

2015

State of
Oklahoma

STATEWIDE ACCOUNTING MANUAL



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HOW TO USE THE MANUAL

This document is published by the Division of Central Accounting and Reporting and the Division of the Budget in the Office of Management and Enterprise Services (OMES) pursuant to the Budget Law of 1947, [Title 62](#) of the Oklahoma Statutes, which requires the Director of OMES to prescribe all forms, systems and procedures for administering accounting for the departments and establishments of state government. Its purpose is to inform state officers and employees responsible for the receipt and disbursement of public monies of the principal laws governing the state's fiscal operations. It is further designed to assist and instruct such persons in the necessary procedures to be followed in the course of budgeting and expending amounts through OMES.

This manual is available in two forms:

1. Web pages on the State Comptroller's website. This version of the manual will be updated for any procedure changes as they occur, but it is not easily printable.
2. PDF version – The document in its entirety can be printed. However, this document will not be updated more frequently than annually and any changes in procedures during the year will not be reflected. Agencies are notified of procedure changes in the DCAR newsletter.

Gaining Access to the State Accounting System

The state has established a statewide system referred to as the State Accounting System that must be used by all state agencies to record their official financial transactions. A limited number of agencies which are public authorities created under [Title 60](#) are exempt from using the State Accounting System.

Access to the State Accounting System is necessary for performing many of the functions described in this manual. To request access to the system, submit one or more of the Business Application Services (CORE) Security Forms from the OMES CIO website at:

[http://ok.gov/OSF/Forms/Business_Application_Services_\(CORE\)_Security_Forms/index.html](http://ok.gov/OSF/Forms/Business_Application_Services_(CORE)_Security_Forms/index.html). Forms must be completed and signed by the person requesting access, approved by the individual's manager and signed by the authorized Agency Security Representative. To designate an authorized Agency Security Representative use OMES Form 300. Users are required to attend training classes before using the system.

Training manuals and schedules can be found on the OMES/CIO Business Application Services (CORE) Financials website located at:

http://www.ok.gov/cio/Customer_Portal/Business_Application_Services_Essentials/Financials/

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When requesting information or assistance from the Office of Management and Enterprise Services, it is suggested the request be directed to the Director of the appropriate Division, or to the supervisor of the appropriate section within the Division concerned. Contact information for Divisions or functional areas relevant to this manual is listed below:

Division/Section	Director/Supervisor	Contact Information
Administration	Preston Doerflinger	405.521.2141
Central Accounting and Reporting	Lynne Bajema	405.521.6162
State Comptroller	Lynne Bajema	405.521.6162
Accounting and Reporting	Jennie Pratt	405.521.6160
Transaction Processing	Steve Wilson	405.521.4679
Financial Reporting	Matt Clarkson	405.521.2759
Agency Business Services	Steven Hawkins	405.521.4249
OMES Finance Support	Kelly Wilson Cathy Menefee	405.522.1160 405.521.6584
Vendor Registration	Vicky Baker	405.522.3093
Budget and Policy	Brandy Manek	405.521.3786
State Budget Director	Jill Geiger	405.521.6176
Human Capital Management	Lucinda Meltabarger	405.521.3928
Payroll	Ron Wilson	405.522.0422
Training	Lisa Fortier	405.521.6345
Benefits	Jimmy Trotter	405.522.1180
Employees Group Insurance	Frank Wilson	405.717.8828
Performance and Efficiency	Carol McFarland	405.521.6150
Information Services	Bo Reese	405.522.6175
Public Affairs/Communications	John Estus	405.521.3097
Central Purchasing	Ferris Barger	405.521.2115
Capital Assets Management	Dan Ross	405.521.6370

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A description of only the Divisions and functional areas that will be relevant to users of this manual follows.

Administration

- Policy Making
- Governmental Relations
- Public Information

Central Accounting and Reporting

Comptroller

- Manage and direct operations of the Division of Central Accounting and Reporting.
- Issue procedure updates and announcements to state agencies on a regular basis.

Accounting and Reporting

- Establish and classify State Treasury Class Fundings as provided by statute, and accounts necessary for efficient accounting and budgeting practices.
- Maintain the necessary financial ledgers of the state government.
- Classify distribution of all taxes, fees, and other receipts to Treasury Class Fundings.
- Allocate state revenue to satisfy appropriations made from the General Revenue Fund or any Special Fund of the state according to the provisions of the Constitution.
- Maintain all accounts and records necessary for proper reporting of wages to various payroll related entities such as the Federal Social Security Administration for the various agencies of state government.
- Maintain a reconciliation of cash balances between the records of the Office of Management and Enterprise Services and records of the State Treasury.
- Effect the statutory cancellation of outstanding warrants, and lapsing of appropriated class fundings as provided by law.
- Process Agency Special Account (ASA) class funding and Agency Clearing Account (ACA) class funding reports.
- Prepare US Treasury and State agreement for CMIA and other required reports.
- Establish accounting procedures for payroll transactions to ensure compliance with state and federal requirements.
- Tax reporting for employer/employee taxes and vendor payments.

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- Convert statewide assets to State Accounting System.

Transaction Processing

- Audit and otherwise process Miscellaneous Claim Vouchers submitted to the Office of Management and Enterprise Services.
- Audit and otherwise process payroll vouchers submitted to the Office of Management and Enterprise Services.
- Render all necessary assistance to state agencies in reconciling their expenditures with the records of the Office of Management and Enterprise Services, including processing expenditure corrections.
- Instruct and provide all necessary assistance to any individual or agency in procedures to affect the payment of vouchers through the Office of Management and Enterprise Services, including the classification of expenditures.
- Upon request, effect the cancellation of miscellaneous state warrants issued against Treasury Class Fundings.
- Effect the replacement of statutory canceled or lost warrants.
- Track state agency sole-source contracting and generate reports to the legislature and other interested parties.
- Provide training on the State Accounting System Direct System and EDT submissions.
- Assist in maintenance of the OMES Procedures Manual.
- Process OMES Form 90's - System Authorization Requests, for access to performing various processes through the EDT systems.
- Operate the post audit quality assurance program for vouchers processed through the Office of Management and Enterprise Services.
- Maintain storage of all vouchers, under the control of the Office of Management and Enterprise Services.
- Provide copies of vouchers and other documents as required.

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Financial Reporting

- Develop GAAP conversion packages for use by state agency fiscal personnel to convert cash basis of accounting to accrual; provide training and support to same in use of these closing packages.
- Gather and compile accounting data and statistical information into appropriate format for publication of the state of Oklahoma Comprehensive Annual Financial Report (CAFR).
- Maintain current awareness of generally accepted accounting principles and all requirements of authoritative standard setting bodies for government entities; work to institute these principles throughout state government, providing assistance to state agencies as necessary.
- Gather and compile accounting data and statistical information into a condensed Popular Report.
- Upon request by state agencies, perform research and provide guidance concerning the proper treatment of various transactions in light of Internal Revenue Service codes.
- At the conclusion of each fiscal year, compile data into Schedule II, "Summary of Revenue Collections & Transfers to Treasury Class Fundings by Source & Class Funding" (by fiscal year) and Schedule III, "Summary of Expenditures Made through Treasury Funds by State Agencies" (by fiscal year) for publication in the Executive Budget Book.
- Perform special projects as required.

Agency Business Services (ABS)

- Provide accounts payable, billing and accounts receivable, reconciliation, and budget services for state agencies on a contract basis.
- Provide accounts payable, billing, accounts receivable, and reconciliation services for all Divisions of OMES.
- Evaluate all executive branch agencies for the cost effectiveness of administering financial transactions. Contract with the lowest performing agencies to convert financial transactions to a shared services model.

OMES Finance Support

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- Prepare the budget for OMES and monitor and report budget activity throughout the year.
- Ensure that agreements between IS and state agencies are consistent in methodology.
- Facilitate billings to agencies and payments to vendors.
- Provide information and support for development of rate structure for services provided by OMES.
- Coordinate and compile the Statewide Cost Allocation Plan (SWCAP) on an annual basis; negotiate same with federal cognizant agency; serve as liaison between state agencies and the federal government regarding SWCAP and state agency indirect cost recovery efforts; provide technical expertise as requested by state agencies in SWCAP and indirect cost work.

Vendor Registration

- Manage the State's vendor file, including obtaining banking information from vendors.
- Convert higher education vendor files to the State's vendor file.

Budget and Policy

- Issue annual budget work program instructions.
- Review and approval of Budget Work Programs.
- Allotment of appropriated class fundings.
- Compilation and distribution of OMES Funding Book to state agencies.
- Review of requests for transfer of allotments and/or appropriations.
- Assist state agencies with preparation of Budget Work Programs and Budget Requests.
- Assist in the development of Cabinet Budget Requests to the Governor.
- Assist in the development of the Governor's budget recommendations to the Legislature.
- Prepare the annual Executive Budget documents.
- Draft legislation to implement the Governor's recommendations.
- Provide assistance upon request to legislative committees, subcommittees, members and staff.
- Review and report legislative action affecting the state budget.
- Field surveys and studies relating to the operations of government; statistical research and analysis; and budgetary planning. Maintain relationships with certain national associations regarding the state's fiscal condition.

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- Develop and distribute budget-to-actual expenditure, revenue and FTE reports.
- Prepare and publish annual report on the condition of state pension systems.
- Compile and distribute annual Fee Book (compilation of all fees charged by the state).

Human Capital Management

- Provide statewide human resources and payroll services.
- Process State payroll.
- Facilitate training for state employees.
- Contract with carriers to provide benefit plans for state employees.

Central Purchasing

- Utilize strategic sourcing best practices to leverage state spend.
- Assist state agencies by collaborating on solicitations that are in excess of \$50,000.
- Oversee the Oklahoma State Use preference program utilized to purchase goods and services from organizations that employ individuals with intellectual and developmental disabilities.
- Facilitate a streamlined procure-to pay process.
- Oversee the state purchase card program.
- Provide guidance and instruction related to contracting with the State to vendors and agencies.

This manual is divided into chapters, topics, and subtopics, in addition to a number of appendixes.

Chapters

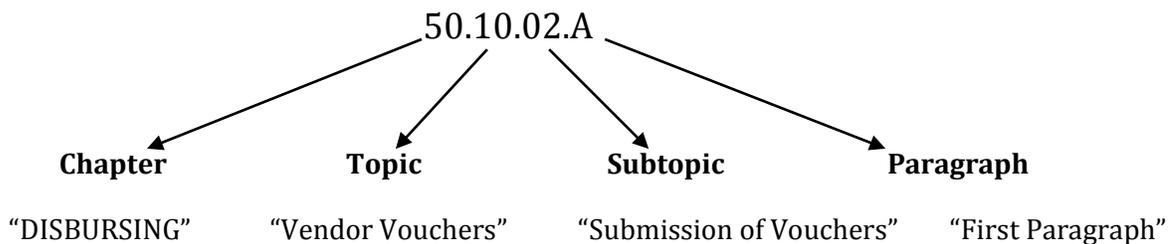
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This accounting and reporting guidance in this manual is divided into chapters according to functions performed in the accounting process as follows.

Chapter	Accounting Function
10	CODING
20	BUDGETING
30	RECEIPTING AND DEPOSITING
40	PURCHASING
50	DISBURSING
60	RECONCILING AND REPORTING
70	INTERNAL CONTROLS GUIDANCE

Each chapter is then divided into topics and subtopics. The topic sections include an overview of the topic and a listing of subtopics.

Overviews are always numbered 00 and special issues are always numbered 90 after the appropriate chapter number. The manual uses a number system consisting of a chapter number, topic number, subtopic number, and paragraph. For example:



The main table of contents is hyperlinked to each chapter. Each chapter contains a Table of Contents which is hyperlinked to each topic and subtopic in the chapter. At the bottom of each page there is a link to return to the chapter’s Table of Contents or the manual’s main Table of Contents. In addition, there are links contained within the body of the text in each chapter to forms, reports, and other relevant information.

Throughout the manual you will also find information within the chapters labeled “Points of Emphasis”. This information is highlighted to emphasize an important accounting or financial management point or practice that is of particular interest to OMES or agency financial management staff. In addition, when certain agencies are exempted from policies and procedures contained in this manual, such exceptions are noted under a subheading labeled “Specific Agency Exceptions”.

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Appendices

The appendices consist of information referenced throughout this accounting manual. Since this information may apply to more than one chapter, the information has been grouped into the following appendices:

1. Master Glossary
2. Agency Listing and Codes
3. Chart of Accounts - Revenue
4. Account Codes – Expenditure
5. Forms
6. Report Listing

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CHAPTER 10: CODING

Chapter 10 – Coding

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CHAPTER 10: CODING

10.00 Overview: Coding

To ensure all state entities are recording and reporting financial information correctly, the state has developed a coding system to be used by state entities. The accuracy of financial data is dependent upon the consistent coding of financial transactions. The coding of transactions depends on the type of fundings held by the each entity.

POINT OF EMPHASIS: All financial transactions made through OMES will be identified by required fields, consisting of twenty-nine required numerical digits, separated into six identifying units indicating agency (referred to as a business unit, BU), fund type, class funding, division/department, budget reference and account. There is one optional field with two optional digits in the sub-account field.

Business Unit	Fund Type	Class Funding	Division/Department	Budget Reference	Account	Sub-Account
AAAAA	BBBB	CCCCC	DDEEEEEE	FF	GGGGGG	HH

The required fields are the basis for the statewide comprehensive annual financial report (CAFR), therefore it is essential that all state agencies conform to these required fields and coding system.

This chapter will discuss the different types of class fundings for state entities along with detailed discussion of each of the six required fields in the twenty-nine digit numbering system.

This chapter will cover the following topics:

- 10 State Agency Required Account Code Structure
- 15 State Agency Optional Account Code Structure
- 20 State Class Fundings
- 90 Special Coding issues

The Office of the State Treasurer maintains two types of class fundings known as either treasury class fundings or depository class fundings.

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POINT OF EMPHASIS: Class fundings segregate dollar amounts similar to how business and personal checking accounts do as they maintain their own cash balance and budgets.

Treasury class fundings are those established by the Legislature, numbered for accounting purposes by the Office of Management and Enterprise Services and maintained in the state treasury to record the general operating activities of the State. These class fundings are appropriated by the Legislature and may or may not have fiscal year restrictions. Such class fundings are known as either "fiscal" or "non-fiscal" or "continuing" based on the designation of the Legislature. Upon a specified date, known as the lapse date, any available budget for a class funding is canceled, and if the class funding is designated as either "fiscal" or "non-fiscal" the residual cash balance is transferred back to the original source class funding from which the appropriation was made. While continuing class fundings usually have fiscal-type budgets which lapse in thirty months, usually in December, any residual cash balance is retained in that class funding and is available for expenditure in the next budget period. Therefore, continuing class fundings are commonly referred to as "revolving" class fundings. Treasury class fundings should be expended by EFT ([62 O.S. § 34.64.H](#)). Certain disbursements may still be made upon warrants if an exception approved by the Office of the State Treasurer (OST). If the agency has received an exemption from the State Treasurer, then amounts may be expended only upon warrants issued by OST for vouchers against the state which have been submitted to and processed by the Office of Management and Enterprise Services for payment.

State law provides the Office of Management and Enterprise Services the authority to process vouchers without agency signature in certain circumstances.

Exception processing for certain disbursing class fundings commonly known as "340 Class Fundings" does not require that claims be processed by the Office of Management and Enterprise Services. These claims are submitted directly to the Office of the State Treasurer and summarized daily transactions are submitted to the Office of Management and Enterprise Services. These class fundings are being phased out and operations will be handled in other existing class fundings.

Official depository class fundings are established in and accounted for by the Office of the State Treasurer and consist of two types: Agency Clearing Accounts (ACA) and Agency Special Account (ASA) class fundings.

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POINT OF EMPHASIS: While both of the above names contain the word “account” these are known as class fundings identified by the third field of the Account Code Structure and in the State Accounting System.

Disbursements from these class fundings should be by EFT ([62 O.S. § 34.64.H](#)). Certain disbursements may still be made upon warrants if an exemption is approved by the Office of the State Treasurer (OST). If an exemption exists, amounts may be disbursed only upon warrants issued by OST for vouchers against the state which have been submitted to and processed by the Office of Management and Enterprise Services for payment. Vouchers should be signed by authorized persons designated by the administrative authority of the agency and counter-signed by the agency's principal fiscal officer. These payments are not processed through the State Accounting System by the Office of Management and Enterprise Services. ([62 O.S. § 34.60](#)) Monthly reports of the activities of these class fundings must be filed with OMES.

Each agency is authorized to have an Agency Clearing Account (ACA) class funding in which to deposit any revenues collected by that agency on a daily basis. It is called a clearing account since all items of revenue are to be held there until such items have been honored by the paying entity (e.g., personal checks against bank accounts). Once these items have been "cleared" then the revenues are transferred for deposit to the state general revenue class funding, revolving class fundings, or depository class fundings, as provided by statute. Transfers must be made at least once each month. All refunds of any erroneous or excessive collections should be made from these class fundings.

Agency Special Accounts (ASA) class fundings can be established only with the approval of OMES and only for receipt and disbursement of monies for specific purposes as defined in state statutes. An ASA is class funding established under specific conditions for a state agency, in the official depository in the State Treasury. Disbursements from such a class funding are made on vouchers issued directly against the class funding by the agency concerned.

Some ASA or ACA class fundings have been converted to what is commonly referred to as “700 Class Fundings”. These converted depository class fundings maintain the characteristics of the traditional ASA or ACA accounts, but the transactions for the depository class fundings are processed through the State Accounting System.

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The required fields for all appropriated amounts (fiscal, non-fiscal and continuing) are established by OMES prior to the beginning of each fiscal year. These fields consist of twenty-nine required and two optional numerical digits separated into six required and one optional identifying field. The identifying fields are (see illustration under 10.00):

1. AAAAA, the specific agency (referred to as a business unit) number;
2. BBBB, the specific fund type (used at statewide level for aggregating similar activities);
3. CCCCC, the specific class funding;
4. DDEEEEE, the specific department (division and department)
5. FF, the specific Budget Reference
6. GGGGGG, the specific revenue or expenditure account
7. HH, the sub account (optional)

Note: The term "available budget" as used herein, is also identified as the allotment balance and is used interchangeably throughout this manual.

Transactions affecting the various treasury class fundings or depository class fundings are recorded as either revenues or expenditures. Revenues are coded with a mandatory six digit revenue code and an optional two digit code for individual agency designation and use, which indicates the source of revenues. There are eight major categories of revenues: 1) taxes; 2) licenses, permits and fees; 3) fines, forfeits and penalties; 4) income from money and property; 5) grants, refunds and reimbursements; 6) higher education (student fees); 7) sales and services; and, 8) non-revenue receipts.

Expenditures from treasury class fundings or depository class fundings are coded with a mandatory six digit expenditure account code and an optional two digit code for individual agency designation and use, which indicates the use of the expenditure. There are six major categories of expenditures: 1) personal services; 2) travel expense reimbursement; 3) administrative services; 4) property, furniture, equipment and related debt; 5) assistance and payments to local governments; and, 6) transfers and other disbursements.

CHAPTER 10: CODING

10.10 State Agency Required Account Code Structure

10.10.00 Overview and Subtopics Listing

A. Overview

[62 O.S. § 34.9](#) authorizes and directs the Director of the Office of Management and Enterprise Services to classify cash amounts, and to prescribe the manner of issuance of checks or warrants against each class fundings, to accomplish the purpose for which each class funding was created. All financial transactions made through OMES will be identified by required fields, consisting of twenty-nine required numerical digits, separated into six identifying fields indicating agency (referred to as a business unit, BU), fund type, class funding, division/department, budget reference, and account. There is one optional field with two optional digits for the sub-account.

SYSTEM TITLES	AAAAA	BBBB	CCCCC	DDEEEEEE	FF	GGGGGG	HH
BU	AAAAA						
FUND TYPE		BBBB					
CLASS FUNDING			CCCCC				
DIVISION/ DEPARTMENT				DDEEEEEE			
BUDGET REFERENCE					FF		
ACCOUNT						GGGGGG	
SUB-ACCOUNT							HH

The State Accounting System identifies the agency/business unit (AAAAA), fund type (BBBB), class funding (CCCCC), the division/department (DDEEEEEE), budget reference (FF), and account (GGGGGG) as the funding code. The funding code is referenced throughout this manual.

Example: A payment from the 200 class funding for in-state Mileage would include the following funding code.

09000 1000 20000 1000025 13 521110

This payment would be charged to the following budget stream:

09000 20000 10 13

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The required fields are the basis for the statewide comprehensive annual financial report (CAFR). For CAFR purposes, all treasury class fundings and depository class fundings of the state and its component units are consolidated into the fund type classifications defined by generally accepted accounting principles (GAAP) for government.

B. Subtopics Listing

- 01 Business Unit (State Agency Codes)
- 02 Fund Type
- 03 Class Funding
- 04 Division/Department
- 05 Budget Reference
- 06 Account

10.10.01 Business Unit (State Agency Codes)

The agency code consists of five digits appearing as the first field of the required fields. The first three digits of the agency code are the agency number and the last two are assigned. A three digit agency code number has been assigned to each state agency by OMES as follows:

1. Agencies which disburse amounts through OMES: ([See Appendix: Agency Listing](#))
2. Agencies which do not disburse amounts through OMES: ([See Appendix: Agency Listing](#))

10.10.02 Fund Type

A. GAAP Fund Type

The Governmental Accounting Standards Board (GASB) is the authoritative body responsible for promulgating Generally Accepted Accounting Principles GAAP for government. The GASB has determined that eleven major fund types, divided into three classifications, should be used by state governments. The fund type field is used at the statewide level for aggregating similar activities for columnar reporting. The following are the fund types utilized by the State:

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1. Governmental Funds – reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation.

The General Fund – to account for all financial resources except those required to be accounted for in another fund. The State’s general fund includes most activities of the state that provide the typical type of government services to our citizens.

Capital Projects Fund - for reporting major capital acquisitions and construction separately from ongoing operating activities. Unless there is a legal requirement, use of a capital projects fund is permitted, not required.

Permanent Funds – to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government’s programs---that is, for the benefit of the government or its citizenry.

2. Proprietary Funds– reporting focuses on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows.

Enterprise Funds – to report any activity where a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met: (a) The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (b) laws or regulations require that the activity’s cost of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than taxes or similar revenues; or (c) The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

3. Fiduciary Funds – reporting focuses on assets held in a trustee or agency capacity for others and therefore cannot be used to support the government’s own programs.

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Pension (and other employee benefit) Trust Funds – to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefits plans, or other employee benefit plans.

Agency Funds – to report resources held by the reporting government in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

4. Component Unit Funds – to report legally separate organizations that the primary government must include as part of its reporting entity for fair financial statement presentation.

