe	DIFP-Finance

Presentations:

Cindy Dixon, O.A. Fleet Management:

Cindy Dixon, State Fleet Manager, presented information regarding the new Fleet Credit Card.

Ms. Dixon reported the fleet contract was awarded a month ago to Wright Express and Fleet Management is currently in the preliminary stages of implementation.

There will be a few agencies such as Office of Administration, Department of Natural Resources, and Department of Conservation that will be working as pilot agencies.

There will be approximately the same number of fueling locations. Employees should not be impacted with this change.

Features of the card:

- 1 to 3 cent discount at approximately 270 stations that will be applied directly to the invoices.
- An online system will be available with several features including Account Management and Reporting Systems.
- Fleet Card can be used for maintenance.
- Wex Pay Program available – similar to a MasterCard for maintenance purchases. Agencies will have to decide if they want to make this feature available to employees.
- More options will be available when setting up the parameters (allowable purchases) of the cards. Will be able to prohibit products categorized as general merchandise such as food purchases.
- Reporting features available that will allow for email alerts if a card goes outside of established parameters.
- Rebates calculated for each agency – 2 types (directly applied to agency account)
 - Volume rebates (payment within 30 days of invoice date)
 - Prompt pay (payment within 10 to 15 days of invoice date)
- Ability to block merchants if needed.
- Electronic Invoicing (this will be the default).

Implementation:

- Ms. Dixon recently received a list of accounts and cards from Voyager.
- Ms. Dixon will work with each fleet manager to establish the hierarchy for each agency. There can be as many billing points as needed by an agency.
- It is anticipated that vehicle data from the Fleet Management System will be utilized to establish the necessary cards for the new system rather than utilizing the Voyager system data.

Training:

- Ms. Dixon will be setting up training in mid to late September. There will be a web-based training site established to provide training as well.

Ms. Dixon will be working on basic account setup and will be evaluating what data points we want to collect.

The Voyager contract has been extended to December 31 and is not anticipated to be extended past that date.

Jeff Schaeperkoetter, Executive Director, O.A. FMDC – Governor’s Executive Order on Energy Reduction
Jeff Schaeperkoetter, Executive Director of Facilities Management, presented information regarding Executive Order 09-18. <http://governor.mo.gov/orders/2009/09-18.htm>

Mr. Schaeperkoetter explained the executive order requires all state agencies whose building management falls under the direction of the Office of Administration to work with Office of Administration to reduce energy consumption by two percent per year for each of the next 10 years. This does include lease facilities also. If anyone has any suggestions on how to achieve efficiencies, please contact Facilities Management. There are plans to have a Coordinator in each building to assist with this process.

Status Reports:

Budget and Planning

Marty Drewel reported state revenues were down by 4.1% in August. Overall revenues are down 5.6% from last year.

On a positive note, Missouri’s overall condition is much better than the rest of the country.

They are anticipating a continued decline in revenue through December and hope to see a gradual increase to begin in January.

It is possible that instead of a 1% growth there might be a 1% decline.

Mr. Drewel reported they are anticipating a \$400 million shortfall. Withholdings might be a possibility but this has not been decided yet. They will need to have a couple more months of collections in before any decision is made.

In Mid-August, there will be additional reports relating to core reviews.

Stimulus Funds in HB 21 can be re-appropriated if needed. A form has been developed for re-appropriations. This form will be given to the House and Senate. It will be determined closer to January which items will need to be re-appropriated.

New Stimulus Requests will require a new decision item form to be completed. This form will need to be submitted to Budget and Planning and the Transform Missouri team. It is to be treated like a supplemental request.

A question was asked regarding stabilization requests. If it is a one-time amount, request it again and an offset recommendation is needed. If it is an ongoing amount, request it through the normal process.

Accounting:

Mark Kaiser reported there is an issue with the federal debt offsets. OA is currently working to resolve this issue. If you have had any federal debt offsets hit your funds, please send an email to Vandee DeVore and Mark Kaiser detailing the offset.

The question was raised how far an agency should go back. Mr. Kaiser responded send him anything you have been hit for.

Stacy Neal provided an overview of the following memos:

- 07/09/09 - Clarification on Sub-object for Federal Budget Stabilization Funds
- 06/29/09 - SAM II Tracking of ARRA Expenditures - Part II
- 06/22/09 - FY2009 Corrections for Stimulus Payroll
- 06/17/09 - EBA General Instructions

Purchasing

Jim Miluski reported if you have any ERRA or Stimulus purchases to let them know. The stimulus monies have federal reporting requirements.