Fund Type Definition Table

Fund Type	Fund Type Description
1XXX	General Fund
3XXX	Capital Projects Funds
4XXX	Permanent Funds
5XXX	Proprietary Funds
6XXX	Pension Trust Funds
7XXX	Agency Funds
8XXX	Business- Type Component Units
9XXX	Higher Education Component Units

10.10.03 Class Funding

Class Funding is the field that is used to segregate cash and budget amounts similar to how business and personal checking accounts do as they maintain their own cash balance and have their own budgets. The Treasurer maintains two types of class fundings known as either “Treasury Class

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Fundings” or official “Depository Class Fundings”. “Treasury Class Fundings” are those established by the Legislature, and are used to record the general operating activities of the State. Official “Depository Class Fundings” (or “depository accounts”) consist of two types: Agency Clearing Accounts (ACA) and Agency Special Accounts (ASA). While both names contain the word “account”, these are known as class fundings in the State Accounting System. Each agency is authorized to have a class funding in which to deposit any revenues collected by that agency on a daily basis. ASA class fundings can be established only with the approval of OMES and only for receipt and disbursement of monies for specific purposes as defined in state statutes.

Both types of class fundings are assigned a five digit class funding code which appears as the third unit of the required fields. There are nine major classifications of operating class fundings. Expenditures are recorded at the five digit class funding level, but available cash balances use a rolled up three digit class funding.

“Treasury Class Funding” Classifications

The first digit of the class funding code identifies the classification; e.g., 56701, Special Funds annually appropriated; 1XX, Other Funds annually appropriated; 2XX, 3XX, 4XX Continuing Funds. The second digit of an annually appropriated class funding refers to a specific class funding within the broader fund classification; e.g., 11X, Public Building Fund; 19X, General Revenue Fund. The third digit of an annually appropriated class funding refers to the fiscal year of the appropriation. The exceptions are the Special Cash Fund, 576 and the Constitutional Reserve Fund, 100. These class fundings do not have a fiscal year designation. The second and third digits of continuing appropriated class fundings identify the class funding within each agency.

<u>Treasury Class Funding</u>	<u>Treasury Class Funding Classification</u>
0FF00	Cash-Flow Reserve Fund
100AA	Constitutional Reserve Fund (Rainy Day Fund)
1XFAA	Other Funds Appropriated Annually by the Legislature
11FAA	Public Building Fund
12FAA	State Transportation Fund

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13FAA-18FAA	Reserved
19FAA	General Revenue Fund
2XX00	Continuing Funds - Revolving, Special Cash, Federal, etc.
290	Continuing Funds - Higher Education
295	Continuing Funds - Higher Education - Capital
3XX00	Continuing Funds - Special Disbursing Funds
39400	State Share of Payroll Funds
4XX00	Continuing Funds - primarily Federal
5XFAA	Special Funds Appropriated Annually by the Legislature
51FAA	Land Office Fund
52FAA	Workers' Compensation Fund
53FAA	Reserved
54FAA	Reserved
55FAA	Mineral Leasing Fund
56FAA	Check Label
576AA	Special Cash Fund
58FAA	Reserved
59FAA	Capital Preservation and Economic Enhancement Fund
6XX00	Land Grant Funds
7XX00	Agency Special Accounts converted to treasury class fundings
8XX00	Sinking Funds (reserved for Office of the State Treasurer and Oklahoma Development Finance Authority)
9XX00	Trust and Agency Funds
99400	Employee Share Withholding Payroll Funds

NOTE: F= Fiscal Year (last digit)
 FF= Fiscal Year (last two digits)
 AA= Appropriation number
 X= Assigned
 XX= Assigned

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Examples of the required fields are:

Business Unit	Fund Type	Class Funding	Department	Budget Reference	Description
01300	9000	29500	6200001	14	Continuing Fund 295 for Agency 01300, budgeted for FY 14, Division 62, Department 00001
04000	1000	09401	0100002	14	FY 14 Cash Flow Reserve Fund, budgeted by Agency
09000	1000	19401	8800003	14	FY 14 General Revenue budgeted by Agency 09000 for FY 14, Division 88
13100	1000	57601	9400004	14	Special Cash budgeted by agency 13100 in FY 14 for Capital Outlay, Division 94

10.10.04 Division/Department

The division/department code consists of seven numerical digits which will appear as the fourth field of the required fields. The division/department codes are assigned by OMES through the budgeting and allotment process. The purpose of the codes is to identify the division and departments within the agency's operation.

The first two digits of the code (DD), refer to the division for which the monies were budgeted (whether operating or capital). The next five digits (EEEEEE) refer to the department.

Requests for new division/departments are submitted to the OMES Budget Division ([See Chapter 20](#)).

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10.10.05 Budget Reference

The budget reference is used to identify and control activity within treasury class fundings which have been established for the operation of a state agency. The budget reference consists of two digits which will appear as the fifth field of the required fields. Except for payroll state shares and employee withholding accounts the budget reference codes are assigned by OMES through the budgeting and allotment process. The purpose of the codes is to identify the fiscal year within the agency's operation. The budget reference (FF) refers to the fiscal year. For example, 09 for 2009, 10 for 2010.

10.10.06 Accounts (General Ledger Accounts)

A. Assets

Asset accounts begin with a '1'. The transactions that are posted in the asset accounts are generally created by another process in the system. An example would be the accounts receivable deposit. Agencies do not typically code asset accounts on any transactions.

B. Liabilities

Liability accounts begin with a '2'. The transactions that are posted in the liability accounts are generally created by another process in the system. An example would be an accounts payable voucher or payment.

C. Fund Balance

Fund Balances begin with a '3'. Transactions to Fund Balance are created by system processes or year-end financial adjustments.

D. Revenue Accounts

When money is recorded into a treasury class funding by transfer from an official depository class funding or by direct deposit, the entry must show the source or sources of revenue using a six digit account (revenue account). An optional two digit code is available for individual agency

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designation and use. All sources of revenues to class fundings are classified into eight major categories.

<u>MAJOR CLASSIFICATION OF REVENUE</u>	<u>NUMERICAL DESIGNATION</u>
Taxes	410000 - 419999
Licenses, Permits & Fees	420000 - 429999
Fines, Forfeits & Penalties	430000 - 439999
Income from Money & Property	440000 - 449999
Grants, Refunds & Reimbursements	450000 - 459999
Higher Education (Student Fees)	460000 - 469999
Sales & Services	470000 - 479999
Non-Revenue Receipts	480000 - 489999

(See [Appendix: Revenue Codes](#) for a complete listing of revenue account codes within each major category.)

E. Expenditure Accounts

Each voucher submitted to OMES must carry a six digit expenditure account number. The account number is used to designate the type of expenditure made, such as utilities, office supplies, or salaries. The various types of expenditures have been classified into six major categories, indicated by the second digit of the six digit code.

<u>MAJOR CLASSIFICATION OF EXPENDITURE</u>	<u>NUMERICAL DESIGNATION</u>
Personal Services	510000 - 519990
Travel Expenses	520000 - 529990
Administrative Expense	530000 - 539990
Property, Furniture, Equipment & Related Debt	540000 - 549990
Assistance & Payments to Local Governments	550000 - 559990

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Transfers & Other Disbursements	560000 - 569990
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(See [Appendix: Expenditure Codes](#) for a complete listing of expenditure account codes within each major category.)

F. Other Sources & Uses

Other sources and uses are recorded in general ledger accounts that begin with a '6'. Examples include appropriated transfers in and out and miscellaneous payroll withholding accounts.

10.15 Optional Account Structure

10.15.01 Subaccount

The State Accounting System has been designed so an agency may use an optional two digit sub-account in conjunction with the six digit revenue or expenditure account code. The optional digits may be used for any purpose the agency might choose, such as identifying expenditures within an account as to project, program, division, etc.

SPECIFIC AGENCY EXCEPTION: Higher education agencies must use these two digits to identify activities for Agency Special Account (ASA) class fundings reporting. ([See section 10.90](#))

This will allow agencies to create as many as ninety-nine sub-accounts of each revenue or expenditure code for internal agency use.

10.20 State Class Fundings

10.20.00 Overview and Subtopics Listing

A. Overview

At the beginning of each fiscal year, each state agency will be assigned class funding and department numbers for the year's operations. This information will be communicated to the agency through a funding sheet. This sheet will list the class fundings and departments for each agency, except the common class fundings. Common class fundings are shared by state agencies such as 39400 State Payroll Expense Payable Fund. Most state agencies will have a treasury class funding and a depository class funding, referred to as an Agency Clearing Account (ACA) and/or an Agency Special Account (ASA) class funding. Each of these items is discussed in detail in this chapter.

B. Subtopics Listing:

- 01 Funding Sheet
- 02 Common Class Fundings
- 03 Treasury Class Fundings
- 04 Depository Accounts Class Fundings (ACA/ASA)

10.20.01 Funding Sheet

Prior to the beginning of each fiscal year, each state agency can access a funding sheet from the PeopleSoft system. The funding sheet is to be used by the agency for the ensuing fiscal year operations, and will include: authorized class funding numbers; account numbers assigned to identify line item appropriations as to purpose and amount; authorizing statutory reference for the establishment of each class funding; and the lapse date of each line item appropriation. The funding sheet will also list each agency's continuing treasury class fundings, except for those listed in [10.20.02](#)

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Common Class Fundings. Revised funding sheets will be issued if it becomes necessary to assign or re-designate a class funding or line item account.

10.20.02 Common Class Fundings

The following designated class funding numbers are common throughout the state system, regardless of agency.

Class Fundings	Description
39400	State Payroll Expense Payable - For payment of Employer's Share of Applicable Payables
49X00	Special Cash Sales Funds - Created under the provision of 74 O.S. § 62.5 for the receipt of monies from the sale of surplus property and proceeds from insurance vouchers for state property loss or casualty. The last digit of this class funding will indicate the fiscal year in which the monies were received. Example: 493-Special Cash Sales Fund established from the sale of property during FY 2013; 494-established from the sale of property during FY 2014. To be used by those agencies who do not have an unrestricted revolving class funding.
44300	Interagency Reimbursement Fund- This class funding is authorized for deposit of moneys received from an interagency contract provided the receiving agency does not have another revolving class funding available. 74 O.S. § 581
44400	Special Activities Fund - This class funding is authorized to receive transfers from Agency Special Accounts (ASA) class fundings, for the payment of travel vouchers and for transfer to the 900 or 905 Payroll Fund class funding. 62 O.S. § 34.9
45000	Master Lease Purchase Fund - This class funding is used for the higher education agencies master lease purchase program.
45200	OCIA State Facilities Revenue Bond Fund - This class funding is used by the agencies receiving proceeds from the OCIA Bonds for capital improvements. (Fund 47900 for Higher Ed)
60000	Land Grant Section 13 Fund [Higher Education agencies only] - Revenue received into this class funding is a result of income, interest, rentals and proceeds of the sale of "dedicated in lieu of" Section Thirteen lands. 70 O.S. § 3904
65000	Land Grant New College Fund [Higher Education agencies only] - Revenue received into this class funding is a result of income, interest, rentals and proceeds of the sale of Section Thirteen lands. 70 O.S. § 3904
90000	Centralized Payroll Withholding Fund- This class funding is cleared nightly from the agencies to the central class funding for disbursement.
90500	Payroll Imprest Fund – This class funding is used for Higher Education agencies payroll. Each Higher Education agency must transfer sufficient cash and allotment

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	from the appropriate treasury class fundings to the Payroll Imprest Fund class funding. 62 O.S. § 34.69
99400	State Employees Withholding Payable Fund - This class funding is used for payment of authorized employee withholdings.

10.20.03 Treasury Class Fundings

All State cash amounts must be deposited with the Office of the State Treasurer (OST) unless specific legislation allows independent bank accounts. OST maintains two types of class fundings, known as either treasury class fundings or depository class fundings.

State Agency Treasury Class Fundings:

Treasury class fundings are those established by the Legislature, numbered for accounting purposes by the Office of Management and Enterprise Services and maintained in the state treasury to record the general operating activities of the State. These class fundings may or may not have fiscal year restrictions. Such class fundings are known as either "fiscal" or "non-fiscal" or "continuing" based on the designation of the Legislature. Budgets for class fundings which are "fiscal" generally lapse in November following the year for which they were appropriated. "Non-fiscal" class funding budgets lapse on a date not to exceed thirty months from the effective date of appropriation. Upon lapse of the budget, the associated residual cash balance of "fiscal" and "non-fiscal" appropriated class fundings is returned to the source class funding by OMES. While all "continuing" class funding budgets will lapse, the cash balance is generally not transferred from the continuing class funding. Amounts from these class fundings may be disbursed only upon warrants issued by the Office of the State Treasurer (OST) for vouchers against the state which have been submitted to and processed by the Office of Management and Enterprise Services (OMES) for payment. These warrants are ultimately redeemed by OST.

Statewide Treasury Class Fundings used for Appropriations:

Treasury class fundings used for making Legislative appropriations include "revenue collection funds" that are 'Certified' by the State Board of Equalization and the Special Cash Fund.

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General Revenue Funds “estimated for the current year”, and “cash not appropriated from prior years” General Revenue Funds are considered ‘Certified’ and may be appropriated to agencies according to Legislative guidance for general agency use.

Other ‘Certified’ Revenue Funds (Public Building, CLEET, etc.) are ‘Certified’ by the State Board of Equalization, and apportioned to agencies based on statutes and Legislative guidance. These are limited for specific purposes.

Money identified by the legislature in other class fundings may be designated for transfer to the Special Cash Fund. This class funding may then be appropriated to agencies for specified purposes.

10.20.04 Depository Class Fundings (ACA/ASA)

Official depository class fundings are established and maintained by the Office of the State Treasurer. The two types of official depository class fundings are Agency Clearing Accounts (ACA) and Agency Special Accounts (ASA) class fundings.

POINT OF EMPHASIS: While both of the above names contain the word “account” these are known class fundings identified by the third field of the Account Code Structure and in the State Accounting System.

Disbursements from these class fundings are made by use of a voucher (check) signed by an authorized person designated by the administrative authority of the agency and countersigned by the agency's principal finance officer. The Office of the State Treasurer (OST) must be notified of any voucher or check written on one of these accounts at the time of issue. Alternatively, agencies may use the OST's online voucher writing system which will eliminate the need for the separate notice. Contact OST for more information. The activity of each account must be reported monthly to the Office of Management and Enterprise Services on OMES [Forms 11 and 11A](#), ([See Chapter 60](#)). Disbursements from these class fundings are not subject to pre-audit by OMES; however, the vouchers are redeemed by OST.

In order to disburse monies from ACA and ASA class fundings, agencies issue official depository vouchers but only for authorized purposes. OST shall prescribe the forms and manner for issuance

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of vouchers against official depository accounts. All vouchers drawn against these accounts must be signed by an authorized person designated to OST by the administrative authority of the agency, and counter-signed by the agency's principal fiscal officer. Voucher forms must include space for the expenditure account on their face. Such vouchers, when redeemed by the OST, shall be delivered monthly to the agency which issued the vouchers. ([62 O.S. § 34.60](#))

Institutions may break down activities within these designations on their own records, but reports filed with the Director of the Office of Management and Enterprise Services must be summarized by expenditure account and revenue account within the designations listed below. See [60.10](#) and [60.20](#), for instructions for the completion of Agency Special Account (ASA) class funding reconciliation [OMES Form 11A](#).

A. Agency Clearing Account (ACA) Class Fundings

Agency Clearing Account (ACA) class fundings are established and maintained for each agency by the Office of the State Treasurer in accordance with [62 O.S. § 34.57](#). This official depository class funding offers a means to deposit monies received by an agency. With specific authority, monies received by an agency may be deposited directly into an established treasury class funding or a depository Agency Special Account (ASA) class funding. ([62 O.S. § 34.57.D](#)) At least once each month, agencies must transfer monies deposited in their Agency Clearing Account class funding into the various treasury class fundings or depository ASA class fundings, of the state as provided by statute.

POINT OF EMPHASIS: No money shall ever be disbursed from any Agency Clearing Account class funding for any other purpose, except for refund of erroneous or excessive collections and credits and payment of sales tax to the Oklahoma Tax Commission (OTC). [62 O.S. § 34.57](#)

Authorized disbursements for Agency Clearing Accounts are:

Account Codes	Name
400000	Clearing Account (Transfer to Treasury Class Fundings using Deposit Transfers)

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400000	Clearing Account (Transfer to Agency Special Account Class Fundings using Deposit Transfers)
539110	Interagency Pmts – Admin Exp (OST Fee Charges)
553190	Refunds - Overpayment Charges
561210	Taxes Remitted to OK Tax Comm.
562120	Transfer to Treasury Class Fundings using ONUS Transfers
562130	Transfer to Agency Special Account Class Fundings using ONUS Transfers
562150	Transfer to Treasury Class Fundings using vouchers

See [60.10](#) and [60.20](#) for instructions for the completion of the required Agency Clearing Account (ACA) class funding reconciliation form - [OMES Form 11](#).

B. Agency Special Account (ASA) Class Fundings

An Agency Special Account (ASA) class funding is a class funding established under specific conditions for a state agency in the official depository in the State Treasury. Disbursements are made on vouchers issued directly against the class funding by the agency. Pursuant to the provisions of [62 O.S. § 34.56](#), this type of class funding may be established only with the approval of OMES, and only for receipt and disbursement of monies for specific purposes. Requests to OMES by a state agency for the establishment of an ASA class funding must be made on [OMES Form 18A](#).

C. Imprest Cash Fund Class Fundings

Some agencies have been authorized to have an ASA class funding to serve as an “Imprest Cash Fund” (also known as “petty cash funds”). “Imprest Cash Fund” accounts that utilize a bank checking account outside of the State Treasury must be authorized by the Office of the State Treasurer. For more information regarding “Imprest Cash Funds”, see [50.40.01](#).

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10.90 Special Coding Issues

10.90.01 Higher Education agencies– Special Requirements

The Office of Management and Enterprise Services acting in concert with the Oklahoma State Regents for Higher Education will establish Agency Special Account (ASA) class fundings as appropriate within the restrictions established by statute. Requests to OMES from institutions of higher education must have prior approval of the State Regents for Higher Education.

Higher Education agencies ASA class fundings are unique in the presentation of revenue and expenditure information. Ten activity codes are used to identify activities or facilities anillary to the operation of the Higher Education institutions. Transactions must be coded with the activity codes established.

To further define activities, two digits are placed to the right of and in conjunction with the six digit revenue code, and two digits are placed to the right of and in conjunction with the six digit expenditure code and should be *reported* in the two spaces provided for agency designation. Designation of higher education activities are:

- 01 Intercollegiate Athletics
- 02 Food Service
- 03 Student Store
- 04 Student Union
- 05 Housing
- 06 Student Loan and Scholarship Funds
- 07 Student Organizations
- 08 Fees from Employee Earnings
- 09 All Other

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10 Physician Practice Plan

Within their records, institutions of Higher Education may expand activity coding beyond the above designations, but reports filed with the Office of Management and Enterprise Services must be summarized by revenue and expenditure code within the ten designations as listed above and no others.

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CHAPTER 20: BUDGETING

20.00 Overview: Budgeting

A budget is a plan for the utilization of available resources. For our purposes, it is the planned utilization of available monies to procure those services or materials to be used in the accomplishment of assigned responsibilities, programs, goals or objectives. The State of Oklahoma's budget is prepared on a cash basis utilizing encumbrance accounting. On October 1 each year state agencies are required by law to submit a "Budget Request" detailing their financial needs for the ensuing fiscal year. Budget requests are reviewed by the Budget Division of the OMES and legislative staff. The Governor prepares and submits to the Legislature at the beginning of each annual legislative session a balanced budget based on OMES review of budget requests prepared by state agencies and subsequent recommendations by OMES, cabinet members and policy advisors. Budgeted expenditures cannot exceed the amount available for appropriation as 'certified' by the State Equalization Board unless revenue raising measures are proposed to balance the spending recommendation.

Amounts subject to appropriation by the Legislature are those class fundings which are 'certified' for appropriation by the State Equalization Board. These are appropriated by the Legislature, numbered for accounting purposes by the Office of Management and Enterprise Services and maintained in the State Treasury to record the general operating activities of the State. These class fundings may or may not have fiscal year restrictions. Appropriations are generally designated by the Legislature as being "subject" or "not subject" to fiscal year limitations, and are therefore classified by OMES as either "fiscal" or "non-fiscal" respectively. In the absence of any specific legislative guidance, OMES will interpret the appropriation to be "not subject" and therefore non-fiscal. Appropriations made for general operating expenses of a state agency are usually fiscal, whereas appropriations for capital outlay expenditures are usually non-fiscal.

The Budget Request System, Strategic Planning, and Budget Work Program Forms and Instructions can be accessed at OMES's Budget website <http://www.ok.gov/OMES/Budget/index.html>. This site also contains historical information and annual budget books.

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20.10 Budget Preparation

20.10.00 Overview and Subtopics Listing

A. Overview

The preparation and implementation of budgets follows the budget cycle for state operations. The budget cycle for state operations starts with state agencies developing a detailed outline of financial needs for the next fiscal year. This “Budget Request” is then reviewed and analyzed by the Budget Division of the OMES in light of overall state responsibilities, goals, objectives and total monies available. The Governor’s recommended budget is then developed. The Governor’s recommended budget is considered by the State Legislature which makes the final appropriation of amounts to the agencies. A state agency, based upon amounts appropriated by the Legislature and other amounts available to the agency, then develops a Budget Work Program which outlines in detail the planned expenditures for the ensuing fiscal year. Work programs are reviewed by the Budget Division of the OMES and the approved work program will serve as a basis for the subsequent allotment. The final phase of the budget cycle is the continuing review by the agency of actual expenditures against the budget work program to ensure the economy, efficiency, and goals and objectives are being attained.

This section discusses the budget cycle in three subtopics; 1) the agency budget request process, 2) the steps required for strategic planning, and 3) budget work programs.

B. Subtopics Listing

- 01 Agency Budget Request
- 02 Strategic Planning
- 03 Budget Work Programs

CHAPTER 20: BUDGETING

20.10.01 Agency Budget Request

The budget cycle starts with individual state agencies developing an outline of financial needs for the next fiscal year. This is the agency's detailed estimate of needs to accomplish assigned responsibilities during the ensuing fiscal year. ([62 O.S. § 34.36](#))

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THE BUDGET CYCLE												
STATE FISCAL YEAR IS JULY 1 - JUNE 30												
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1. Agencies review program needs and prepare Budget Requests and Strategic Plans.	July 1 - Oct 1											
2. Agencies submit Budget Requests. Strategic Plans are submitted every even numbered year.				Oct 1								
3. Office of Management and Enterprise Services reviews Budget Requests and Strategic Plans for development of the Executive Budget Book.				Oct		Jan						
4. December Equalization Board Meeting - expenditure authority is the approved basis for the Executive Budget.						Dec						
5. Submission of Executive Budget to the Legislature. Legislative session begins.								Feb				
6. Feb Equalization Board - expenditure authority is approved basis for Legislative Appropriations and Governor's action								Feb				
7. Legislature reviews agency budgets and finalizes appropriation recommendations.								Feb - May				
8. Governor's action on Appropriation Bills								Feb - Mid-June				
9. June Equalization Board Meeting - revenue and expenditure authority adjusted to incorporate statutory changes.												June
10. Budget Work Programs submitted to the Office of Management and Enterprise Services for approval by June 1 or as soon thereafter as possible.												June

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Each agency should establish a formal internal process for identifying agency budgetary needs. This process should include agency managers continually reviewing program effectiveness and identifying areas where savings can be made, and areas in need of additional resources. Budget Managers should also indicate to their agency director how much financial resources they will need to operate in the request year.

This process could begin as early as March. The internal requests should be compiled, reviewed and ready when the Budget Request system and instructions are available on the OMES website <http://www.ok.gov/OMES/Budget/index.html> in August. This will give the agency budget personnel ample time to complete the forms and gather any additional information required in the Budget Request before the submission deadline, October 1.

In August, the Budget Division of OMES issues detailed instructions to state agencies for the preparation of agency budget requests. This request, which by law must be submitted by October 1, covers a period ending almost two years into the future. Even though the appropriations for agency operations are made on an annual basis, the budget request process requires each agency to estimate needs for the upcoming fiscal year so that the cost implications of various budget proposals can be identified. It is recognized that this information will only be an estimate. However, it should be an “educated and studied best estimate.” It should be based on those responsibilities which have been assigned by statute, plus any expanded responsibilities which can reasonably be expected to be assumed, and which will require resources during the new period. The proposal should be one which can be completely justified to the Governor and the State Legislature.

The Budget Request packet requires agency personnel to complete a set of forms and respond to questions electronically. The forms are designed to display agency full-time equivalent (FTE) data and expenditures for a four year period (two years actual data; the current budget; and one year projected data) at a summary level. The forms also require detailed explanations of budget changes needed for the request year. The request covers several different subjects and may vary from year to year.

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The Budget Request is filled out and submitted electronically. Log on instructions and system requirements can be found on the OMES/BUDGET website

<http://www.ok.gov/OSF/Budget/index.html>

The Director of the Office of Management and Enterprise Services is required by law to submit to the Governor and the Legislature, no later than October 5, a complete list of all spending agencies which fail to submit budget requests by October 1.

A. Review and Analysis of Agency Budget Requests

The Director of the Office of Management and Enterprise Services is charged with the responsibility of making a complete and detailed study of the financial needs of each state agency and for preparing a State Budget under the supervision and direction of the Governor. ([62 O.S. § 34.34](#)) This study is made in light of responsibilities assigned to the agency by the State Constitution and by legislative or executive action.

An analysis is made of the sources of amounts available for use in the operation of the agency. A review is made of prior year's expenditures, with emphasis on the most recently completed fiscal year. The Budget Work Program for the current fiscal year is reviewed. Agency responsibilities are then reviewed in light of current overall State goals, objectives, and resources expected to be available during the ensuing fiscal year. To ensure a complete understanding of the agency budget needs, meetings may be conducted with the agency head and management personnel to discuss all facets of the agency's budget request. After these meetings, the Director of the Office of Management and Enterprise Services develops recommendations for review and approval by the Governor.

Also during this process, the Governor considers the various requests and recommendations and finalizes recommendations to be made to the Legislature. Meanwhile, OMES accumulates agency data into the Governor's Executive Budget documents, incorporates the Governor's budget recommendations, and prepares tentative legislation to implement this document. The sum total of the amounts recommended for appropriation to all agencies will be within the amount certified by the State Board of Equalization, plus available "cash", plus any revenue raising measures

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necessary to balance the budget proposals. ([62 O.S. § 34.37](#)) The budget document is submitted to the State Legislature at the beginning of each regular legislative session (the first Monday in February).

B. Legislative Consideration of the Executive Budget Recommendations

The Legislature appropriates monies and authorizes expenditures in support of State operations. During legislative consideration of appropriation bills, agencies may be called upon to discuss recommended appropriations in the Governor's proposals. Appropriation Committees and/or Subcommittees of the House of Representatives and the Senate usually request the appearance of agency directors to justify their requests for resources needed to operate the agency during the ensuing fiscal year. Budget analysts from OMES attend the various committee and subcommittee meetings to explain the Governor's proposals and to serve as an informational resource. When the appropriations bills have been signed into law, OMES budget analysts will again review the contents of the bills with agency personnel.

20.10.02 Strategic Planning

[62 O.S. § 45.3](#) requires that each state agency submit a new strategic plan on each even-numbered year. It is to be submitted to OMES at the same time as the estimate of funding needed (by October 1, in compliance with [62 O.S. § 34.36](#)). The plan shall cover five fiscal years, beginning with the next odd-numbered year following the submission year.

Detailed information forms, and general guidance on preparation of this document can be found at the OMES/Budget website <http://www.ok.gov/OSF/Budget/index.html> or for additional assistance contact an OMES budget analyst.

20.10.03 Budget Work Programs

Budget execution starts with the development of detailed plans to expend monies which have been appropriated or otherwise made available for the agency's operations for the ensuing fiscal year. Budget execution is accomplished under the direction and supervision of the Governor, who is

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responsible to ensure that expenditures will accomplish the intent of legislative action. Agency plans for expenditures are required to be set forth in a Budget Work Program (BWP). ([62 O.S. § 34.42](#))

Each agency should have a formalized plan for creating the BWP. The budget proposals made by agency managers will need to be adjusted based on final legislation, but an effective budget development procedure would be such that, by the time final appropriations are made, the budget demands/needs will have been accumulated and the agency director will be ready to make the necessary adjustments.

Shortly before the Legislature has completed action on the appropriation bills, the Director of the Office of Management and Enterprise Services provides each agency with detailed instructions for the submission of its BWP and will provide updates as necessary. It is important that the work program be completed and returned “on or before the first day of June in each year, or as soon thereafter as possible” ([62 O.S. § 34.42](#)) to ensure that the budget analysts in the Office of Management and Enterprise Services have enough time to review the agency’s submission, work out any problems with the agency, and set up allotments for each agency.

Agency BWPs are entered into the State system and, when approved, will provide data for the system to create the accounting lines necessary to control and/or track expenditures and revenues. This data is also used to create reports, such as budget to actual reports, which help the agency managers plan and evaluate the agency’s financial situation.

Each agency BWP must be approved by the Director of the Office of Management and Enterprise Services prior to the creation of any allotment (authority to encumber state monies), the acceptance of any encumbrance document, or the payment of any voucher against the amounts available for fiscal year operations.

A. Budget Work Program Divisions and Departments

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BWP departments are those groupings/entities by which agency expenditures will be budgeted/programmed and expended. These departments can follow organizational lines, programmatic lines, other functional lines, specific appropriated line-items, or be any combinations of these.

BWP departments are summarized or accumulated to the division level. Each budgeted division may consist of one or more departments. All agency budgets will be prepared at the department level by the agency. Department data will be summarized at the division level, and the division data will be summarized at the agency (business unit) level. All allotments will be at the division level (See chart).

Division/Department	Division/Department Description
01	Administration
0100001	Human Resources
0100002	Agency Finance
10	Monitoring Services
1000003	Water Monitoring
1000004	Soil Monitoring

The general procedure is to get the work programs to follow a program-oriented structure where specific programs have been identified, goals and objectives established and the proper feedback and evaluation mechanisms have been implemented. Budget Analysts in the Office of Management and Enterprise Services will provide direction on the subject of work program divisions and departments. It is very important that these be identified *before* developing the work program in order to ensure the most efficient use of time. Any planned changes to the current division/department structure must be submitted for approval to the OMES Budget Division.

B. Budgeting Terminology

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The budgeting codes used in Oklahoma accounting structure are discussed in detail in [Chapter 10](#) of this manual.

C. **Organizational Charts**

All agencies that file a BWP with the Director of the Office of Management and Enterprise Services “shall include a flow chart or other schematic description of the organization of such agency”. ([62 O.S. § 34.42](#)) The BWP is incomplete without a detailed organizational chart that accurately displays the organizational structure of the agency which reflects FTE information in the Budget Work Program.

D. **Budget Work Program Preparation**

1. *Operating Budget*

All operating budgets are to be prepared showing no less than quarterly estimates of expenditures. Programs being “phased in” or “phased out” during a year should be identified by the fluctuations in the quarterly estimates. As indicated earlier, all agency budgets will be prepared at the seven digit department level by the agency. All allotments will be only at the summarized two digit division level. Any other changes will be explained in the BWP instruction packet, made available to each agency in May.

2. *Revisions to Operating Budget*

Revisions to the BWP are required to ensure that the document on file with OMES properly reflects the planned utilization of amounts available to the agency. A revision should be submitted to support any substantial change in the agency’s plan of expenditure. A revision also must be submitted to support a request for the transfer of allotment or appropriation once the budget has been approved.

A revision is to be implemented by properly entering the projected changes in the budget system. The revision is reviewed by the OMES Budget Division to ensure compliance with any budgetary limitations that may apply, other legislated requirements, and sound budgetary policy, just as the initial budget submission is reviewed.

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3. *Capital Outlay*

An agency BWP may also include capital outlay expenditures. (Although most agencies do not have a Capital Outlay Budget, all agencies do have an Operating Budget.) There are two types of capital outlay that may be established in a BWP:

- a. Specific projects - A capital outlay department may be set up for the purchase of land, purchase of a building, the construction of a building, the major renovation of state property, major repairs to state property or major one-time purchases of equipment (mainframe computers, heavy machinery, and so forth).
- b. On-going nature - Only a few agencies have budgets large enough for this type. They include departments for major maintenance/renovation to property, highway construction, and the like.

Both types of capital outlay may be paid for by direct legislative appropriations or by agency-generated monies in their class fundings (where allowed by law). When covered by direct appropriations, the class funding/business unit/appropriation number ties directly to the line-item appropriation made by the legislature; the fiscal year is the year the project funding is budgeted; and the division/department denotes the project. The amount of the project will not change unless pursuant to an amendment in the appropriation language or pursuant to an approved transfer.

When the first type of capital outlay (project type) is covered by agency “continuing” class fundings, there is no line-item appropriation to tie to; the fiscal year is still the year the project funding is budgeted, and the division/department still denotes the project. The total budget for the project may change, even after the end of the fiscal year in which the project was initially budgeted, but only if the change is due to modified estimates or cost overruns/underruns, and the scope/purpose of the specific project isn’t being changed. When the second type of capital outlay (on-going) is paid from agency “continuing” appropriations, the fiscal year represents the fiscal year for which the amounts will be encumbered. For example, if an institution has a “Major Maintenance and Repair”

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department, paid from the agency revolving class funding, a budget period of “x4” indicates that the budget will be used only to pay for repair projects opened/started in FY-20x4. A budget with budget period “x5” will be established to pay for FY-20x5 repair projects, and so on. All capital outlay projects that are paid from agency continuing class fundings must meet two criteria: (1) the class funding must have statutory authority to be used for the requested purposes and (2) requested allotment must be supported by amounts available to the agency.

Capital budgets should be allotted using the following department structure:

Department Number	Department Name
9XXXXXX	Description of the capital project

The OMES Budget Division can assist you with setting up a new department for your capital outlay expenditures.

POINT OF EMPHASIS: In BOTH cases the constitutional maximum “life” of the capital outlay budget is thirty months. After that length of time, the allotment balances (available budget) and encumbrances will be canceled (lapsed).

20.20 Budget Adoption and Execution

20.20.00 Overview and Subtopics Listing

A. Overview

Budget limits can be established in the appropriations bills from the Legislature. There are three main subtopics covered in this section. The first is the appropriation approval process, which will discuss budget limits and line item appropriations. The allotments section covers the allotment request and cash disbursements to satisfy appropriation processes. The third

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subtopic addresses transfers and other amendments. This section explains the rules and process used to transfer dollars within the agency's budget.

B. Subtopics Listing:

- 01 Appropriation Approval
- 02 Allotments
- 03 Transfers and Other Amendments

20.20.01 Appropriation Approval

A. Budgetary Limitations Established in Appropriations Bills:

Should the Oklahoma Legislature determine that budget limits will be enacted state agencies that receive annual appropriations from the Legislature will be contacted during the Legislative session and during the final stages of the appropriations process to determine appropriate spending limits and language in the appropriations bill. Work programs submitted to the Director of the Office of Management and Enterprise Services must be within all of the various budgetary limits that apply before it will be approved and allotments set up. Typical limits are:

1. Full-time Equivalent Employees (FTEs): [includes permanent and temporary employees; excludes seasonal employees (those employed between May 1 and October 31, unless otherwise provided by law)]. This limit will be in the form of a number that will represent the maximum level of FTEs for any pay period. The BWP cannot exceed this number during any quarter. If the agency has an "average FTE" limit, the FTEs programmed cannot exceed the limit when averaged for the year, but may exceed the limit during any given period.

Note: One FTE is equal to 2,080 hours per fiscal year (e.g., if two employees worked a total of 3,120 hours in a given fiscal year, the "head count" would be two, but the FTE count would be one and a half FTE).

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2. Lease Purchase Agreements: [includes all programmed expenditures for lease purchase agreements (object codes beginning with 543)]
3. Program Limits (category/Division limits): Maximum budgets for identified agency programs; usually a limit on appropriated and total budget.
4. Total Expenditures for Operations: [includes all expenditures for operations] Please note that the work program does not have to equal these limits. It is not necessary to “program up to the limits,” but only to be within the limits.

B. Line-Item Appropriations:

A simple way to define the term “line-item” appropriation, as it will be discussed in reference to the BWP, would be “a specific amount of appropriated funding with a stated purpose/use”. The appropriation language will give a specific amount and will indicate which class funding/fundings are to be used. The purpose/use can be broadly defined (“to be used for operations of. . .”) or it can be very specific (“to purchase automobiles”). It is important to remember when preparing the BWP that line-item appropriations do not necessarily have a one-to-one relationship with the agency’s department structure. A line-item appropriation may be budgeted in one department or many departments as long as the stated purpose is followed.

Each line-item may only be expended for the purpose intended by the Legislature unless the purpose is subsequently changed by the Legislature, or certain amounts are transferred as discussed later in [20.20.03](#).

20.20.02 Allotments

A. Allotment Request and Cash:

Monies (General Revenue, Revolving, Federal, etc.) that are deposited with the Office of the State Treasurer (OST) to be disbursed by warrants issued by the OST are not available for contractual or expenditure purposes until they have been requested in writing by the agency and the request

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approved by the Office of Management and Enterprise Services. ([62 O.S. § 34.42 through 34.51](#)) The allotment is a budgetary control over the obligation and expenditure of cash. The approved allotment request creates “available budget” in the State Accounting System, and this available budget is the agency’s authorization to encumber and expend amounts. Regardless of the fact that available budgets are established at the beginning of the fiscal year to enable the agency to plan and encumber purchase orders, contracts, etc., the filing of vouchers against these encumbrances will not be accepted for payment unless the agency has sufficient cash on hand in the State Treasury to cover the total amount of the voucher according to law. Therefore, cash is also a budgetary control measure at the point of expenditures. Vouchers for amounts in excess of encumbrances, available budget or the cash balance will fail budget checking edits in the State Accounting System and should not be submitted for payment.

Cash to satisfy an appropriation of anticipated (certified) General Revenue Fund class funding revenues will generally be allocated to State agencies on a monthly basis at the rate of 1/12 of the total annual appropriation. [Article X § 23](#) of the Oklahoma Constitution provides that revenue accruing to the credit of the General Revenue Fund will be allocated monthly to satisfy appropriations made by the Legislature to State agencies. In the event that monthly General Revenue Fund receipts or cash in the General Revenue Fund Cash Flow Reserve Fund class funding are amounts which would not permit a cash allocation equal to 1/12 of the total monthly amount appropriated, then the allocation will be on a percentage basis, in the ratio that the General Revenue Fund appropriation for each agency bears to the total appropriations from that class funding for the fiscal year. In other words, if the state does not have enough dollars in the General Revenue Fund class funding to satisfy the monthly allocation, each appropriation from the General Revenue will be reduced by the percentage that its total appropriation bears to the total of all appropriations from that class funding for that fiscal year.

In order for an agency to process payments against any continuing class funding (Revolving, Payroll Trust, Federal, etc.), the class funding must have been allotted for use in the correct fiscal year and there must be a sufficient cash balance in the State Accounting System of OMES to cover the amount of the voucher. This means that the cash must have been properly transferred from the Agency Clearing Account class fundings or deposited into the proper class fundings established for the agency.

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20.20.03 Transfers and Other Amendments

Once the BWP has been submitted and approved, the agency must spend according to the Divisions that have been established in the budget. For example, amounts budgeted for the "Administration" division cannot be spent for the "Care and Custody" division; or amounts appropriated for the "Motor Vehicles" division cannot be spent for the "Enforcement" division.

The State Transfer Law ([62 O.S. § 34.52](#)) allows for transfers between program categories and between appropriation line-items. Pursuant to state law:

1. Up to 25% can be transferred with approval of the Director of the Office of Management and Enterprise Services, and up to 40% with Contingency Review Board (CRB) approval.
2. All transfer requests must be signed by the administrative head of the agency or the designated request officer and submitted as follows:
 - a. [OMES Form 48P](#) (Transfer Form located at [http://www.ok.gov/OMES/Budget/Budget Work Programs Forms and Instructions.html](http://www.ok.gov/OMES/Budget/Budget_Work_Programs_Forms_and_Instructions.html)) **in portrait format only** must be submitted to the House and Senate, per annual Budget Work Program instructions,
 - b. the Chairman of the Senate Appropriations and Budget (include a copy of the revision forms and the Allotment Request Revision Letter with assumptions information), and
 - c. the Office of Management and Enterprise Services to the attention of the Director of the Office of Management and Enterprise Services (include the Allotment Request Letter with assumptions information).

Once submitted, the Legislative Oversight Committee on State Budget Performance has twelve days to disapprove the request. If not disapproved, the transfer will be processed by OMES or (if percentages are over 25%) forwarded to the CRB. Transfers take a minimum of thirteen calendar

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days to process based on the time given to the oversight committee for review. The transfer process can be used to:

1. transfer Division expenditure limits between Divisions,
2. transfer amounts between line-item appropriations or
3. transfer budgeted amounts between Divisions/programs.

POINT OF EMPHASIS: Transfers are not required for movement of amounts between BWP departments that are in a single BWP division. If the movement crosses divisions or line-item appropriations, then a transfer is required. Revisions between expenditure accounts are not required.

20.90 Special Budgeting Issues

20.90.01 Appropriation Lapsing

The maximum life of any appropriation is two and one-half years (thirty months) under the provision of [Article V § 55](#), of the Oklahoma Constitution. Every appropriation made by the Legislature shall have a lapse date, and no payment against any appropriation will be made by OMES after such lapse date.

Appropriations are generally designated by the Legislature as being "subject" or "not subject" to fiscal year limitations, and are therefore classified by OMES as either "fiscal" or "non-fiscal" respectively. In the absence of any specific legislative guidance, OMES will interpret the appropriation to be "not subject" and therefore non-fiscal.

When appropriations have been designated as fiscal, they generally have a life of one fiscal year. This type of appropriation will ordinarily specify two dates. One will be the ending date after which the agency can no longer encumber or otherwise incur obligations against the appropriation (commonly at the close of the fiscal year for which the appropriation was made). The second date will be the

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date after which the balance of any unexpended cash shall be transferred to the original source class funding (normally on November 15th following the related fiscal year end).

Non-fiscal appropriations generally have a life of two and one-half years from date of passage, during which time encumbrances and payments may be made.

Continuing or revolving class fundings are considered to have continuous appropriations, but are subject to annual budgets. Therefore, such class fundings operate similarly to fiscal appropriations, except that any unexpended cash balance on November 15th is not transferred out, but retained in that class funding to meet the obligations of the then current budget period.

20.90.02 Line Item Budgeting for Information Technology

A. Effective beginning FY2013, agencies were requested to separately identify IT functions within their budgetary structures. This was accomplished in most instances through the use of “88” division/department coding unless an alternate structure was approved. In most cases, as directed by OMES and being the preferred approach, agencies mapped existing IT departments [with number and description] into a new division that begins with 88. For example, where a Division 10 may have formerly used Department 1000088 as “Administration Data Processing”, it would now be 8800001, still “Administration Data Processing”. Agency budget structures should continue to separately identify divisions/departments for IT functions.

B. HB 2062 ([62 O.S. § 35.5](#)), signed into law May 29, 2013 further directs that certain elements of IT expenditures be budgeted as a separate line item within agency budgets. For that reason, all agencies must budget the cost of their IT Shared Services to expenditure code 515380. This account code should only be used for the cost of IT Shared Services contracted with OMES-ISD.

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CHAPTER 30: RECEIPTING AND DEPOSITING

30.00 Overview: Receipting and Depositing

All monies received by a state agency, regardless of revenue source must be deposited in a class funding maintained by the Office of the State Treasurer (OST). The duties of OST include, but are not limited to the receiving, depositing, and disbursing all state monies and processing and distributing all state warrants. OST maintains a class funding for each collecting agency for the clearing of checks and for processing refunds prior to transfer to Treasury class fundings.

The monies received by agencies can be deposited into either an Agency Clearing Account (ACA) class funding and/or an Agency Special Account (ASA) class funding depending on the agency and purpose of the monies. Each agency has an ACA class funding in which to deposit any revenues collected by the agency on a daily basis. Not all agencies have an ASA class funding since these are established under special conditions.

This chapter covers the receipting of monies by state agencies and the deposit of these monies into either an ACA or ASA class funding. It will also discuss the guidelines for each of these and the process used to make corrections to deposits if necessary.

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30.10 State Agency Receipting

30.10.00 Overview and Subtopics Listing

A. Overview

Monies received by state agencies should be endorsed by the agency and deposited into a state depository class funding, i.e. the agency's Agency Clearing Account (ACA) class funding or Agency Special Account (ASA) class funding.

POINT OF EMPHASIS: While both of the above names contain the word "account" these are known as class fundings identified by the third field of the Account Code Structure and in the State Accounting System.

This section will discuss the depositing of monies, along with actions that should be taken by each agency when monies are received.

B. Subtopics Listing

01 Receipt of Monies by State Agencies

30.10.01 Receipt of Monies by State Agencies

Monies received by a state agency, regardless of revenue source must be deposited into the State Treasury. According to [62 O.S. § 34.56](#), it shall be the duty of each state agency, officer or employee, to deposit in the Agency Clearing Account (ACA) class funding, or Agency Special Account (ASA) class funding, all monies of every kind, including, but not limited to:

1. Tax revenues;
2. Receipts from licenses, examinations, per diem and all other reimbursements, fees, permits, fines, forfeitures and penalties; and
3. Income from money and property, grants and contracts, refunds, receipts, reimbursements, judgments, sales of materials and services of employees, and nonrevenue receipts, received by a state agency, officer or employee by reason of the existence of and/or operation of a state agency.