Mr. Miluski also reported it is anticipated that the federal program for E-Verify will be effective 09-08-09. Canadian companies will not be able to e-verify due to federal guidelines.

Mr. Miluski reported that new Delegation of Authorities would be coming. He is considering increasing an agency's local purchase authority above \$25,000. The agencies would be required to advertise anything above \$25,000. If advertising is not completed for purchases over \$25,000, it will be considered an illegal procurement. The additional authority would be for only those agencies that wanted it.

State Treasurer's Office

Nicole Hackmann reported the RFP for depository functions is closed and they had three bids. They anticipate a January 1st effective date.

State Auditor's Office:

Doug Porting reported the following:

CAFR and SINGLE AUDIT:

We have audit teams in 14 agencies and have 5 or 6 more to start in the next few weeks.

ARRA:

There are a handful of ARRA programs that expended monies during FY09 that will be part of the FY09 Single Audit and be looked at closely. For all other ARRA programs that did not spend monies in FY09 but expect to in FY10, the audit crews will be asking some questions this fall for planning purposes for the FY10 Single Audit. We will be inquiring about the amount of expected ARRA expenditures by program for FY10 as well as inquiring about the risk assessment process agencies have used to review ARRA programs to identify where potential noncompliance could occur (both at the agency level and at the subrecipient/vendor level) and developing methods to address those risks. Due to the heightened bar of transparency and accountability in the ARRA Act, this would include controls to ensure ARRA money is separately tracked, reported and accounted for, as well as controls put in place to ensure proper monitoring of vendors and subrecipients to ensure they are complying with all requirements and that expenditures incurred are for valid purposes per the programs guidelines.

We also have a separate audit crew beginning work to review the overall centralized reporting process being developed to comply with the ARRA Section 1512 quarterly reporting requirements. They will be contacting many of the agencies shortly that will have to report programs on the upcoming October 1, 2009 deadline. We will be looking at the processes developed at the agency level to gather the required data elements, as well as the processes to provide data validation to ensure that the information reported is complete and accurate and to guard against any double-reporting.

A word of caution regarding ARRA funds subgranted to local entities such as smaller counties or cities is to ensure that the ARRA requirements have been clearly communicated to them, as well as information that will be required of them to meet the 1512 reporting. Many of the local entities have staff that are much less experienced in dealing with federal monies and the compliance requirements that go along with that, much less the additional requirements now being imposed by ARRA. Don't assume that including an extra paragraph or two in a contract or grant document boilerplate will be enough to ensure they actually understand what they need to do and are responsible for. We encourage a clear, ongoing dialogue with such entities to ensure the state as a whole handles this money properly.

FMAC Sub-Committee:

Diane Riddle reported the FMAC sub-committee met and discussed the mission and vision of FMAC. Once this is determined, our goal is to revamp the FMAC website to include the mission, current members, and past chairs. Currently, the only items listed on the site are meeting dates and minutes. It was determined that a mission needs to be defined for FMAC. The sub-committee would continue to work on this.

It was determined each department and Type III agency would have 2 representatives for FMAC with additional individuals interested in FMAC be included as a “cc” on emails and correspondence.

FMAC also posed the question to Budget and Planning if it would be possible to review and possibly revise the budget forms to better accommodate the needs of everyone involved. Budget and Planning said they were open to suggestions. The last revision to the forms was in 2006. Any recommendations for change would have to be reviewed and approved by OA. If anyone has any suggestions or comments regarding the budget forms, please email Andrea Beck and she will coordinate with Budget and Planning. Her e-mail address is Andrea.Beck@dese.mo.gov

The sub-committee will continue to meet to discuss FMAC’s mission and focus.

Other:

Mark Kaiser requested the FMAC committee assist in reviewing the statewide policies. A list was sent around requesting sub-committee volunteers for the statewide travel policy. Any recommendations for change would have to be reviewed and approved by the Commissioner of O.A. The following are those who volunteered to serve on the Travel Sub-committee:

- Renee Godsey, Chair
- Mike Clark
- Lenard Lenger
- Becky Imhoff
- Andrea Beck
- Robin Burkhart
- Shirley Gerling
- Cindy Luebbering
- Theresa McDonald
- Carol Willhite
- Sherry Hess
- Judy Gehrke

Renee Godsey has agreed to Chair and will be contacting those on the sub-committee.

Next Meeting:

Wednesday, November 4, 2009

8:30 a.m. – 10:00 a.m.

Room 500 Harry S. Truman Office Building