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POINT OF EMPHASIS: No monies will be deposited in banks or other depositories unless such bank account is maintained by the Office of the State Treasurer or is approved for the deposit of authorized Imprest Cash Funds (petty cash funds).

The Office of the State Treasurer (OST) is authorized to accept only the following deposits to State Treasury: cash; bank drafts; bank cashier's checks; federal treasury checks; and other forms of remittance which are uniformly honored for payment. The Treasurer is further authorized to accept deposits of monies directly to official depository class fundings. ([62 O.S. § 34.56.D](#) and [§ 34.57](#))

Deposits which are uniformly honored (cashier's checks, federal treasury checks, etc.), are to be made directly into treasury class fundings. Agencies are allowed to deposit other receipts directly into treasury class fundings if the Agency Clearing Account class funding maintains a sufficient balance to cover return items such as returned checks, credit card adjustments, credit card returns, and other debit items.

All checks, drafts, orders and vouchers so deposited shall be credited and cleared at par and should payment be refused on any such check, draft, order or voucher, or should the same prove otherwise worthless, the amount thereof shall be charged by OST against the Agency Clearing Account class funding; and the person issuing the check, draft, order or voucher shall be charged a fee of Twenty-five Dollars (\$25.00) to cover the costs of processing each returned check; provided, such charge shall not be made unless efforts have been made to present such check, draft, order or voucher for payment a second time. Unless otherwise provided by law, such fee shall be deposited to the revolving class funding of the state agency to which the check, draft, order or voucher was issued. If no revolving class funding exists for the state agency, then such fee shall be deposited to the General Revenue Fund. OST shall not accept for deposit to any Agency Clearing Account class funding, or any Agency Special Account class funding, created pursuant to the provisions of [62 O.S. § 34.56](#), any warrant, check, order or voucher drawn against any state class funding in favor of any individual or other person except the state officer, department, institution or agency for which class funding the deposit is made, or a bona fide student enrolled at any of the state institutions of higher learning when such warrant, check, order or voucher is endorsed to the institution as payment of any fees or other accounts due such institution.

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There should not be any disbursements made from such receipts prior to this deposit. All checks received must be restrictively endorsed immediately upon receipt.

All monies collected by an agency shall be deposited in the Agency Clearing Account class funding or Agency Special Account class funding as follows:

1. Receipts of One Hundred Dollars (\$100.00) or more shall be deposited on the same banking day as received; and
2. Receipts of less than One Hundred Dollars (\$100.00) may be held until accumulated receipts equal One Hundred Dollars (\$100.00) or for five (5) business days, whichever occurs first, and shall then be deposited no later than the next business day.

Each state agency that has custody of receipts of less than One Hundred Dollars (\$100.00) shall provide adequate safekeeping of such receipts. Exceptions to the deposit requirement are discussed at [30.90.02](#).

At least once each month each state agency shall transfer monies deposited in Agency Clearing Account class fundings to the various treasury or depository class fundings, subdivisions of the state, or functions as may be provided by statute and no money shall ever be disbursed from the Agency Clearing Account class funding for any other purpose, except in refund of erroneous or excessive collections and credits.

30.20 State Agency Depositing

30.20.00 Overview and Subtopics Listing

A. Overview

Agency Clearing Account (ACA) class fundings and Agency Special Account (ASA) class fundings, as discussed in [Chapter 10](#) are official depository class fundings established in the State Treasury. Each agency has an ACA class funding in which to deposit any revenues collected by that agency on a daily basis. ASA class fundings are depository class fundings in the State Treasury, established under specific conditions for a state agency. This section will discuss an ACA class

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fundings and ASA class fundings along with what is considered to be an official depository and the process for making deposit corrections.

B. Subtopics Listing:

- 01 Agency Clearing Account (ACA) Class Fundings
- 02 Agency Special Account (ASA) Class Fundings
- 03 Official Depository and Deposit Corrections

POINT OF EMPHASIS: While both of these class funding names contain the word “account” these are known as class fundings identified by the third field of the Account Code Structure and in the State Accounting System.

30.20.01 Agency Clearing Account (ACA) Class Fundings

Agency Clearing Account (ACA) class fundings are established and maintained for each agency by the Office of the State Treasurer (OST) in accordance with [62 O.S. § 34.57](#). Each agency has an ACA class funding in which to deposit any revenues collected by that agency on a daily basis. It is called a clearing account since all items of revenue are to be held there until such items have been honored by the paying entity (e.g., personal checks against bank accounts). Once these items have "cleared", the revenues should be transferred for deposit in the various class fundings and subdivisions of the state or functions as provided by statute. Transfers must be made at least once each month. All refunds of any erroneous or excessive collections must be made from these ACA class fundings. Refunds may be written on manual checks with issue information entered on the OST's automated payment system or vouchers may be processed on through OST's automated payment system and printed by OST.

POINT OF EMPHASIS: No money shall ever be disbursed from any Agency Clearing Account class funding, except for refund of erroneous or excessive collections, credits and payment of sales tax to the Oklahoma Tax Commission (OTC), and manual disbursement of EFT returns.

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Authorized expenditure codes for Agency Clearing Accounts class fundings are:

Expenditure Codes	Names
539110	Interagency Pmts-Admin Exp (OST Fee Charges)
553190	Refunds-Overpayment Charges-EFT Returns
561210	Taxes Remitted to OK Tax Comm
562120	Transfer to Treasury Class Fundings using ONUS Transfers
562130	Transfer to Agency Special Account using ONUS Transfers
562150	Transfer to Treasury Class Fundings using vouchers

See [60.10](#) and [60.20](#) for instructions for the completion of Agency Clearing Account (ACA) class funding reconciliation [OMES Form 11](#).

Each state agency and institution authorized to use an Agency Clearing Account class funding shall furnish OMES monthly reports showing the balances and transactions within each class funding and a reconciliation of the balance shown on the Treasurer's statement to the account balance as shown in the agency records. Summarized voucher information must be entered on the State's Accounting System and submitted to OMES for approval and posting.

POINT OF EMPHASIS: The Office of the State Treasurer will not honor vouchers disbursing and transferring money from Agency Clearing Accounts when notified that required reports have not been filed by the related agency ([62 O.S. § 34.58](#)).

30.20.02 Agency Special Account (ASA) Class Fundings

Agency Special Account (ASA) class fundings are depository class fundings in the State Treasury, established under specific conditions for a state agency. Pursuant to the provisions of [62 O.S. § 34.56](#), this type of class funding may be established only with the approval of OMES, and only for receipt and disbursement of monies for specific purposes. Requests by a state agency for the establishment of an ASA class funding must be made on [OMES Form 18](#).

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Disbursements from such ASA class funding are made on vouchers issued directly against the ASA class funding by the agency concerned. The vouchers are signed by an authorized person as designated by the administrative authority of the agency and counter-signed by the agency's principal fiscal officer. Issue records must be entered into the State Treasurer's automated payment system when vouchers are written. Vouchers may also be processed on the State Treasurer's automated payment system and printed by OST.

An ASA class funding differs from an appropriated treasury class funding in that monies from an appropriated treasury class funding may be expended only upon warrants issued by the Office of the State Treasurer, with such expenditures being subject to approval and encumbrance by Office of Management and Enterprise Services. In contrast, the ASA class funding provides the agency with its own checkbook but requires an accounting of receipts and expenditures to the Office of Management and Enterprise Services (OMES).

Certain agencies need the capacity to issue warrants outside of the normal procedures established by OMES. These situations can be summarized into three basic categories: amounts held in trust; enterprise funds; and gifts and devises. The ASA class funding mechanism was designed by the State Legislature to eliminate agency-managed outside bank accounts.

Note: Many ASA class fundings have been converted to what is known as "700 Class Fundings". "700 Class Fundings" are legally still ASA class fundings where transactions are processed in a manner similar to other Treasury class fundings, negating the requirement to file monthly reports with OMES. When an agency's payments are processed from "700 Class Fundings" by OMES, an advice of issuance is automatically submitted to the Office of the State Treasurer in that processing day's business. The Treasurer's office may not redeem warrants from "700 Class Fundings" if issue records have not been submitted via the file transmitted to OMES from the agency. Pursuant to the provisions of [62 O.S. § 89.6](#), the Treasurer's office may charge a fee per warrant that is processed without an issue record. See [50.10.02.E](#) for "700 Class Funding" procedures.

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Each state agency and institution authorized to use an ASA class funding (62 O.S. § [34.56](#) and [34.57](#)) shall furnish the Office of Management and Enterprise Services monthly reports showing the balances and transactions within each class funding and a reconciliation of the balance shown on the Treasurer's statement to the class funding balance as shown in the agency records and the State Accounting System. Summarized voucher information must be entered in the State Accounting System and submitted to OMES for approval and posting.

POINT OF EMPHASIS: The Office of the State Treasurer will not honor vouchers disbursing and transferring money from Agency Special Account class fundings when notified that required reports have not been filed with OMES by the related agency ([62 O.S. § 34.58](#)).

30.20.03 Official Depository and Deposit Corrections

A. Official Depository

The Office of the State Treasurer (OST) requires state agencies to deposit monies into the State's bank account only at designated and approved banking institutions. Agencies must receive approval from OST for any banking institution they wish to use. After approval is obtained, agencies will deposit money into the State's bank account at the designated institution. The agency must then enter the deposit record into the State Accounting System to notify OST of the deposit that was made at the approved banking institution.

OST has established a 10:00 a.m. cutoff for deposits entered into the State Accounting System for posting to the Treasurer's statement on the same day. Any deposit entered after that time will post to the Treasurer's statement on the following day.

OST has established a 1:30 p.m. cut-off for deposits received in its office to ensure the deposit is picked up for processing by the bank as part of the current day's business. Any deposits received in the OST after 1:30 p.m. may not be processed or picked up by the bank until the following day. Questions concerning deposits or official depositories must be made to the OST at (405) 521-3191.

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B. Deposit Corrections

To make a correction to the Agency (business unit), Class Funding or dollar amount, an [OMES Form 76](#), Deposit Correction must be completed and submitted to OST. To make a correction to the Fund Type, Department, Account, or CFDA, an [OMES Form 76](#), must be completed and submitted to OMES. The form is designed to list the information per the deposit and the requested change. The Journal ID must be listed and a copy of the Deposit must be provided with the [OMES Form 76](#). This deposit correction process is available for Official Depository class fundings processed through OST.

Agencies can process entries into the State Accounting System to correct deposit errors between class fundings when the net amount of the entry is \$0.00.

30.90 Special Receipting and Depositing Issues

30.90.01 Cash Allocations to Satisfy Appropriations

Allocations of cash to satisfy appropriations made by the State Legislature will normally be made by OMES on or about the Tuesday following the second Monday of the month. [62 O.S. § 79](#) provides, "All monies that shall be received during any calendar month by any state officer, state board, state commission or the members or employees of either thereof, accruing as a part of State's general revenue or any other appropriated class fundings, unless otherwise specifically provided by statute, shall be paid into the State Treasury, - that is, transferred from the official depository class funding to the (*appropriated*) class fundings in the State Treasury to which the same belongs by the authority - so receiving the same on or before the second Monday following the close of the calendar month in which such monies shall have been received." (*emphasis added*) Timeliness of transfers from Agency Clearing Account class fundings to appropriated class fundings is important so that OMES can meet allocation deadlines. OMES will notify each agency of the amount of its monthly cash allocation at the time such allocation is made.

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30.90.02 Deposit Requirement Exceptions

District offices under the control of the Corporation Commission shall be permitted to make deposit of receipts on a monthly basis, provided that such receipts must be deposited within the month received or when such receipts equal or exceed One Hundred Dollars (\$100.00), whichever first occurs.

The Oklahoma Tourism and Recreation Department and entities under its control shall be required to make deposit of receipts on a weekly basis, provided that such receipts must be deposited within seven (7) calendar days from the date received or when such deposits equal or exceed Five Hundred Dollars (\$500.00), whichever first occurs.

SPECIFIC AGENCY EXCEPTION: Monies and revenues of the following agencies are exempt from the requirements of this section:

- Oklahoma Municipal Power Authority
- Grand River Dam Authority
- Oklahoma Ordnance Works Authority
- Midwestern Oklahoma Development Authority.

Monies used for investment purposes by the following agencies are exempt from the requirements of this section, and shall be placed with the respective custodian bank or trust company:

- Oklahoma Firefighters Pension and Retirement System
- Oklahoma Police Pension and Retirement System
- Uniform Retirement System for Justices and Judges
- Oklahoma Law Enforcement Retirement System
- Oklahoma Public Employees Retirement System
- Teachers' Retirement System of Oklahoma
- Oklahoma State Regents for Higher Education
- Employees Group Insurance Division
- Commissioners of the Land Office

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40.00 Overview: Purchasing

The Central Purchasing Act [74 O.S. § 85.1](#) was created and established by the Office of Management and Enterprise Services (OMES) Purchasing Division. This Division is responsible for the procurement functions and provides oversight of state agencies' procurement activities as defined by the Oklahoma Central Purchasing Act. OMES authorizes the payment of vouchers for purchases dependent upon their compliance with the proper purchasing statutes and rules and the voucher being properly supported by documentation.

40.10 Purchasing Policies

40.10.00 Overview and Subtopics Listing

A. Overview

The Central Purchasing Division of the Office of Management and Enterprise Services performs procurement functions and provides oversight of state agencies' procurement activities as defined by the Oklahoma Central Purchasing Act ([74 O.S. § 85.1](#), et seq.) The Division also is responsible for assisting state agencies in resolving vendor issues. The Division's State Use Program assists in providing employment to persons with disabilities through state contracts for products and services. Agencies covered by the Central Purchasing Act can refer to (OMES's) website:

http://www.ok.gov/DCS/Central_Purchasing/CP_Processes_Rules_Statutes/index.html for applicable statutes and rules for purchasing. Agencies exempt from the requirements of the Central Purchasing Act are identified below in this chapter, section [40.10.02](#).

SPECIFIC AGENCY EXCEPTION: Higher Education is exempt from the [Central Purchasing Act](#) for agencies processing expenditures through OMES. Additionally, there are some agencies with specific types of purchases which are exempt and some specific acquisitions of all agencies are statutorily exempt.

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B. Subtopics Listing

- 01 State Purchasing System
- 02 Prior Approval by OMES
- 03 Competitive Bid Requirements
- 04 State Agency Acquisition Limits
- 05 Purchases from Special Entities
- 06 Authorization for Purchases “AFP” or “Authority Order”
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- 15 Change Order Requests
- 16 Ratification of Unauthorized Contracts Agreement of Obligation for Expense Incurred in a Prior Year, and Settlement Agreement of Disputed Contracts
- 17 Vendor Registration

40.10.01 State Purchasing System

[Article X § 23](#) of the Oklahoma State Constitution and state statutes require that all state agencies operate an encumbrance system and prohibit any state agency or official from incurring any obligation in excess of the unencumbered cash balance on hand in their class fundings.

POINT OF EMPHASIS: Except as otherwise provided, state statutes require that whenever any agency enters into an agreement for the purchase of goods, wares, merchandise, contractual services, or construction projects for which labor and material must be furnished by vendors (utilities are considered a supply service), such agreement (purchases) shall be evidenced by written contracts or purchase

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orders encumbered by the agency within a reasonable time (determined by the Director of the Office of Management and Enterprise Services to be 30 days) against the proper agency class fundings and accounts ([62 O.S. § 34.62.1](#)). If the time frame is not met, additional justification is required.

In the case where purchases must be processed through the OMES Central Purchasing Division, requisitions for written contracts or purchase orders are to be submitted to the Central Purchasing Division for processing through the State Purchasing System. The vendors for such contracts or purchase orders must first be in the State Vendor File. (See subsection [40.10.16](#), in this chapter section for vendor file procedures.)

It is further provided that the Office of Management and Enterprise Services shall never authorize payment of vouchers for such purchases unless the voucher is supported by one of the following encumbrance documents. ([62 O.S. § 34.62.4](#))

- a. Contracts or purchase orders issued by the Office of Management and Enterprise Services. ([74 O.S. § 85.7](#))
- b. Institutional or departmental purchase orders or contracts (sometimes called "agency-issued orders") - These can be internal encumbrances such as with 'Alternate System' agencies (e.g. Higher Education) or ones established through the State Purchasing System ([74 O.S. § 85.12.B](#)).
- c. Authorizations for purchases (sometimes called "AFPs" or "authority orders") - These must be established as orders in the State Purchasing System ([62 O.S. § 34.62.3](#)).
- d. *Agreement of Obligation for Expense Incurred in Prior Year* (available on the OMES website under 'DCAR Forms').

Generally, any invoice or voucher dated prior to the date of any of the above mentioned encumbrance documents shall be rejected by OMES. Any encumbrance document that is outstanding on the records in the Office of Management and Enterprise Services when its class funding source or sources lapse should be canceled, unless another current class funding source is assigned ([62 O.S. § 34.62.4](#)). Agencies are required to cancel remaining encumbrance balances through the State Purchasing

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System as soon as they know the encumbrance will not be used, but no later than November 15th after the fiscal year end. OMES will cancel said encumbrances when the appropriation is lapsed. Agencies should not wait for OMES to cancel unneeded encumbrances.

The terms "services" or "contractual services" means direct engagement of the time and effort of a contractor for the primary purpose of performing an identifiable task, rather than for the furnishing of an end item of supply, [74 O.S. § 85.2.31](#). Suppliers that may incur travel expenses pursuant to an acquisition by a state agency from the supplier shall include travel expenses in the total acquisition price in the supplier's bid, proposal, or quotation. A state agency shall not pay any supplier travel expenses in addition to the total price of the acquisition. ([74 O.S. § 85.40](#))

The State Constitution and state statutes provide that a few agencies and certain acquisitions of all agencies are exempt from the Oklahoma Central Purchasing Act. (Listing of exempt agencies [74 O.S. § 85.3A](#) and a listing of exempt acquisitions [74 O.S. § 85.12](#)) In such cases, approval of requisitions by the OMES Central Purchasing Division is not required. This does not, however, exempt any agency from the provisions stated in the paragraphs above which require written contracts and purchase orders to be encumbered. These encumbrances should be established through the State Purchasing System, unless otherwise exempted.

Some of the procedures in this chapter pertain to issues related to the Oklahoma Central Purchasing Act or procedures of the Office of Management and Enterprise Services. Specific purchasing steps should be based on the rules and regulations issued by Office of Management and Enterprise Services. Please refer to the Office of Management and Enterprise Services website at <http://www.ok.gov/DCS/> for information on purchasing or http://www.ok.gov/DCS/Central_Purchasing/

40.10.02 Central Purchasing Act Exemptions

No purchase order or contract shall be approved and encumbered in the State Purchasing System unless it has first met the requirements of the Oklahoma Central Purchasing Act ([74 O.S. § 85.1](#) et seq.) with the following exceptions:

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1. Agencies exempt from the Oklahoma Central Purchasing Act as provided by state statute or the State Constitution; ([74 O.S. § 85.3A](#)) Compliance with the provisions of the Oklahoma Central Purchasing Act shall not be required of:
 - a. County governments;
 - b. The Oklahoma State Regents for Higher Education, the institutions, centers, or other constituent agencies of The Oklahoma State System of Higher Education;
 - c. The telecommunications network known as OneNet;
 - d. The Department of Public Safety gun range ;
 - e. The Office of the State Treasurer for the following purchases:
 - i. services, including, but not limited to, legal services to assist in the administration of the Uniform Unclaimed Property Act, as provided in [60 O.S. § 668](#), and
 - ii. software, hardware and associated services to assist in the administration of cash and securities held by the state, as provided in [62 O.S. § 71](#);
 - f. The Oklahoma Wheat Utilization, Research and Market Development Commission.
2. Certain acquisitions exempt from the Oklahoma Central Purchasing Act as provided by state statute or the State Constitution, such as those listed in [74 O.S. § 85.12.B](#);
3. Purchase orders and contracts entered into by one state agency with another; ([74 O.S. § 581](#)) and
4. Contracts entered into by a state agency with a county, city, town or other governmental entity. ([74 O.S. § 1008](#))

Note: The State Purchasing System shall be used to directly encumber these purchases, unless otherwise exempted.

For specific instructions and forms, see OMES Central Purchasing Division at http://www.ok.gov/DCS/Central_Purchasing/

40.10.03 Competitive Bid Requirements

Competitive Bid requirements are documented in [74 O.S. § 85.7](#) and on the Central Purchasing Divisions website at:

http://www.ok.gov/DCS/Central_Purchasing/CP_Processes_Rules_&_Statutes/index.html

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40.10.04 State Agency Acquisition Limits

State agencies shall make open market acquisitions not exceeding \$5,000.00 that are fair and reasonable unless an agency's acquisition level has been reduced below \$5,000.00 by the Central Purchasing Division. Or if the agency has a Certified Procurement Officer (CPO) and internal purchasing procedures found compliant by the Director of the Office of Management and Enterprise Services, it may make acquisitions in excess of \$5,000.00 as provided below pursuant to [Central Purchasing Administrative Rules 580: 16-7-13](#):

1. Acquisitions with a price exceeding \$25,000.00, shall be made by facsimile, invitation to bid, or solicitation by means of electronic commerce, receipt of bids and bid award by the state agency;
2. For acquisitions over \$5,000 and under \$10,000, agencies shall solicit a minimum of three price quotes from three suppliers. For acquisitions over \$10,000 but not exceeding \$25,000, agencies shall solicit a minimum of ten (10) suppliers registered from the supplier list compiled by the Central Purchasing Division in the appropriate commodity classification. Selection of suppliers shall be rotated whenever more than ten (10) suppliers are registered.
3. For acquisitions over \$25,000.00 and not exceeding \$50,000.00, the state agency shall solicit all suppliers in the appropriate commodity classification from the registered suppliers list compiled by the Central Purchasing Division along with any other suppliers identified by the state agency. Suppliers that have been suspended or debarred by the State Purchasing Director or the Federal government shall not be awarded a contract. State agencies shall solicit prices and delivery dates by means of sealed bid using mail or electronic commerce. The suppliers shall provide pricing and delivery dates in accordance with the requirements of the solicitation. The state agency shall make a written evaluation of criteria considered in selection of the supplier for the acquisition. The written evaluation shall be placed in the acquisition file. All awards shall be based on lowest and best or best value criteria
4. For acquisitions over \$50,000.00 and not exceeding \$100,000.00 (including freight, handling charges, etc.) the state agency shall send a requisition to the Purchasing

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Director for approval, except as may otherwise be provided by statute. ([74 O.S. § 85.7.A.1](#))

POINT OF EMPHASIS: In all purchases required to be made via competitive bids, it shall be a felony to “split purchases” for the purpose of evading the requirement of competitive bidding. ([74 O.S. § 85.7.A.2.a](#))

An acquisition or contract for an amount not exceeding \$5,000.⁰⁰ must meet the general requirements under the Oklahoma Central Purchasing Act and [Central Services Administrative Rules OAC 580](#). The Oklahoma Central Purchasing Division Administrative Rules OAC 580 states such purchases may be encumbered as “vendor specific” purchase orders and contracts or against authority orders (or AFP) through the State Purchasing System (subsection below [40.10.06](#) on AFP’s). Also, for purchases appropriate under the State Purchase Card (P-card) Program, subsection below [40.30](#), which refers to the use of P-cards.

40.10.05 Purchases from Special Entities

A. **Purchase of Prison Industries Goods and Services** ([57 O.S. § 549.1](#))

State agencies shall make maximum utilization of the goods and services produced by the [Oklahoma Correctional Industries \(OCI\)](#) program of the Oklahoma Department of Corrections. All offices, departments, institutions, agencies, counties, schools, higher education entities (colleges and universities) or political subdivisions or any agency thereof of this state which are supported in whole or in part by this state, should make purchases of articles and services available from OCI if such article or service is the lowest and best bid. Purchases of prison industries goods and services may be made through direct purchase order to the [Oklahoma Correctional Industries](#).

B. **Purchase of Products and Services from the Severely Disabled** ([74 O.S. § 3001](#), et seq.)

The Office of Management and Enterprise Services State Use Committee, is responsible for establishing a procurement schedule of products directly manufactured, produced, processed or assembled, or services directly performed, offered or provided by any severely disabled person

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or qualified nonprofit agency for the severely disabled, as defined by statute. The Committee is also responsible for determining the fair market price of such products and services. When state agencies intend to procure any product or service of the nature included in the procurement schedule, they shall secure the product or service from a disabled person or nonprofit agency providing employment to people with severe disabilities and as certified by the Committee. Procurements made pursuant to this procedure shall not be subject to the competitive bid requirements of the Oklahoma Central Purchasing Act. Furthermore, this procedure does not restrict a state agency from manufacturing or supplying its own products and services for its own use.

Vendors are responsible for paying one percent (1%) of any contract for products or services of the severely disabled to the OMES. The Office of Management and Enterprise Services shall deposit said fee assessed against the qualified organization in the State Use Committee revolving class funding, as created in [74 O.S. § 3004.2](#) for the salary and other administrative costs of the buyer in the OMES Central Purchasing Division responsible for such contracts. Note: OMES has ruled that all payments to a certified severely disabled person or qualified nonprofit agency for the severely disabled are subject to the 1% fee.

40.10.06 Authorization for Purchases “AFP” or “Authority Order”

The Authorization for Purchases document also known as "AFP" or "Authority Order" is an encumbrance document authorized by the Director of the Office Management and Enterprise Services which permits an agency to make certain types of purchases not requiring the submission of competitive bids ([74 O.S. § 85.7](#)), or excluded from the purview of the Oklahoma Central Purchasing Act ([74 O.S. § 85.12](#)), and for or on behalf of the State whenever the Director of the Office of Management and Enterprise Services determines that the best interests of the State are served thereby.

AFP's are encumbered by the agency as an order in the State Purchasing System. OMES recommends limited use of AFP's - only for purchases which the standard encumbrance process cannot serve. Likewise, payment of utilities, telephone services (i.e., regulated services, not purchases), payments

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to other state agencies, and other acquisitions specifically exempt from the Oklahoma Central Purchasing Act (no matter the cost) could be charged against an AFP order. However, many agencies prefer to use “vendor” specific orders and this is highly recommended. AFP’s should **never** be used for mandatory statewide contract purchases, postage, and normally professional service contracts.

POINT OF EMPHASIS: The administrative head of any agency shall be personally liable for obligations incurred in excess of the authorization granted by the Director of the Office of Management and Enterprise Services. ([62 O.S. § 34.62.3](#))

AFP’s are restricted to purchased not to exceed \$5,000. This limit is established as the amount not requiring bidding/solicitations pursuant to Oklahoma Central Purchasing Division Administrative Rules OAC 580, specifically, [580:16-7-13](#) “*State agencies shall make open market acquisitions not exceeding Five Thousand Dollars (\$5,000.00) that are fair and reasonable.*”

To establish an AFP for those purchases deemed appropriate, the agency must establish it as an order in the State Purchasing System. These orders require the following:

- A. Vendor ID # 0000001100 (standard number – others for P-card authority order purchases)
- B. The vendor will be ‘Authority Order Vendor’
- C. The Expenditure Account is 601100.
- D. Enter the complete funding code stream and the amount to be encumbered. An agency may opt for multiple funding code streams by entering additional distribution lines.

Note: When preparing vouchers against an authority order, users are required to change the vendor number/ name on the Invoice Information tab to the actual vendor being paid. Also, on the voucher, the account must be changed from 601100 to the proper account for the expenditure.

40.10.07 Sole Source/Sole Brand Acquisitions

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The term "sole source acquisition" is defined as an acquisition which, by specification, restricts the acquisition to one supplier. The term "sole brand acquisition" is defined as an acquisition that by specification restricts the acquisition to one manufacturer or brand name. ([74 O.S. § 85.45j](#)) When an agency enters into a sole source/sole brand contract, it must document the reasons for the use of this type of contract and a sole source or sole brand acquisition certification.

Specialized reporting by OMES is required on all sole source/sole brand acquisitions over \$5,000 entered into by a state agency. This report is provided to select members of the House of Representatives and State Senate.

POINT of Emphasis: Sole Source/Sole Brand Acquisitions exclude contracts with another state agency and regulated utilities

For agencies subject to the Oklahoma Central Purchasing Act, OMES the Central Purchasing Division will gather sole source/sole brand acquisition data from the State Purchasing System and report it to OMES. Agencies (or purchases) exempt from the Oklahoma Central Purchasing Act, will be required to report their executed sole source/sole brand data directly to OMES using an [OMES Form 1933](#), Sole Source Contacts Exempt from Central Purchasing.

It is essential for agencies exempt from the Oklahoma Central Purchasing Act to complete all fields shown for each contract data submitted. This includes using the Central Purchasing Division established Category Code which is used in the report as the general identification of the sole source contract purchase. A list of these codes can be obtained from the Central Purchasing Division. The form is designed to include up to four (4) sole source acquisitions per form. The form should be completed as follows:

1. Complete the 'FROM" section by including your Agency Name, Number (business unit number), and Reporting Month.
2. Complete each sole source contract entry by entering:
 - a. Purchase Order Number

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- b. If an adjustment to a previously reported contract, place an "X" in the corresponding blank field and complete only the fields listed below affected by such change.
 - c. Purchase Order Date
 - d. Vendor File ID Number
 - e. Vendor's Business Name
 - f. Vendor Contact (if appropriate)
 - g. Category Code at Item Level and Amount per code
3. Identify an agency Contact Person and Contact Phone Number

The completed form must be submitted to OMES by the last working day of the month following the reporting month (e.g., for contracts issued in July, the data must be submitted to OMES by August 31st). For reference, see Procurement Information Memorandum 1999-03 from the Central Purchasing Division website at:

https://www.ok.gov/dcs/searchdocs/app/manage_documents.php?id=974

40.10.08 Statewide Contracts

These are contracts entered into by OMES, Central Purchasing Division with a business entity through competitive bid, against which all state agencies may purchase with the proper encumbrance. To view these contracts, see the OMES Central Purchasing Division website

<https://www.ok.gov/dcs/solicit/app/contractSearch.php>

Agencies on the State Purchasing System can encumber their own releases against statewide contracts by setting up a purchase order. Agencies that need assistance with the State Purchasing System should contact the OMES Central Purchasing Division to make purchases.

A state agency may submit a written request to the State Purchasing Director to waive requirements for a state agency's use of a mandatory statewide contract for acquisitions.

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For specific instructions and forms, see Central Purchasing Division at:

http://www.ok.gov/DCS/Central_Purchasing/index.html

40.10.09 Construction & Property Division Contracts

The Department of Central Services, Construction and Properties Division (CAP) is responsible for Office of Management and Enterprise Services, Division of Capital Assets Management (DCAM) the design, construction and maintenance of state facilities and has authority to contract for design and construction services on behalf of state agencies. Pursuant to the Public Building Construction and Planning Act, [61 O.S. § 201 through 220](#), CAP is mandated to administer the selection process, maintain a registry for distribution to state agencies and political subdivisions and award the contracts for state agencies for design consultants, construction managers and design-build firms. While CAP has the statutory responsibility to issue bid solicitations and award all construction contracts, regardless of size, on behalf of State agencies, CAP also has the latitude to assess the ability of State agencies to prepare solicitations and receive written bids for minor projects ([OAC 580:20-1-3](#)). Written procedures developed by the Department have been adopted to allow state agencies to make certain contract awards and solicit bids for minor projects according to the acquisition thresholds stated in the Public Competitive Bidding Act of 1974, [61 O.S. § 101 through 138](#). Any contract above the lowest threshold for minor maintenance or minor repair work must be awarded by CAP. The term “construction” generally means the process of planning, acquiring, designing, building, equipping, altering, repairing, improving, maintaining, or demolishing any structure or appurtenance thereto including facilities, utilities, or other improvements to any real property ([61 O.S. § 202](#)).

For specific instructions and forms, see CAP at:

http://www.ok.gov/DCS/Construction_& Properties/index.html (Note: Leasing and rental of buildings and real property is processed by the DCAM Real Estate and Leasing Services. (See [40.10.10](#))

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40.10.10 Office Space and Real Property Leasing Contracts

The Division of Capital Assets Management (DCAM) is statutorily charged with the administration of real property leasing and space management for state agencies occupying space in state-owned and operated facilities and privately-owned facilities ([74 O.S. § 63](#) and [74 O.S. § 94](#)). The program authorizes the amount of space agencies may acquire and executes all leasing contracts on behalf of the agencies. The Director of the Office of Management and Enterprise Services has delegated these responsibilities to the State DCAM Real Estate and Leasing Services (REALS)

Uniform leasing and space standards were established in 1989 in accordance with statutory requirements. Primary program objectives are to ensure the amount of real estate held by state agencies is consistent with present and future needs, and that agencies obtain the best possible rental rates. These objectives are accomplished by the Real Estate and Leasing program through detailed space evaluations, evaluation of requests for proposals; space planning to meet the user agency's needs; approval of space modifications; preparation of legal documents; and the negotiation of rental rates, terms, and conditions of leases on behalf of state agencies.

Real Estate and Leasing Services (REALS) also provides real estate services to state agencies related to buying and selling real property as well as granting easements and surface leases on state land to non-state entities. REALS also maintains the state's real property inventory database for all land owned by the State of Oklahoma.

The (DCAM), Real Estate and Leasing Services has specific instructions and forms for this area at <http://www.ok.gov/DCS/Construction & Properties/State Leasing/index.html>

40.10.11 Encumbrance

[Article X § 23](#) of the Oklahoma State Constitution and state statutes require that all state agencies operate an encumbrance system and prohibit any state agency or official from incurring any obligation in excess of the unencumbered cash balance on hand in their class fundings.

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According to [62 O.S. § 34.62](#), encumbrance requirements for payments from class fundings of the State shall include the following:

- A. Whenever departments, institutions, boards, commissions or agencies of this state enter into contracts for, or on behalf of the State for the purchase of goods, wares or merchandise, or for construction of buildings, roads, bridges or any other thing for which labor and materials must be furnished by outside vendors, such agreement shall be evidenced by written contracts or purchase orders, and must be transmitted to the Office of Management and Enterprise Services within a reasonable time as determined by the Office of Management and Enterprise Services from the date of awarding of such contract or purchase order. This is evidenced by an encumbrance in the State Accounting System entered within 30 days of the contract or purchase agreement.
- B. The Office of Management and Enterprise Services shall charge such contracts, purchase orders or agreements, against the proper appropriation allotment class fundings as an outstanding order until it is liquidated by payment of a voucher, or vouchers, against said contracts or purchase orders, or by cancellation.
- C. The Director of the Office of Management and Enterprise Services shall have the authority, and is hereby given the power to authorize departments, institutions, boards, commissions or agencies of the State to make purchases not requiring the submission of competitive bids pursuant to [74 O.S. § 85.7](#), or excluded from the purview of the Oklahoma Central Purchasing Act pursuant to [74 O.S. § 85.12](#), for or on behalf of the State whenever the Director of the Office of Management and Enterprise Services determines that the best interests of the State are served thereby. The administrative head of any agency shall be personally liable for obligations incurred in excess of the authorization granted by the Director of the Office of Management and Enterprise Services.
- D. The Director of the Office of Management and Enterprise Services shall never authorize payment of vouchers for the purchase of goods, wares and merchandise, or vouchers for contractual services, for any agency of the state unless it is supported by:

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- (1) contract or purchase orders of the Office of Management and Enterprise Services, or
- (2) institutional purchase orders or contracts, or
- (3) departmental purchase orders or contracts, or
- (4) authorizations for purchases granted by the Director of the Office of Management and Enterprise Services as provided by subsection C of this section.

Any invoice or voucher dated prior to the date of any of the above-mentioned encumbrance documents shall be rejected by the Office of Management and Enterprise Services. Any encumbrance document that is outstanding on the records in the Office of Management and Enterprise Services when its class funding source or sources lapse shall be canceled unless another class funding source is assigned, except for encumbrances for capital outlay.

- E. The Commissioners of the Land Office shall be authorized to make payment of fees to its custodial bank and investment managers from the proceeds of total realized investment gains and such payments may be made from a designated class funding hereby created in the State Treasury for this purpose. Total payments for this purpose in a fiscal year shall not exceed one-half percent (0.5%) of the market value of the cash and investments under the Commissioner's management on June 30 of the previous year.

40.10.12 Indefinite Quantity Encumbered Contracts

When requesting an indefinite quantity encumbered contract, the agency must estimate the quantity of goods or volume of services to be used during the contract period and the contract will actually be encumbered based on the estimated amount. No subsequent encumbrance documents must be filed, unless the contract quantity needs to be increased or decreased.

Central Purchasing requires the following information be submitted with requisitions (State Purchasing System users will prepare such requisition request electronically on the system) to establish an indefinite quantity encumbered contract:

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1. the OMES requisition number and the related purchase order number of such prior purchase;
2. the actual usage figures for each commodity or service for said prior purchase and the number of months to which the usage data applies;
3. maintenance contracts that have a fixed rate portion and a variable portion should have a line for each (Copier maintenance contracts that have a variable fee based on the number of copies is an example of this.); or
4. if the contract is a first-time, with no prior numbers or usage, indicate this and provide the estimated usage.

Non-binding language shall be in substantially the following form:

“THIS CONTRACT IS FOR AN INDEFINITE QUANTITY AND THE STATE MAY, OR MAY NOT, BUY THE QUANTITY MENTIONED IN THIS CONTRACT. VENDOR MUST CLEAR ALL SHIPMENTS WITH AGENCY PRIOR TO SHIPPING ANY PORTION OF THIS CONTRACT.”

40.10.13 Contract and Bid Documents

- A. Any competitive bid submitted to the State of Oklahoma for goods or services and each contract for goods and services awarded by the state shall have a certificate of non-collusion. ([74 O.S. § 85.22](#))
- B. In addition to the certificate set forth in item A. above, [61 O.S. § 108](#) requires a written statement under oath to accompany the bid on public construction contracts identifying any business relationships between the bidder and the architect, engineer or other party to the project. A public construction contract is defined as, any contract awarded by any public agency for the purpose of making any public improvements or constructing any public building or making repairs to the same.
- C. Also, [74 O.S. § 85.42.B](#), requires that “Each contract entered into by any person or firm with the State of Oklahoma shall include a statement certifying the following:

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No person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed to fulfill any of the services provided for under said contract.

This subsection shall not preclude faculty and staff of the institution within the State System of Higher Education from negotiating and participating in research grants and educational contracts. Nor shall this subsection apply to personnel of the Capital Resources Division of the Oklahoma Department of Commerce who contract to provide services to the Oklahoma Investment Board.

For specific instructions and forms, see Central Purchasing Division at:

http://www.ok.gov/DCS/Central_Purchasing/index.html

40.10.14 Methods State Agencies Should Use to Make Acquisitions

State agencies shall make acquisitions using a method of acquisition in this section.

A. Statewide Contracts

The State Purchasing Director shall designate statewide contracts as mandatory or non-mandatory.

1. **Mandatory statewide contract.** The State Purchasing Director may designate a statewide contract for mandatory use. State agencies shall make acquisitions from mandatory statewide contracts regardless of the acquisition purchase price. A state agency may submit a written request to the State Purchasing Director to waive requirements for a state agency's use of a mandatory statewide contract for acquisitions. The State Purchasing Director shall grant exceptions prior to a state agency making the acquisition from another supplier.
2. **Non-mandatory statewide contracts.** State agencies may use non-mandatory statewide contracts when an agency determines it is in the best interest of the State.

B. State Use Committee

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State agencies shall make acquisitions from suppliers on the State Use Committee procurement schedule regardless of the acquisition purchase price if the supplier's delivery date meets state agency requirements. State Use Committee contracts are mandatory contracts. State agencies shall utilize the State Use Committee procurement schedule to ensure all acquisitions are made pursuant to [74 O.S. § 3001](#), et seq. If an acquisition is available from both the State Use Committee procurement schedule and the Oklahoma Correctional Industries, the state agency shall make the acquisition from the State Use Committee procurement schedule. The Office of Management and Enterprise Services (OMES), State Use Committee, is responsible for establishing a procurement schedule of products directly manufactured, produced, processed or assembled, or services directly performed, offered or provided by any severely disabled person or qualified nonprofit agency for the severely disabled, as defined by statute. The Committee is also responsible for determining the fair market price of such products and services. When state agencies intend to procure any product or service of the nature included in the procurement schedule, they shall secure the product or service from a disabled person or nonprofit agency providing employment to people with severe disabilities and as certified by the Committee. Procurements made pursuant to this procedure shall not be subject to the competitive bid requirements of the Oklahoma Central Purchasing Act. Furthermore, this procedure does not restrict a state agency from manufacturing or supplying its own products and services for its own use.

Vendors are responsible for paying one percent (1%) of any contract for products or services of the severely disabled to OMES. The Office of Management and Enterprise Services shall deposit said fee assessed against the qualified organization in the State Use Committee revolving class funding, as created in [74 O.S. § 3004.2](#) for the salary and other administrative costs of the buyer in the OMES Central Purchasing Division responsible for such contracts. Note: OMES has ruled that all payments to a certified severely disabled person or qualified nonprofit agency for the severely disabled are subject to the 1% fee.

C. Oklahoma Correctional Industries

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If an acquisition is not available from the State Use Committee within the time period required by the purchasing state agency, state agencies shall make acquisitions from the Oklahoma Correctional Industries pursuant to [57 O.S. § 549.1](#). State agencies shall make maximum utilization of the goods and services produced by the Oklahoma Correctional Industries (OCI) program of the Oklahoma Department of Corrections. All offices, departments, institutions, agencies, counties, schools, higher education entities (colleges and universities) or political subdivisions or any agency thereof of this state which are supported in whole or in part by this state, should make purchases of articles and services available from OCI if such article or service is the **lowest and best bid**. Purchases of prison industries goods and services may be made through direct purchase order to the Oklahoma Correctional Industries.

D. Standard contracts

1. **Contract for definite quantity.** If a state agency is able to establish a definite quantity of items or services for an acquisition, the State Purchasing Director or the state agency may establish a contract for acquisition by the state agency.
2. **Contract for indefinite quantities.** If an agency is unable to establish a definite quantity of items or services for an acquisition, the State Purchasing Director or the state agency may establish a contract for an indefinite quantity of items or services.
3. **Contract for scheduled acquisitions.** When a state agency's needs for certain items are compiled (aggregated) and purchased in bulk at predetermined intervals, the State Purchasing Director or the state agency may establish a contract for scheduled acquisitions. The intervals shall be established in accordance with market characteristics or using agency consumption patterns, with consideration of seasonal factors and warehousing facilities. A schedule shall be developed for particular commodities monthly, quarterly, or annually. If a contract for scheduled acquisitions is established for a state agency, the state agency shall not make open market purchases for the same commodity or group of commodities.

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4. **Open market contracts.** State agencies may make open market acquisitions within their approved purchasing authority limit, pursuant to provisions of the Oklahoma Central Purchasing Act, rules of the Purchasing Division and the agency's approved internal purchasing procedures.

E. Sole source and sole brand contracts

1. State agencies with a CPO and approved internal purchasing procedures meeting the requirements of [OAC 580:16-5-3](#) and [580:16-5-7](#) http://ok.gov/DCS/Central_Purchasing/CP_Processes_Rules_Statutes/index.html, may requisition a sole source or sole brand acquisition within the agency's purchasing authority limit pursuant to the provisions of the Oklahoma Central Purchasing Act.
2. The chief administrative officer of each state agency shall submit to the State Purchasing Director a monthly listing of all sole source and sole brand acquisitions exceeding Five Thousand Dollars (\$5,000.00) executed by the state agency in the preceding month pursuant to the Oklahoma Central Purchasing Act. The monthly list shall be submitted on a form prescribed and approved by the State Purchasing Director.
3. If the sole source or sole brand acquisition amount exceeds the agency's purchasing authority, the agency shall submit the requisition to the State Purchasing Director.

Note: Sole Source or Sole Brand acquisition documentation must include a sworn certification Form 002 on the Central Purchasing website at

https://www.ok.gov/dcs/searchdocs/app/manage_documents.php?id=275

40.10.15 Change Order Requests

When an agency finds it necessary to amend an existing contract outstanding on the records of OMES, the agency may be required to initiate a change order request. Change orders shall be processed according to "The Central Purchasing Act", [74 O.S. § 85.1](#) et seq., and the "Central Purchasing Administrative Rules", [OAC 580:16](#). The State Purchasing Director may deny a requested change

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order which exceeds the scope of the original solicitation. Contracts including component or phased deliveries may be increased by an amount that does not exceed ten percent (10%) of the total acquisition purchase price. In determining the ten percent (10%) dollar amount, the cumulative value of all change orders shall be compared to the original total acquisition price. All other contracts may be increased only if the change order does not exceed the scope of the original solicitation.

A. Change Order Requests to Contracts Issued by the Office of Management and Enterprise Services (OMES) Central Purchasing Division.

Change order requests, OMES/Purchasing Form 010A and Form 010B shall be signed by the person requesting the change and the agency approving authority. The change order forms may be located at (Form 010A)

https://www.ok.gov/dcs/searchdocs/app/manage_documents.php?id=281, and (Form 010B) https://www.ok.gov/dcs/searchdocs/app/manage_documents.php?id=282. The change order shall be submitted electronically to the OMES Central Purchasing Division.

The change order shall be processed by the Central Purchasing Division upon approval by the State Purchasing Director. Change orders shall become a part of the contract and placed in the contract file.

1. Contract Renewals–OMES Issued. Change order requests to exercise the option to renew a multi-year contract must be submitted to OMES /Central Purchasing Division. In addition, the change order request shall include the renewal year (i.e., second year of a three year agreement), the renewal period, and the total contract agreement period.

B. Change Order Requests to Contracts Issued by the State Agency.

Change order requests must be signed by the person requesting the change and the agency approving authority. The change order shall be processed by the state agency Certified Procurement Officer (CPO) up to the agency's acquisition authority. OMES Form 10A or Form 10B may be used to document the change order. Any change order which would increase the total dollar amount above the agency's acquisition authority must be approved by the State Purchasing Director. The contract file and all related documentation must be submitted to

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OMES /Central Purchasing Division for approval and processing. Change orders shall become a part of the contract and placed in the contract file.

1. Contract Renewals – State Agency Issued. Change order requests to exercise the option to renew a multi-year contract shall be processed as described above (270.B.). In addition, the change order request shall include the renewal year (i.e., second year of a three year agreement), the renewal period, and the total contract agreement period.

- C. TBD Encumbrances. Changes may be required at the start of each fiscal year when “TBD” accounts are included as a part of the contract’s distribution (funding) record. The TBD account must be changed to a valid account code prior to vouchers being paid. The state agency may change the TBD account to a valid account code without submitting the change order request to OMES/Central Purchasing Division. This applies to change orders on contracts processed by the state agency or the Oklahoma Central Purchasing Division. Change orders shall become a part of the contract and placed in the contract file.

- Note:** OMES sends advisory notices to the respective agencies for their correction of the discrepancy as needed.

- D. Distribution Record Changes. The state agency may change the distribution (funding) record (no dollar amount changes) without submitting the change order request to OMES/Central Purchasing Division. This applies to change orders on contracts processed by the state agency or the OMES/Central Purchasing Division. Change orders shall become a part of the contract and be placed in the contract file.

- E. PO Reconciliation. The state agency, if authorized by OMES, may reconcile (close) POs without submitting the change order request to OMES Central Purchasing Division. This applies to change orders on contracts processed by the state agency or OMES. Change orders shall become a part of the contract and be placed in the contract file.

40.10.16 Ratification of Unauthorized Contracts, Agreement of Obligation for Expense Incurred in a Prior Year, and Settlement Agreement for Disputed Contracts

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A. Ratification of Unauthorized Contract

If a state agency makes an unauthorized commitment on behalf of the state to a supplier, the state may, if in the best interest of the State, ratify the commitment. As it applies to this procedure, "Ratification Agreement" means a document that reflects an agreement between the State and an individual or business entity that ratifies an unauthorized commitment.

1. State agency actions

The chief administrative officer of the state agency shall approve or disapprove a ratification request.

a. Chief administrative officer approves request.

If the chief administrative officer approves the request, the state agency shall perform steps as follows.

- i. The state agency shall negotiate a proposal for a ratification agreement with the supplier.
- ii. The chief administrative officer shall sign the proposed ratification agreement.
- iii. The chief administrative officer shall document facts and circumstances of the unauthorized commitment.
- iv. The chief administrative officer shall provide a copy of the ratification agreement and the supporting documents to the State Purchasing Director.

b. Chief administrative officer disapproves request.

If the chief administrative officer disapproves the request, the state agency shall retain documents from the supplier and the state agency.

2. State Purchasing Director actions

The State Purchasing Director shall retain a copy of the ratification agreement. (OMES-Central Purchasing Rules [580:16-5-17](#)). See Central Purchasing Division at http://www.ok.gov/DCS/Central_Purchasing/index.html

Note: This procedure should not be confused with the legal settlement agreement process under the OMES Procedures Manual [50.10.06](#) which ratifies the proper fiscal year expenditure requirements.

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B. Settlement Agreement

Structured settlement agreements are entered into by the Attorney General's office in order to settle any lawsuit involving the state, the Legislature, any state agency or any employee or official of the state and are not subject to the competitive bidding requirements pursuant to [74 O.S. § 85.7](#) if:

1. prior to entering into any contract for the services of an entity to administer a structured settlement agreement, the Attorney General receives proposals from at least three entities engaged in providing such services, and
2. the selection of a particular entity is made on the basis of the response to the request which is the most economical and provides the most competent service which furthers the best interests of the state.
 - a. A list of any such structured settlement agreements entered into by the Attorney General with summary thereon for the previous calendar year shall be submitted to the Speaker of the House of Representatives and the President Pro Tempore of the Senate on January 31 of each year.

40.10.17 Vendor Registration

The vendor file plays a critical role in the state system as all payees are considered vendors. This includes suppliers, employees, garnishment vendors, attorneys, and so on. Vendor information in the file is shared by Accounts Payable, Purchasing and Human Resource Management. Vendors are assigned one Vendor Number per Tax Identification Number (TIN) in the PeopleSoft database. Each vendor file may have multiple locations and addresses as appropriate.

A. Adding, Changing, or Updating Vendors

Any change to the vendor name or tax ID number requires setting up a new vendor in the system.

Vendors are added to the State vendor files in PeopleSoft both manually (non-registered) and via the [OK.gov Vendor Registration Portal](#) (registered). Vendors who wish to receive bid notifications from the State Central Purchasing Division should visit

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[OK.gov Vendor Registration Portal](#) to create their Registered Vendor profile. For assistance with online registration, vendors should contact the OMES Help Desk by emailing helpdesk@omes.ok.gov or calling (405) 521-2444 or toll free (866) 521-2444.

The [OMES Form VEND](#) is used to request additions, changes, or updates to the vendor file for non-registered and registered vendors. To complete this document the State Agency must complete Section I, including:

Requesting Agency Name

Agency Contact

Agency Phone Number

Agency Fax Number

Reportable 1099 Status (see page 2 of the form for information on determining 1099 status)

PeopleSoft Vendor ID

The vendor must then complete the remainder of the document. Please ensure the form is complete and legible and that the e-mail address and phone number are provided. The address requires a 9-digit zip code and US Postal Service formatting. If your vendor does not supply it, please obtain it by using the [US Postal Service Zip Code Lookup Tool](#) to expedite the registration process. The vendor must complete page 2 and the form must include the vendor's signature.

If an agency receives notification that the vendor has had a change in 1099 tax exempt status, IRS Name, or Tax ID number, the agency should contact the vendor to verify all previous information and to determine which previous information should be inactivated. A new vendor form should also be completed, signed, and resubmitted.

Forms for vendors should be faxed to Attention: OMES Vendor Registration, at (405) 522-3663. Vendor forms may also be emailed to: vendor.form@omes.ok.gov. Forms received at OMES will normally be processed within 48 hours. If processing has not occurred within that time, please contact Vendor Registration directly at vendor.form@omes.ok.gov to inquire. Do not send duplicate requests, as they only delay the process.

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Note: Notifications of change submitted by payee on company letterhead may be accepted in lieu of the Vendor Payee Form, providing that the payee references the applicable information currently on file including:

- Specific Change Requested
- IRS Legal name
- Doing Business As name (DBA)
- Tax Id Number

All change requests not matching Name(s) and TIN currently on file require a new Vendor Payee Form or W9 to be completed and signed by vendor.

B. Adding or Revising an Employee or Board Member

To add or revise an employee or board member to the vendor file to pay a miscellaneous voucher, i.e., travel reimbursement, an Excel spreadsheet containing employee name, address with the 9-digit zip code, EMPLID number, and social security number must be provided. The EMPLID number and Social Security Number are required to run the process to copy the employee's Direct Deposit information from HCM to the vendor record. The spreadsheet should also show the agency name, a contact name/number, and must be signed by the agency fiscal officer. Fax the spreadsheet to OMES Vendor Registration, at (405) 522-3663. Forms may also be emailed to vendor.form@omes.ok.gov.

C. Voluntary Vendors

Voluntary deduction vendors such as American Family Life Assurance Company (AFLAC) must first be approved by OPM before being set up as a vendor.

D. Garnishment Vendors

Garnishment vendors are submitted by the agency. The garnishment vendor form is required from all garnishment vendors before payment can be made and is used to request additions, changes, or updates to the vendor file, and can be found at [OMES Form GARN VEND](#).

E. Vendors that are State Agencies

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State agencies are set up individually in the vendor file by their business unit number instead of the shared State TIN. The vendor ID numbers are seven leading zeroes followed by the agency's three digit agency number. All agency numbers are less than 0000001000. These vendor IDs should be used for creating purchase orders and accounts payable vouchers. State law requires that each agency should receive payment from other agencies via interagency payment, unless it does not have a clearing account. All payments should be made by this method unless other arrangements have been made by contacting Transaction Processing.

F. 1099 Withholding Requirements

To ensure proper 1099 reporting, the Name and TIN must match the information provided on the [OMES Form Vend, Vendor/Payee Form](#), which serves as the substitute W-9. Under current IRS regulations, a vendor is subject to 1099 reporting unless they claim to be exempt on the OMES Form Vend and provide details that support the exemption. Corporations are generally exempt from 1099 reporting but payment for certain purposes such as rents, medical and health care (including veterinary services), and legal services are 1099 reportable whether or not the entity is a corporation.

The [OMES Form VEND, Vendor/Payee Form](#) is available as a .pdf or .doc form and lists the account codes by 1099 Reporting Category as a guide to assist agencies in identifying vendors that are 1099 applicable. The 1099 designation is located at the top of the [OMES Form VEND](#) form. It is the agency's responsibility to create this 1099 designation and select the type of transactions (rents, medical, non-employee compensation, etc.) that will be used to pay the vendor. The vendor must have the appropriate designation in the State vendor file before a voucher transaction is made to ensure that it is treated properly.

Every transaction for a 1099 vendor may or may not be 1099 reportable. The agency must understand what the type of payment is and select the proper box (determined by account code) for reporting or non-reporting.

G. Specially Designated Nationals and Block Persons List (SDN)

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Office of Foreign Assets Control; in an effort to fight terrorism and the financial support of terrorism, the US Department of Treasury Office of Foreign Assets Control (OFAC) will prosecute or fine entities who have financial transactions with individuals and businesses identified on the Specially Designated Nationals and Blocked Persons (SDN) list. The penalty can range from \$50,000 to \$10M with potential imprisonment. For further information, visit their website at: <http://www.treasury.gov/resource-center/sanctions/CivPen/Pages/civpen-index2.aspx>.

Several foreign countries have been sanctioned from doing business with United States businesses, governments, etc. A list is available at:

<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

The State's Accounting System performs manual searches on new vendors and periodic system-wide searches. Higher Education agencies (colleges and universities) should be performing similar data matches before the vendor files are transmitted.

H. Electronic Payment

1. **Exemption Requests.** State law requires that funds disbursed from the State Treasury be sent electronically. State agencies are able to request an exemption from this requirement for specific types of payments with cause. All exemptions that are requested and approved for each fiscal year will expire upon the June 30th year end.

To request an exemption, agencies must complete and submit the *Electronic Payment Exemption Request* electronically via email to: Electronic.Payment.Exemption@treasurer.ok.gov. Each request will be evaluated based on the information provided. Each agency will receive a confirmation of the receipt of their request along with a notification of whether the exemption has been approved. Agencies should submit their new and updated request by May 15 of each year for the following fiscal year.

A list of Frequently Asked Questions regarding requests for exemption from the electronic payment requirement is available on the OST website, or email questions to Electronic.Payment.Exemption@treasurer.ok.gov. Additionally, OST has statewide contracts

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available to state agencies for sending electronic payments via ACH or debit card. For more information contact Carole Bailey at carole.bailey@treasurer.ok.gov.

I. Adding/Changing Vendor EFT Bank Information

[O.S. 62 § 34.64](#) requires that: “Payments disbursed from the State Treasury shall be conveyed solely through an electronic payment mechanism.” To comply with the law, the State must collect the information necessary to pay all vendors electronically.

Registered and non-registered vendors can utilize [OK.gov Vendor Registration Portal](#) to update their profile with EFT banking information for direct deposit. All businesses with an FEI number should be directed to the Portal for registration. Once the registration is complete, the vendor will receive an email with a PIN number and an attached *Change Request-New Bank Account* form. The form consists of three sections that must be completed.

1. Section I – Company information to be completed by the Requestor (an individual authorized by the vendor company).
2. Section II – This section is to be completed and signed by a) the Requestor and b) an individual authorized, on behalf of the vendor company, to open and close bank accounts (Authorized Individual). Unless the vendor is a sole proprietor or the account is a consumer account whereby the Requestor is the sole owner of the account, the Authorized Individual shall be someone different from the Requestor. Once completed and signed, the form should be forwarded to the vendor’s financial institution.
3. Section III – Financial Institution Information. This section must be completed and signed by an authorized official of the vendor’s financial institution. Once completed, the financial institution should fax this form to the attention of PeopleSoft Vendor Registration, Office of the State Treasurer, at (405) 521-4994, or mailed to the attention of PeopleSoft Vendor Registration, Office of the State Treasurer, 2300 N. Lincoln Blvd, Room 217, Oklahoma City, OK 73105. **Do not email banking forms.**

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Note: If the vendor is not set up for EFT payment, the vendor will continue to receive the e-mail request periodically.

For assistance, contact the OMES Help Desk by emailing helpdesk@omes.ok.gov or calling (405) 521-2444 or toll free (866) 521-2444. Information requests concerning vendor EFT banking may be emailed to vendor.eft@omes.ok.gov.

40.20 Purchasing Process

40.20.00 Overview and Subtopics Listing

A. Overview

The purchasing process begins with the agency identifying a need for products or services. The agency then prepares a requisition for the acquisition of identified products or services. The approval of the requisition represents the encumbrance of monies to purchase said products or services creating a purchase order. The creation of a purchase order creates a contract between the agency and the stated vendor. This section will discuss the acquisition process from the creation of a requisition to the processing of a purchase order.

B. Subtopics Listing:

01 Requisitions

02 Purchase Orders

40.20.01 Requisitions

A requisition is an internal document by which a using agency requests the procurement department to initiate procurement. It is a written request by a state agency for an acquisition. For instructions on how to create and process a requisition, see the State Accounting System website *COR204 Requestor Training*, which may be located here:

http://www.ok.gov/cio/Customer_Portal/Business_Application_Services_Essentials/Financials/.

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Except as otherwise provided by the Oklahoma Central Purchasing Act, every state agency shall make all acquisitions used, consumed or spent by the state agency in the performance of its official functions by the presentation of requisitions to the Oklahoma Central Purchasing Division with the exclusion of information technology and telecommunications acquisitions. Information technology and telecommunications acquisitions require approval from OMES/Information Services Division. Every state agency shall determine its own quantitative needs for acquisitions and the general class or nature of the acquisitions. The State Purchasing Director or OMES/Information Services Division (ISD) may request additional information necessary to adequately review the requisitions to ensure compliance with the Oklahoma Central Purchasing Act. If the State Purchasing Director or ISD determines that an acquisition is not necessary, excessive or not justified, the State Purchasing Director or ISD shall deny the requisition. ([74 O.S. § 85.4](#))

Requirements for the submission of a requisition include the following:

- A. Any competitive bid submitted to the State of Oklahoma for goods or services and each contract for goods and services awarded by the state pursuant to the Oklahoma Central Purchasing Act shall have a certificate of non-collusion. [74 O.S. § 85.22](#). See [40.10.14](#).
- B. In addition to the certificate set forth in item A. above, [61 O.S. § 108](#) requires a written statement under oath to accompany the bid on public construction contracts, identifying any business relationships between the bidder and the architect, engineer or other party to the project. A public construction contract is defined as, any contract awarded by any public agency for the purpose of making any public improvements or constructing any public building or making repairs to the same.
- C. Also, [74 O.S. § 85.42.B](#), requires that “Each contract entered into by any person or firm with the State of Oklahoma shall include a statement certifying the following:

No person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed to fulfill any of the services provided for under said contract.

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Note: This subsection shall not preclude faculty and staff of the institution within the State System of Higher Education from negotiating and participating in research grants and educational contracts. Nor shall this subsection apply to personnel of the Capital Resources Division of the Oklahoma Department of Commerce who contract to provide services to the Oklahoma Investment Board.

For specific instructions and forms, see Central Purchasing Division at http://www.ok.gov/DCS/Central_Purchasing/

40.20.02 Purchase Orders

A purchase order (PO) is a document to formalize a purchase transaction with a vendor. It is a request by a state agency to make an acquisition utilizing simplified procedures. The purchase order should contain statements as to the quantity, description, and price of the goods or services ordered; applicable terms as to payment discounts, date of performance and transportation and other factors or suitable references pertinent to the purchase and its execution by the vendor. Acceptance of a purchase order constitutes a contract.

The State Purchasing System allows agencies to encumber against the State Accounting System for editing and posting. Thus, agencies can create their requisitions, contracts and purchase orders, and change orders, while enjoying the benefits of online system edits and onsite printing of documents. The system also provides inquiry capability for detailed information on requisitions, invitation to bids, contracts, etc. See [40.10.11](#)

Purchase orders should be established based on purchase by “quantity” and identified as “receiving required” when establishing orders and change orders. When quantities and on-line receipts are used, only the quantities received are copied into the vouchers to be paid. The State Accounting System’s accounts payable functionality is designed to match quantities when paying against a PO and the quantities copying from the PO to the voucher represents the quantities left to match. For

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the instructions on how to create a purchase order, see the State Accounting System website for *Purchase Order Administration* found here: <http://www.ok.gov/cio/documents/COR110.pdf>.

A. Purchase by Quantity

Purchase orders and change orders should be established based on purchase by “quantity” when establishing orders. For efficiencies in processing purchases, it is critical for CPOs (Certified Procurement Officers) to set up purchases by quantities. Improper use of the quantity feature not just by purchasing, but also by accounts payable, can result in PO lines not matching properly. This results in delayed payments and can also not allow the CPOs to adjust the PO line amount. Please work together to ensure that purchasing and accounts payable utilize the system as it is designed, including on-line receiving (following).

B. Receiving

The State Purchasing System enables receipts to be created for items or services received from vendors. It is the preferential method to acknowledge acceptance of the goods or services and a good way to create documentation that is accessible online. One receipt can be created for multiple items that are received at once or multiple receipts can be created for items that are received over time. Receiving also helps make the transfer of receipt information to the State Account System’s accounts payable, inventory, and asset management modules seamless.

Agencies should begin reducing dependency on paper-based receiving processes and replace it with the State Purchasing System’s online functionality. Each agency should achieve proper segregation of duties or implement mitigating controls when authorizing a person access to enter receipts. The person creating the receipt should be someone other than the requestor or the approver of the requisition as related to the purchase order.

Use of the State’s purchasing receiving component reduces the number of point of entries needed to populate all related information in the State’s system. It will be a significant step in helping the State move forward to obtain an accurate cutoff of accounts payable at fiscal year-end, reduce time and effort required for approval processes, eliminate paper-based purchase order and

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accounting processes, and improve vendor relations by more accurate and timely information with less effort.

C. Cancelling Unused Encumbrances

Generally, any invoice or voucher dated prior to the date of any of the above mentioned encumbrance documents shall be rejected by OMES. Any encumbrance document that is outstanding on the records in the Office of Management and Enterprise Services when its class funding source or sources lapse should be canceled, unless another current class funding source is assigned ([62 O.S. § 34.62.4](#)). Agencies are required to cancel remaining encumbrance balances through the State Purchasing System as soon as they know the encumbrance will not be used, but no later than November 15th after the fiscal year end. OMES will cancel said encumbrances when the appropriation is lapsed. Agencies should not wait for OMES to cancel unneeded encumbrances.

For specific instructions and forms, see OMES Central Purchasing Division at http://www.ok.gov/DCS/Central_Purchasing/

The payment of an invoice to finalize an acquisition is discussed in [Chapter 50 – Disbursing](#).

40.30 Purchase Card

40.30.00 Overview and Subtopics Listing

Note: *This section does not discuss Oklahoma Higher Education, political subdivisions, and cities and counties which have separate P-card agreements and procedures that differ from those listed below.*

A. Overview

The state has established a purchase card (P-card) program for specific categories of acquisitions, such as:

1. Lower dollar goods and services, single purchases of \$5,000 and below.
2. Travel expenses.

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3. Statewide Contracts.

There is one card issued through the state program that covers each of these types of acquisitions. This section will briefly cover the purchase card program and the payment of the purchase card statements. Refer to the OMES/Central Purchasing website at:

http://www.ok.gov/DCS/Central_Purchasing/P_Card_Information/index.html for more information.

B. Subtopics

01 Purchasing Card Policies and Procedures

40.30.01 Purchasing Card Policies and Procedures

A. Program Description

The State of Oklahoma purchase card (P-card) program establishes the use, by designated state employees, of commercial purchase cards to facilitate the acquisition of lower dollar goods and services needed for conducting official State business. State entities are encouraged to use the P-card in lieu of purchase orders and authority orders. It is intended that P-cards be issued to selected state employees when the use of the P-card will enhance agency effectiveness or economy of operation. Cards are issued in the name of the State but also bear the name of the cardholder and the cardholder's unique account number. Liability for payment to the P-card provider rests with the State. Employees involved in the program are subject to State ethics laws and directives. The card uses are:

1. Basic - Use as a standard P-card (non-Statewide or Travel) is limited to purchases of \$5,000.00 or less for a single transaction. Agencies may limit any given card to a lower amount. The card may be used for walk-in, telephone, or Internet purchases.
2. Statewide Contract - Used to make purchases of *any amount* from Statewide Contracts issued by the OMES/Central Purchasing Division.

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3. Travel - Used to purchase airfare *for any amount*, when purchased through a travel agent listed on the Statewide Contract for Travel Agent Services (SW100) issued by the OMES/Central Purchasing Division, and may be used for non-contract purchases when statutory exceptions apply. Also, the card can be used to purchase lodging with a single limit of \$5,000.00 per employee per transaction in conjunction with travel. All normal travel guidelines apply and the specific instructions identified in the P-card Procedures 6.1.6.1, 6.2.4, 6.8.1.2, and 6.8.3 must be followed (<http://www.ok.gov/DCS/documents/PurchaseCardProcedures.pdf>).

B. Establishing Encumbrances

State entities shall establish encumbrances as “authority order” purchase orders in the State Purchasing System. Change orders to amend these encumbrances may be processed as necessary. See section 5.1 of the current State of Oklahoma Purchase Card Procedures, effective December 14, 2010.

However, please remember to follow the prior encumbrance requirement (sufficient balance implied) to be in compliance with the encumbrance law. **The administrative head of an agency shall be personally liable for obligations incurred in excess of the authorization (amounts encumbered).** Accordingly, the Director of the Office of Management and Enterprise Services shall never authorize payment of vouchers (vouchers under State Accounting System) for purchases not supported by an encumbrance, and any invoice or voucher dated prior to the date of the encumbrance shall be rejected. (See [62 O.S. § 34.62](#) - Encumbrance requirements for payment of state dollars.)

The appropriate vendors are:

Vendor ID 0000001101 – Location 0002 - Authority Order – P-card

For information on implementation or use, contact the State P-card Administrator, Office of Management and Enterprise Services/Central Purchasing Division.

C. Account codes

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As with any purchase, state entities shall establish internal procedures to ensure each payment voucher uses valid expenditure account codes. A generic account code shall not be used with any accounts payable voucher.

Default account codes are assigned based on the MCC codes for each merchant. However, these default codes may not be appropriate in some circumstances and the correct account codes should be assigned on-line by the purchaser or other agency personnel. On-line review and correction of account codes should be done using the bank's website at least weekly or possibly daily to permit quick processing during the short payment window at the end of the billing cycle. See section 5.2 of the current State of Oklahoma Purchase Card Procedures, effective December 14, 2010.

D. Funding Lines

Each P-card will be coded with default funding line information. These default codes may not be appropriate in every circumstance and the correct funding should be assigned on-line by the purchaser or other agency personnel. On-line review and correction of funding lines should be done using the bank's website at least weekly or possibly daily to permit quick processing during the short payment window at the end of the billing cycle.

E. P-card Payment

Each state entity shall make **one**, single monthly payment to the appropriate P-card vendor to satisfy all transactions listed for the billing cycle, in the time and manner agreed to by the State and the servicing bank regardless of the number of purchase orders utilized. The "Remit To" payee will be automatically populated on the voucher payment page with the current servicing bank. See section 5.4.2 of the current State of Oklahoma Purchase Card Procedures, effective December 14, 2010.

POINT OF EMPHASIS: Late payment or non-payment of P-card purchases will result in an entity's cards being frozen or canceled, and may include additional action to obtain the payment and/or any interest accrued.

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F. Payment Procedures

Agencies will create the accounts payable voucher(s), for the full amount of the invoice from the current servicing bank's transaction file using the State Accounting System's accounts payable voucher-build program, and process it (them) for payment. Also, each State Entity P-card Administrator will be provided access to a separate memo statement by the current servicing bank reflecting the amount due from said entity that should balance to the voucher.

G. Processing Timing

The P-card closing period is the last business day of the month, unless on a holiday or other non-banking day; then closing is the following banking day. Office of Management and Enterprise Services (OMES) must receive agency vouchers according to a schedule prepared by OMES and released annually. This is to allow OMES appropriate time to process the voucher and for the EFT payment to reach the servicing bank by the 14th calendar day (or as otherwise established with the servicing bank).

An example of the timing of each processing procedure is as follows (actual dates may vary slightly from month to month or as otherwise established with the servicing bank):

1. Agencies have through the 1st of each month to edit the banking transaction system's fields. On the 2nd of each month the banking transaction system's file will be loaded into State Accounting System through an interface.
2. Each agency will create one accounts payable voucher each month using the State Accounting System batch voucher request process for "Procurement Card."
3. Agencies will review the process error reports online, correct any errors (missing or incorrect data), and rerun the process if necessary. A separate P216 Voucher Build training manual is available for this process.
4. Agencies have through approximately the 6th of each month, (see yearly published schedule) to edit the voucher fields for expenditure code/account and other funding changes and print the vouchers to send to OMES.

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5. OMES will process the payments on the date specified on the published schedule of each month or, if on a weekend or banking holiday, the next business day.
6. Payments sent to the Office of State Treasurer (OST) will be forwarded to the banking system the next day.
7. The servicing bank will receive and credit payments approximately on the 13th day of each month.

H. Payment in Full

Agency payments shall be made in full, in accordance with the requirements of the current P-card contract and rules found at:

http://www.ok.gov/DCS/Central_Purchasing/P_Card_Information/index.html, even though memo statements may contain transactions which are disputed by the state entity. A dispute must be filed through the proper channels provided for resolutions. Once resolution of the dispute is made, an adjustment will appear on a subsequent memo statement from the bank and an appropriate offset against the current transactions may be taken at that time. State entities shall assume full responsibility for reconciling and documenting all P-card transactions.

Payments will not be processed for an agency with a cumulative credit balance. The agency should retain the vouchers until there are sufficient charges to recoup the credit. The batch slip listing the unpaid vouchers from prior and current billing cycles should accompany the vouchers with the required documentation.

I. Voucher Documentation.

Vouchers for P-card transactions shall have the banking transaction system's invoice attached when submitted to OMES. These vouchers are subject to post-audit for all state entities participating in the P-card program. Therefore, detail documentation (i.e., purchase receipts, receiving documents, return receipts, dispute(s) supporting P-card transactions shall be retained by the state entity and made available upon request. See section 5.4.3 of the current State of Oklahoma Purchase Card Procedures, effective December 14, 2010.

J. Cycle Dates

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The P-card monthly purchasing cycle for the State account begins on the 1st day of each calendar month and will continue through the last business day of the following calendar month (or as otherwise established with the servicing bank). See section 5.5 of the current State of Oklahoma Purchase Card Procedures, effective December 14, 2010.

K. **Records Retention**

Entity P-card procedures shall designate where the State agency shall securely retain reconciled statements and supporting documents, and will make such available upon request by OMES and/or OMES for review and audit purposes. Accounting records shall be maintained in the appropriate state entity accounting office. Agencies are responsible for achieving a status as the state entity of record for said documents through the State Archives and Records Commission. Records shall be maintained for seven (7) fiscal years. If audit, litigation, or other action is started before the end of the seven year period, the records are required to be retained for two years from the date all issues arising out of the action are resolved or until the end of the seven year retention period, whichever is longer.

State agencies may be requested, at any time or for any period of time, to submit copies of Travel P-card transaction and reconciliation documentation to the Office of Management and Enterprise Services for review to ensure compliance with the State Travel Reimbursement Act and the OMES State Travel Procedures. The OMES shall notify the State Purchasing Director of any agencies found not to be in compliance, and the agency may have their P-card frozen or canceled and may be required to obtain additional travel related training. See section 5.6 of the current State of Oklahoma Purchase Card Procedures, effective December 14, 2010.

L. **1099 Reporting**

Information to meet IRS Form 1099 reporting requirements will not be supported directly by the P-state purchase card program. OMES See section 5.7 of the current State of Oklahoma Purchase Card Procedures, effective December 14, 2010.

M. **Revenue sharing.**

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The contract with the servicing bank requires revenue sharing with contract users. Revenue will be calculated annually (calendar year) for each entity by the servicing bank and it is based on the total dollar value of entity transactions and average entity transaction value. Payment by the servicing bank can be expected in the first quarter of the following year and will be paid as described below. See section 5.8 of the current State of Oklahoma Purchase Card Procedures, effective December 14, 2010.

1. Participating Entities - The servicing bank will send an annual check for its share of the revenue sharing rebate to OMES to be further disbursed to each agency or entity
2. Other Organizations - Generally, other organizations may participate in the State's agreement with the servicing bank. This group will include institutions of higher education and political subdivisions. The servicing bank will send an annual check directly to these organizations.

N. **Implementation Notice.**

The State P-card Administrator shall provide written notice to the State Comptroller (with a copy to the OMES Transaction Processing Department) in advance of any state agency beginning use of P-cards. The notice shall include whether the agency will be issued the small dollar cards and/or the statewide contract cards. See section 5.9 of the current State of Oklahoma Purchase Card Procedures, effective December 14, 2010.

- O. **Advance (pre-) Payments.** P-card purchases are subject to Office of Management and Enterprise Services Procedures Chapter 50, subsection [50.10.06 Special Procedures](#), covering restrictions on advance payments. See section 5.10 of the current State of Oklahoma Purchase Card Procedures, effective December 14, 2010.

40.90 Special Procurement Issues

40.90.01 Postage

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Except as otherwise provided for in this section, any agency of the state which has an expenditure for postage of \$2,000.00 or more for any one (1) fiscal year shall install a postage meter machine and have all purchases of postage recorded on that postage meter machine. ([74 O.S. § 90.1](#))

- A. A field office or branch office of a state agency distantly located from the parent agency, and which office has an annual expenditure for postage of less than \$2,000.00 may purchase postage stamps in the manner prescribed by [74 O.S. § 90.2](#).
- B. Any agency, as defined in the Administrative Procedures Act, not engaged in scientific research or community development, which finds it necessary, in order to more efficiently and effectively carry out certain programs or functions, is hereby authorized, upon making application to the Director of the Office of Management and Enterprise Services showing sufficient need and upon approval by said Director, to purchase not more than Two Thousand Dollars (\$2,000.00) worth of postage stamps during any one (1) fiscal year in the manner prescribed by [Section 90.2](#) of this title, with a method of accountability for the use thereof to be maintained and subject to audit.
- C. Any agency of the state engaged in scientific research or community development, which finds it necessary, in order to effectively carry out such research or development, is hereby authorized, upon making application to the Director of the Office of Management and Enterprise Services showing sufficient need and upon approval by the Director, to purchase postage stamps in the amount demonstrated necessary to pursue such research or development in the manner prescribed by [Section 90.2](#) of this title, with a method of accountability for the use thereof to be maintained and subject to audit. Provided, however, the finance officer of such state agency shall keep and maintain a record of all postage stamp allocations within the agency. For purposes of this section, “scientific research” shall mean research conducted under formally sponsored grants or contracts; “community development” shall mean development conducted by a formally and permanently organized office for that purpose.

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- D. Any agency of the state which finds it necessary in order to more efficiently and effectively carry out certain programs or functions, is hereby authorized to: (1) utilize the Business Reply Mail Account, Bulk Mailing Account, Postage Due Account, Zip + 4 codes, and Mailer Applied Bar Codes or such other services offered by the United States Postal Service, and; (2) upon making application to the Director of the Office of Management and Enterprise Services, showing sufficient need and upon approval by said Director, for purchases of less than \$2,000.00 worth of postage stamps during any one fiscal year in the manner as prescribed in [74 O.S. § 90.2](#), with a method of accountability for use thereof to be maintained and subject to audit. Provided, however, the finance officer of such state agency shall keep and maintain a record of all postage stamp allocations within the agency.

No money shall be expended by any state agency for postage stamps or post office box rent except through expenditures made payable to the United States Post Office (or United States Postmaster). [74 O.S. § 90.2](#)

The traveling employees of the state shall be exempt from the terms of [74 O.S. § 90.1](#) and [90.2](#) while traveling on state business. The House of Representatives and the Senate of the Oklahoma State Legislature shall also be exempt.

The installation cost and rental of postage meters required by [74 O.S. § 90.1 through 90.5](#) shall be paid for by the agency from the appropriations of said agency. ([74 O.S. § 90.4](#))

40.90.02 Local Project Funding Awards

Pursuant to Governor's Executive Orders, the Office of Management and Enterprise Services has developed a form and procedures for review of awards for local projects. [Executive Order \(E.O.\) 98-37](#) defines local project funding contracts as follows:

- A. An agreement between a state agency and either a local government or private entity, or both, in which the state agency agrees to provide funding to the local government or private entity who agrees to accomplish a public purpose; and

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- B. The direct benefits of such a contract accrue primarily to the local population rather than to the state as a whole.

Local project funding contracts do not include contracts subject to state competitive bidding statutory requirements.

The E.O. further stipulates that:

- C. A local project funding contract shall be awarded on the basis of the merits of the local project. A state agency shall adopt rules pursuant to the Administrative Procedures Act establishing criteria to assure that the awarding of a local funding contract is based on the merits of the project.
- D. Amounts shall not be encumbered for a local project funding contract until the Chief Administrative Officer or a person designated by the Chief Administrative Officer of the state agency certifies by written affidavit to the Director of the Office of Management and Enterprise Services that the proposed local project funding contract meets the criteria set out in the rules by the agency.
- E. Each local project contract shall be enumerated serially within the awarding agency. The number shall be cited in all correspondence to any of the parties and the Office of Management and Enterprise Services concerning the local project funding contract including the request for encumbrance.
- F. A state agency that has local projects subject to the provisions of this E.O. shall prepare an announcement of projects available in the form of a press release. The announcement shall be submitted to at least twenty-five newspapers in both metropolitan and rural areas for publication of public service announcement at the discretion of the editors of the newspapers. The agency shall determine which newspapers would best serve to

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disseminate information to local communities on a project-by-project basis. The press release announcement shall include the following information:

1. The name of the contracting agency;
 2. A description of the type of projects eligible for local project funding contracts, such description being simple and easily read yet sufficiently detailed to allow a reasonable person to know whether a project he may desire would be eligible;
 3. The total amount of money available from the agency for the local project funding contract program described in the announcement;
 4. A description of the type of persons or entities who are eligible for the local project funding contracts and a citation to the specific authority which establishes the eligibility criteria;
 5. The closing date and time for receipt of application; and
 6. The name, business address, and telephone number of the person whom interested parties may contact for additional information.
- G. The Office of Management and Enterprise Services shall determine the procedures and forms to be used in implementing the provisions of this E.O. Such procedures shall include, but not be limited to, the maintenance of the lists of newspapers for publication of announcements.

For purpose of certification documentation, [OMES Form 81](#), *Local Project Funding Notification of Award of Contract* must be completed for any purchase order/contract meeting the criteria of a local project funding award. Orders and contracts are encumbered through the State Purchasing System or internally by Alternate System Agencies. The [OMES Form 81](#) should be submitted to OMES and shall be maintained on file at OMES. If the agency requests a return copy showing that OMES has received the form, then a copy of the form should be included with the original. The copy will be stamped as received and then returned to the agency.

Agencies covered by the Oklahoma Central Purchasing Act (per dollar limits) who are making an award (non-competitive bid) to a non-governmental entity must submit to OMES a requisition

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(Central Purchasing Form 2) along with an [OMES Form 81](#) (and one copy) completed except for the contract number, which is not then available. OMES will review/file the [Form 81](#) and will forward the requisition and a copy of the [OMES Form 81](#) to Central Purchasing for processing.

The [OMES Form 81](#) shall include the following notarized certification:

CERTIFICATION

I hereby certify, to the best of my knowledge and belief, that:

1. All of the established objective criteria for this program have been applied pursuant to [Executive Order 98-37](#);
2. This award meets these objective criteria;
3. This award ranked among the highest in terms of meeting the applicable program criteria; and
4. Notification to at least twenty-five newspapers as required in [Executive Order 98-37](#) has been completed.

Signed by:

(principal agency administrator or designee)

Notary Section

40.90.03 Contracts for Legal Services - Review and approval through the Office of the Attorney General

Contracts for legal representation by state agencies under the executive branch must be approved through the Office of the State Attorney General (A.G.) [74 O.S. § 20.i](#). In addition, as professional services, these contracts will be subject to submission in accordance with the Oklahoma Central Purchasing Act and the promulgated rules of the Central Purchasing Division of the Office of Management and Enterprise Services

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Point of Emphasis: In the approval of vouchers, the Office of Management and Enterprise Services shall take the view that the required A.G. approval was effected along with establishing of the purchase order/contract. In other words, OMES will not require evidence of the A.G.'s approval submitted along with the voucher.

40.90.04 Computer Hardware and Software Purchases

No agency of the executive branch of the State shall use state dollars for or enter into any agreement for the acquisition of computer hardware, software or any contract for information technology services and equipment, service costs, maintenance costs, or any other costs or fees associated with the acquisition of the services or equipment, exceeding zero dollars (\$0.00) in value without written authorization of the Office of Management and Enterprise Services Chief Information Officer or a designee. If written authorization is not obtained prior to incurring an expenditure or entering into any agreement as required in this subsection or as required in [62 O.S. § 35.4](#), the Office of Management and Enterprise Services may not process any claim associated with the expenditure and the provisions of any agreement shall not be enforceable. The provisions of this subsection shall not be applicable to any member of The Oklahoma State System of Higher Education, any public elementary or secondary schools of the state, or any technology center school district as defined in [70 O.S. § 14-108](#) or CompSource Oklahoma if CompSource Oklahoma is operating pursuant to a pilot program authorized by [74 O.S. § 3316](#) and [3317](#). ([62 O.S. § 34.12.B](#)) OMES

40.90.05 Communication or Telecommunication Systems

A. No agency of the executive branch of the state shall use state dollars for or enter into any agreement for the acquisition, development or enhancement of a communication or telecommunication system including voice, data, radio, video, Internet, eGovernment, as referenced in [62 O.S. § 34.24](#) and [34.25](#), and facsimile systems printers, scanners, copiers, and associated supplies, service costs, maintenance costs, or any other costs or fees associated with the acquisition of the system or equipment, , without written authorization of the Office of Management and Enterprise Services Chief Information Officer or a designee The Management and Enterprise Services Chief Information Officer or a designee shall verify

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that any acquisition, development or enhancement is compatible with the operation of the Oklahoma Government Telecommunications Network created in [62 O.S. § 34.23](#). ([62 O.S. § 34.21.A](#))

- B. No agency of the executive branch of the state shall enter into any agreement for the acquisition, development or enhancement of a communication or telecommunication system or service including voice, data, radio, video, Internet, eGovernment, printers, scanners, copiers, and facsimile systems, unless the cost of such addition, change, improvement or development has been included in the statewide communications plan of the Information Services Division of the Office of Management and Enterprise Services, as said plan may have been amended or revised.

- C. State agencies may enter into interagency contracts to share communications and telecommunications resources for mutually beneficial purposes. The contract shall clearly state how its purpose contributes to the development or enhancement or cost reduction of a state network which includes voice, data, radio, video, Internet, eGovernment, or facsimile systems. The contract shall be approved by the Information Services Division before any payments are made.

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50.00 Overview: Disbursing

EFT Payment Required

Effective July 1, 2012 statute required that all payments made by a state agency must be done electronically (EFT). There are some situations where the vendor is not able to be setup for the EFT payments or the agency believes the EFT payment method is impractical for a particular type of payments. Such vendors will continue to receive a paper warrant as long as the agency completes and submits an Exemption Request Form, to the Office of the State Treasurer (OST), and the request is approved. An Exemption Request Form can be obtained on OST's website at www.ok.gov/treasurer place your mouse on **Banking**, click on Electronic Payment Requirement and scroll down to find the form. Agencies should submit a request for any type of payment for which they do not have the ability to pay electronically because of system limitations or for which they do not have banking information. The Exemption Request should be submitted by May 15 each year. Exemptions are for one year only and agencies are expected to remedy any issues preventing electronic payments. Exemption requests and any questions regarding this process should be submitted to:

Electronic.Payment.Exemption@treasurer.ok.gov

Reference: [62 O.S. § 34.64.H](#). Payments disbursed from the State Treasury shall be conveyed solely through an electronic payment mechanism. The Office of the State Treasurer (OST) may provide an exemption from the provisions of this subsection, with cause, provided the number of exempted payments and a corresponding list of causes shall be published in a regularly updated report which is featured prominently on the OST's website.

Interagency Payments

To be in compliance with the law requiring payments to be made electronically, all eligible payments between state agencies should be made using the electronic payment method "WIR" on the voucher. Although not all agencies are currently set up to accept interagency "WIR" payments, most agencies are and this method defaults into the voucher when selecting the proper remittance location for these agencies through the vendor file.

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Agencies using the Vouchers from Remote Agencies (VFRA) file to transmit vouchers should place an "I" in column 208 of the Payee Record Layout when making interagency payments to agencies with vendor IDs 0000000010 through 0000000880. (Column 64 in the Header Record Layout requires a claim type of "I" for ASA 7XX vouchers, a "W" for 99400 class fund vouchers, and any claim type for miscellaneous vouchers.) The exception is for the agencies that do not have Agency Clearing Account class fundings, and thus, cannot receive interagency payments at this time. A list of these agencies will be provided through this office.

Paying agencies can run the Misc. Warrants report (OCP_0119_AP) and interagency payments will be designated with the "WIR" payment method. Receiving agencies should run the Misc. Inter/Intra Agency report (OCP_072_AP) daily to deposit and apply interagency receipts. This report provides payment information to better identify the payments and should be reconciled to the Treasurer Activity Statement (OCP0643).

Payments:

Payments from treasury class fundings for state expenses are segregated into two (2) major classifications: encumbered and non-encumbered. These payments are processed by the submission of "vouchers" to the Office of Management and Enterprise Services (OMES) from the paying agencies. There are several different voucher form types used for settlement of these payments depending on the nature of the expense.

Encumbered voucher payments are submitted for the purchase of goods, wares, and merchandise, or payment of contractual services, and must be charged against an encumbrance document (i.e., purchase order, contract, or Authority for Purchase) having a sufficient balance to cover the expense.

Non-encumbered voucher payments are submitted for the payment of expenses such as travel reimbursement, refunds, indemnity payments, legal settlements, and other like payments the nature of which are *not* payment for the purchase of goods, wares, merchandise or services. Another important type of non-encumbered voucher is for payment of employees' salaries (payroll) and related withholding payables.

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The Director of the Office of Management and Enterprise Services ("The Director"), through the Division of Central Accounting and Reporting, shall settle all vouchers payable by the State. The Director shall prescribe all forms, systems, and procedures for the several departments, institutions, and agencies of the State to administer the State Accounting System. The Director shall establish a pre-audit system of voucher settlement whereby vouchers and documents supporting proposed payments shall be submitted to the Director for pre-audit and settlement. ([62 O.S. § 34.11](#))

In addition, the Director may establish alternative procedures for the settlement of vouchers through the OMES whenever such procedures are deemed more advantageous and consistent with the Budget Law of 1947, as amended. Such procedures may include, but are not limited to, at the discretion of the Director:

1. A procedure to permit consolidated payments to vendors for vouchers involving more than one agency of the state when audit and settlement of such vouchers, as hereinafter provided, can in all respects be accomplished,
2. Procedures based upon valid statistical sampling models for pre-audit of vouchers, except for payroll vouchers and travel vouchers, against contracts, purchase orders, and other commitments before entering such vouchers against the appropriation allotment accounts, and
3. Policies, procedures, and performance criteria for the participation of agencies or departments, not authorized in the pertinent part of the law, to engage in an alternate system for the settlement of vouchers through the Office of Management and Enterprise Services. ([62 O.S. § 34.64](#))

Authorization and Signatures:

Vouchers and payrolls used as the basis for the payment of monies from the State Treasury from any class funding shall be approved by the elected or appointed head of the paying agency or their designated employees (approving officers). The number of persons authorized to make such approval shall not exceed five (5) people for any one department, board, commission, institution or agency without special approval by the Director of the Office of Management and Enterprise Services. A signature card, OMES Form 13, for each individual authorized to sign vouchers shall be completed

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by the agency, signed by the agency head and filed with OMES. Blank signature cards are available by contacting OMES Transaction Processing at (405) 521-6187 and a card will be sent to the agency. Be sure to track who you have as approving officers and update as necessary by obtaining new cards and notifying OMES, Transaction Processing by letter when someone needs to be removed. After the vouchers and payrolls have been approved by the above officials or designated employees, they shall be submitted to the Director of the Office of Management and Enterprise Services for pre-audit and settlement. ([62 O.S. § 34.68](#))

All officials and employees authorized to approve payrolls and vouchers are bonded under a "blanket bond" procured through the Department of Capital Asset Management. A "blanket bond" is defined by statute as a public employees' blanket position bond covering all employees up to the penalty of the bond for each employee. No other bond shall be acceptable as surety for any elected or appointed officer or employee of this state in lieu of the bond so provided. ([74 O.S. § 85.26](#))

However, all agency approving officers shall execute a bond issued by a surety company licensed to do business in this state, payable to the state in the amount required by the Director of the Office Management and Enterprise Services but not less than Fifty Thousand Dollars (\$50,000.00) and conditioned for the faithful performance of their duties, as surety, which shall be approved by the Director of the Office of Management and Enterprise Services and filed in the office of the Secretary of State. ([62 O.S. § 34.68](#))

50.10 Vendor Vouchers

50.10.00 Overview and Subtopics Listing

A. Overview

This section will provide detailed information and instructions on the types of vouchers forms to use for purchases from vendors, the submission of vouchers, required documentations, general information about prohibited acts and special procedures to be followed with references to state statutes and Attorney General Opinions. Examples of some of the issues covered in the section

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are the payment of moving expenses, the purchase of refreshments, the payment of membership dues, and the payment of prior fiscal year expenditures with current year appropriated dollars.

B. Subtopics Listing

- 01 Types of Voucher Forms
- 02 Submissions of Vouchers
- 03 Voucher Form Entries
- 04 Voucher Jacket and Notarized Voucher
- 05 General Information and Prohibited Acts
- 06 Special Voucher Procedures

50.10.01 Types of Vouchers and Voucher Forms

A. Two Major Voucher Classifications

1. Encumbered Vouchers - These are vouchers submitted for the purchase of goods, wares, and merchandise, or contractual services, and must be charged against an encumbrance document.
2. Non-Encumbered Vouchers - These are vouchers submitted for the payment of travel reimbursement, refunds, indemnity payments, loans, interest and principle, court awards, and other like payments the nature of which is *not* payment for the purchase of goods, wares, merchandise or services. See [50.20](#) for instructions on preparing and submitting payroll vouchers for payment of employees' salaries and withholdings payable.

B. Voucher Form Types

There are five types of voucher forms, some of which have multiple uses. [Form 15A](#) provides vendor, invoice, and expenditure information for the voucher. The [OMES Forms 3, 9, 18, and 19](#) are attachments to [Form 15A voucher jacket](#).

OMES Form 3	Notarized Voucher Form and Disbursement of Payroll Withholding
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OMES Form 9	Imprest Cash Voucher
OMES Form 15A	Voucher Jacket Form
OMES Form 18	Actual and Necessary Expense Travel Voucher
OMES Form 19	Travel Voucher

Each [Form 15A](#) should be accompanied by an invoice, contract estimate, or voucher form attachment to support the voucher. See [50.10.04](#) for additional information on the voucher form types.

Prior encumbrance is not necessarily required when filing [forms 15A, 18, 19, or 3](#). [Forms 15A and 3](#) are used when making both encumbered and non-encumbered miscellaneous payments. When [forms 15A or 3](#) are being used for the payment of goods and services, a purchase order encumbrance *must* be reduced by the amount of the voucher. Agencies have the option to create a purchase order encumbrance prior to submission of a voucher [form 15A, 18, 19, or 3](#) when the payment is *not* for goods and services, such as, for an indemnity payment, workers' compensation, travel reimbursement, or other such payments not normally requiring prior encumbrance.

NOTE: Agency printed forms are authorized with prior approval. Requests for such approval should be made by submitting a copy of the intended form to OMES, Division of Central Accounting & Reporting - Attention: Director, Transaction Processing.

50.10.02 Submission of Vouchers

A. General

Vendor invoices and contract estimates must be filed with the department, institution, or agency receiving the merchandise or services. Upon receipt of invoices or contract estimates the head of the department, institution, or agency, or authorized agent, will approve said documents for payment by indicating the goods or services have been delivered or accepted. Whereupon, said invoices or contract estimates will be attached to a voucher jacket and the voucher approved for payment by the authorized official (approving officer). See [50.10.04.B](#) for voucher jacket

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processing. In addition, no request for payment of an invoice should be made until the goods or services have been received, unless specifically exempted by statute. [74 O.S. § 85.44.B](#)

SPECIFIC AGENCY EXCEPTION: Contract estimates are acceptable for use by the Department of Transportation for construction type contracts.

Voucher forms should be submitted to OMES in a timely manner in order to fulfill the State's commitment to its vendors. They should be submitted as one invoice per voucher. This requirement is two-fold, first, the State's Accounting System includes a duplicate invoice number check that will prevent a duplicate payment in the event that an invoice is entered into the system twice and second, as OMES moves towards electronic payments it will become more important that the Invoice ID field be populated with the specified invoice number from the vendor's invoice. The OMES scheduled processing period for vouchers is two to three working days from date of receipt of vouchers to the delivery of a warrant issue record to the Office of the State Treasurer (OST). Warrants are normally printed by OST that night and then made available to the paying agencies the following day.

The original voucher form and invoice should be submitted to OMES. If the original voucher is lost, a photocopy will be accepted with an original signature by an approving officer. If a voucher represents a split payment, said voucher and the corresponding voucher must cross-reference one another whenever possible. See [50.10.04.A.5](#).

NOTE: As the office of record for vouchers paid, OMES requires the original voucher form and normally the original invoices for its files. However, with current technology, there is now the possibility of vendors providing only fax copies or other electronic methods of providing invoices. Therefore, the Management and Enterprise Services will accept photocopies or faxes of invoices when an original is not available. This places a greater burden on the agencies for controlling duplicate payments. In the case of Alternate System participating agencies, the original voucher form and invoice should be on file with the agency's central accounting office as the office of record.

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POINT OF EMPHASIS: Agencies should adopt written policies standardizing how payers enter the invoice ID on the voucher. Compliance with the standard policies ensures consistency so that system edits will detect duplicate invoice numbers and prevent duplicate payments. Accurate invoice numbers also help to ensure proper credit is applied by the vendor.

The policies should cover:

1. The invoice must be entered exactly as it appears with the inclusion or exclusion of leading zeroes and non-numeric and non-alpha characters.
2. When the agency must process the invoice on more than one voucher, the agency policy must specify when that is allowable and what specific identifiers will be added at the end of the vendor invoice number (alpha or numeric).
3. When no identifiable invoice number or code is present, the agency policy must specify what specific identifiers will be used.
4. When processing an invoice and credit memo together, both the invoice and credit memo numbers should be entered on the voucher. It is advisable to enter the invoice number first, followed by the credit memo number, since vendors are more likely to search for an invoice number. Please address invoice and credit memo numbers entered on one voucher in the agency's written policies standardizing how payers should enter invoice numbers.

NOTE: Changes *should not be made* to vouchers once the vouchers and batch slip (batch slip only for agencies using imaging) are submitted to OMES.

If there is a problem with a voucher that is already included on a batch slip and submitted, please call OMES to see if it can be sent back to your agency. Also, if a voucher is listed on a batch slip and you decide not to submit the voucher, be sure to remove the pay group from the voucher and re-run the batch-slip so it is not included on the batch.

B. Vouchers from Remote Agencies (Selected Agencies)

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The “Vouchers from Remote Agencies” process is restricted and is an Inbound Interface that allows the Electronic Data Transfer (EDT) agencies to submit miscellaneous voucher/warrant information that will be loaded into the State Accounting System. This Inbound Interface offers an Edit and Load option. The Edit option is a preliminary run that will only perform certain edits. There is also a Load option that will edit the data and then load the agency’s successful vouchers. Either option will return an edit report.

An agency’s voucher numbers will become one or more vouchers within the State Accounting System. Typically, a voucher relates to an invoice. The Alltrans file provides the voucher numbers, invoice numbers, and warrant numbers.

C. EDT Submission

An agency requests access to upload the data by submitting a completed [OMES Form 90](#); IBM Systems Access Authorization Request to obtain access to upload the data. Miscellaneous vouchers data must be submitted in formatted voucher record layouts to accomplish the task of electronic data transmission to the Office of Management and Enterprise Services. The three different record type layouts are Header Record Layout, Funding Record Layout, and Payee Record Layout. See http://www.ok.gov/cio/documents/clmsps_layout.pdf for technical computer instructions for “Upload” and Miscellaneous Voucher File Layout.

1. Agency assigns an EDT number for the vouchers file to be submitted. This number should be assigned in sequential ascending order.
2. File transfers are from the Regatta mainframe system. A panel within State Accounting System contains the Voucher Form Remote Agencies jobs that must be run in order to upload information.
3. The submitting agency will correct the edit errors and resubmit the vouchers via another EDT transmission.
4. Successfully loaded vouchers are to be batched as follows.
 - a. Vouchers will be assigned State system voucher numbers and should be batched by Pay Group

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- b. The vouchers within each batch should be in sequential, ascending voucher number order, although not necessarily in numerical sequence (e.g., 1-25, 28-35, 41-50).
 - c. For non-scanning agencies, vouchers must be horizontally tri-folded with the Business Unit number and voucher number showing on top. Vouchers must be folded with the invoice or voucher form attachment attached inside the fold.
5. Vouchers eligible for payment within a pay group will print on an [OMES Form 25B](#), Voucher Register Batch Slip Notice, generated through the State Accounting System as a report (Navigation: Accounts Payable>Reports> Vouchers>Voucher Batch Slip) [Run Control ID required] with the following fields:
 - a. Agency/Business Unit
 - b. Pay Group
 - c. Voucher Count
 - d. Batch Total
 - e. A listing showing each Voucher Number, Voucher number (internal # for EDT agencies only), and amount.
 - f. The certification that must be signed by an authorized approving officer for the agency with Title and Date.
6. The batch slip and vouchers should be submitted together to OMES to ensure proper handling and processing. The batch slip should include only those vouchers that are being submitted. Vouchers with exceptions that did not print on the batch slip should be corrected and submitted with a subsequent batch slip. Vouchers that are eligible to pay but are withheld from the batch should either have the Pay Group removed or be placed on hold so as not to print on a batch slip until they are ready to be submitted to OMES.

Each separate batch of vouchers should be rubber banded (or paper clipped) together with the batch slip on top in a manner not to be separated during the submission to OMES. If a batch must be split to fit into envelopes, etc., attach a note identifying the vouchers as

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being part of a batch by showing the date and pay group. Agencies participating in the Voucher Imaging Program will submit only the batch slip. See [50.90.06](#).

D. Direct Entry Procedures

The State Accounting System provides the function for preparing and printing vouchers for submission to OMES. Users are required to obtain access to the State Accounting System by submitting an [OMES Form 301](#), System Access Request Form (Financials). This form must be completed by the person requesting access and signed or initials by the individual's manager and signed by the Agency Security Representative. Users are also required to attend classes on how to use the system. Classes are [COR113 – AP Regular Vouchers \(Direct Vouchers\)](#), [COR112 – PO Vouchers \(Encumbered Vouchers\)](#), and [COR118 - AP Inquiry and Reporting](#). Refer to the training manuals from these three courses for specific use of the system. Manuals can be found on the OMES/CIO Business Application Services (CORE) Financials website located at [http://www.ok.gov/cio/Custom Portal/Business Application Services Essentials/Financials](http://www.ok.gov/cio/Custom%20Portal/Business%20Application%20Services%20Essentials/Financials/).

E. Alternate System for Settlement of Miscellaneous Vouchers

Participation in this program can be through specific statutory authority or through legislative authority granted to the Office of Management and Enterprise Services. It is designed for approved agencies to process their expenditures based on their own internal encumbrance and pre-audit systems, and on-site maintenance of their voucher documents. Said internal systems must be pre-approved by OMES and are subject to ongoing post-audit reviews by OMES Transaction Processing staff. Participation in this program by institutions of higher education requires joint approval by the State Regents for Higher Education and the Office of Management and Enterprise Services.

The alternate system voucher procedure functions in the same way as the EDT process for supplying the expenditure data to OMES. However, the actual voucher documents are retained at the state agency and are post-audited via statistical sampling selection methods by the OMES Transaction Processing staff. The agency should submit an [OMES Form 25B](#), but retain the voucher documents at the agency. An agency may submit an [OMES Form ALT, Alternate System](#)

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[Transactions Transmit Authorization](#) for each user transmitting the file and retain [Form 25B](#) at the agency.

POINT OF EMPHASIS: The [Form 25B](#) should be printed between 1:00 and 1:30 p.m. each day after the noon budget checking job is run but before the Alternate Pay Cycle is run.

Procedures for operation of the program will be provided to agencies interested in seeking approval to convert to the alternate system. For institutions of higher education to seek conversion, approval must first be obtained from the State Regents for Higher Education. Institutions should complete a request/approval form included with the program procedures. The completed form must be submitted to the State Regents office where it is approved and then forwarded to OMES.

Note: The request/approval form may also be obtained by contacting the OMES Transaction Processing Director. For other agencies, they must submit the completed form to the Director, Transaction Processing, or OMES. The Director will make arrangements with the agency for an on-site review of its encumbrance system, pre-audit system, and document storage procedures and facilities. The Director will then make a recommendation to the Director of the Office of Management and Enterprise Services for approval or disapproval of the agency based on the on-site review and the agency's documented encumbrance and pre-audit procedures provided.

If approved by the Director of the Office of Management and Enterprise Services for conversion to the alternate system, the Transaction Processing Director will make arrangements with the agency on establishing a conversion date. Should an agency be notified of disapproval based on the on-site review findings and/or agency procedures documentation, any reasons will be provided. The agency can request a subsequent approval once said deficiencies have been corrected.

F. "700 Class Funding" Voucher Transactions

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This program was designed to move Agency Special Account (ASA) class funding activity from depository class fundings to operate similar to treasury class fundings within the State Accounting System.

a. In General

Approved agencies report ASA activity by combining the expenditure information previously reported to OMES on [OMES Form 11A](#) and warrant issue information separately reported to the Office of the State Treasurer (OST), into a single transmission. OST warrant issue information is then pulled out and electronically transferred to OST. A “7XX Class Funding” (e.g., 700, 701, etc.) is established for each existing ASA an agency may have, as authorized by OMES, or they can be consolidated into a single “700 Class Funding” at the discretion of the agency.

Application for a “700 Class Funding” for an existing ASA is through submission of a letter to the Accounting and Reporting Department of the OMES, and establishment of available budget, see [Chapter 20 - Budgeting](#). However, if the request is for a new ASA account, then an [OMES Form 18A](#), *ASA Application* must be submitted. Submission of the “700 Class Funding” data is through one of the previous methods discussed: EDT or direct entry into the state system. As with the Alternate System for Settlement of Vouchers, no actual voucher documents are submitted. Agencies must only submit an [OMES Form 25B](#), but retains the voucher documents at the agency. However, an [OMES Form 700](#), *700 Fund Transactions Direct Entry/Transmit Authorization*, can be completed and submitted for each user transmitting the files or entering the data in the State Accounting System, eliminating the need for submission of [Form 25B](#). The agency should continue to retain [Form 25B](#) in agency files.

POINT OF EMPHASIS: Alternate system agencies should also print the [Form 25B](#) between 1:00 and 1:30 p.m. each day after the noon budget checking job is run, but before the “700 Class Funding” Pay Cycle is run.

The type of payments from a “7XX Class Fundings” is restricted to the authorized expenditures of the original ASA class funding. Payment of travel expense vouchers and payroll related expenses

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previously paid via a travel voucher or miscellaneous voucher (i.e., insurance, retirement, etc.), must continue to be submitted as vouchers to OMES. These vouchers are still considered a “miscellaneous voucher” payment and not a “700 Class Funding” transaction even though they are paid using a “7XX Class Funding”. Furthermore, submission of these vouchers must be through either the EDT or direct entry procedures.

There is an exception to this travel expense and payroll related expense payment procedure for agencies under the Alternate System for Settlement of Miscellaneous Vouchers, which can process said payments as “700 Class Funding” transactions and issue their own checks if they choose to do so. Such payments would then be reported as “700 Class Funding” transactions and not as Alternate System Vouchers.

b. Advance Payment Allowed as Follows

As a necessary operating procedure, when required, advance payment will be allowed for performances such as Visual and Performing Arts events at colleges and universities. Promoters and performers will often require payment, either at the time the performance contract is signed or on the first day of the performance. This is consistent with the performing arts industry standards and practices.

Supporting documentation (e.g., signed contracts, invoices, and other forms of written communication) should be retained with the payment record as justification for the advance payment. Such documentation will be provided to OMES as part of its audit when such payments are identified for audit review. We also recommend that prior approval be sought from OMES when such advance payment is necessary in order to save it from possibly being a finding through an audit should the payment be questionable. Requests can be submitted to Steve Wilson, Director, Transaction Processing at OMES/CAR at steve.wilson@omes.ok.gov.

G. “700 Class Funding” Manual Warrants

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“700 Class Funding” expenditures should be disbursed on check stock held at the agency only when the expenditure must be issued immediately; otherwise, the expenditure should be issued on an OST warrant.

EDT agencies should submit the EDT transmission no later than 3:00 p.m. on the day the manual warrants are issued. The Edit Vouchers from the Remote Agencies option should be run before loading the vouchers so that the Edit report can be reviewed to ensure that:

- 1) the warrant numbers submitted (usually also the internal voucher numbers) are the actual numbers of the warrants issued,
- 2) the total amount of the submission agrees to the total amount of the warrants issued, and
- 3) the bank account number on the warrants corresponds to the class funding used in the transmission.

If warrant information is loaded incorrectly into a State system voucher, call the Office of Management and Enterprise Services at (405) 521-6187 or 522-6855 before 4:00 p.m. (the time when the issue record is sent to the Office of the State Treasurer) so the voucher can be corrected.

Direct Entry agencies should create the voucher on the day the warrant is written and submit a signed [Form 15A Claim jacket form](#), accompanied by a copy of the manual warrant, within twenty-four hours to OMES so that the issue record can be sent to OST timely.

POINT OF EMPHASIS: Agencies must implement internal control procedures to ensure manual warrants are not released to the payee before the warrant is recorded. [62 O.S. § 89.6.A.2](#) allows the Treasurer to charge agencies a handling and processing fee if an exception item is identified because a manual warrant is presented for payment before it is entered into the State Accounting System.

Agencies using Express Checks are not required to submit actual voucher documents unless the warrant is for travel and payroll related expenditures authorized to be paid from a “7XX Class Funding”.

50.10.03 Voucher Form Entries

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Certain common data elements are required on every voucher form. Included are the:

- * Business Unit number of the paying agency
- * Voucher Number
- * Vendor ID Number
- * Vendor Name
- * Vendor Location code
- * Vendor Address code
- * Invoice Number
- * Invoice Date
- * Invoice Amount
- * Account Code(s)
- * Class Funding(s)
- * Department(s)
- * Fund Type(s)
- * Bud Ref (s)
- * CFDA Number(s) – as appropriate for federal awarded dollars
- * Approving official's signature.

The State Accounting System will assign the voucher numbers in sequential order. EDT paying agencies can assign internal voucher numbers: however, they are not a data element in the state computer system. Paying agencies can use multiple class fundings, accounts, departments, etc. on all vouchers except “700 Class Funding” vouchers, which require that the class funding correspond to the bank account. If it is necessary to create separate vouchers for a payment or reimbursement, each (or multiple) voucher(s) should cross-reference the other voucher number(s). An agency approving official's signature is required on all vouchers. All officials and employees authorized to approve payrolls and vouchers are bonded under a "blanket bond" procured through OMES. A "blanket bond" is defined by statute as a public employees' blanket position bond covering all employees up to the penalty of the bond for each employee. No other bond shall be acceptable as surety for any elected or appointed officer or employee of this state in lieu of the bond so provided. ([74 O.S. § 85.26](#))

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Vendors receiving payments for products or services through the State Accounting System must be assigned a vendor identification number by the State Accounting System. When establishing vendors in the Vendor File, vendors must provide their federal (FEI) identification number. OMES takes the position that doing business with the State of Oklahoma includes the requirement to provide tax identification information by means of the signed IRS Form W-9 or a W-9 substitute (included as part of the OMES Vend Form). This requirement allows OMES to identify the vendor early into its business relationship, and will aid OMES if the vendor payment is to be reported to the IRS through the 1099 reporting process. In the event a vendor refuses to cooperate with providing a Form W-9, it should be reminded that future payments to them may be subject to penalty under IRS rules. (See [Vendor File](#))

50.10.04 Voucher Jacket and Notarized Voucher

Claim Jacket Voucher Form ([OMES Form 15A](#)), and notarized/withholding form (OMES form 3) - Instructions

A. Common Requirements

1. Enter data elements common to all vouchers into the state system voucher as instructed in [50.10.03](#).
2. For encumbered payments, copy the receipt or purchase order into the voucher.

NOTE: Whether the receipt or purchase order is copied into the voucher, the State Purchasing System issued purchase order ten digit number, beginning with your agency business unit number followed by a 9 then six numbers (Example: 0909000001), will print on the [Form 15A](#).

Point of Emphasis: If the purchase predates the encumbrance document, the voucher should not be processed without appropriate justification explaining the encumbrance delay.

3. A vendor may assign their rights to the proceeds of a voucher by notifying the agency to assign a different 'Remit To' payee. The *Claimant* must authorize the assignment by signing the authorization in the space provided.

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4. Submit the original copy of the voucher form along with any attachments stapled and the voucher folded. The invoice attached to the voucher should be the original unless it is not available.
5. When vendor invoices are altered, there must be proper justification and approval documented on the invoice. In such cases, an agency employee should confirm the change with the vendor and document the reason for the change and that the vendor authorized it, and then sign/initial the change. There may also be an adjustment based on non-acceptance or non-receipt of items listed on an invoice, whereby, the agency may opt to correct the invoice instead of requesting a new one. As with other alterations, give the reason for the change and sign/initial the change.

B. Voucher Jacket Form - Description & Special Requirements

1. The primary method of paying state obligations for goods and services is by use of a Voucher Jacket Form ([OMES Form 15A](#)). The voucher jacket form must be accompanied by the original vendor invoices or contract estimates for which payment is to be made and the invoices and estimates must be signed by an employee of the agency to indicate the goods or services have been received. ([62 O.S. § 34.65](#))

NOTE: The invoice attached to the voucher should be the original unless it is not available. (*The 15A Claim Jacket Voucher Form name originated from the first voucher form that was a "jacket" or envelope form and invoices were placed in the jacket to be submitted for audit.*)

2. Required data elements:
 - a. Vendor information:
 - i. Vendor (ID Number)
 - ii. Name
 - iii. Location
 - iv. Address
 - b. Invoice information
 - i. Invoice Number
 - ii. Invoice Date

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- iii. Total (amount)
- c. Distribution Line (funding)
 - i. Amount
 - ii. Account
 - iii. Sub-Account (optional)
 - iv. Fund Type
 - v. Class-Funding
 - vi. Dept.
 - vii. Bud Ref
 - viii. CFDA# (as appropriate for federal awarded dollars)

C. Notarized Voucher and Disbursements of Payroll Withholdings Form - Description & Special Requirements

1. The Notarized Voucher and Disbursements of Payroll Withholdings Form ([OMES Form 3](#)) have two purposes. First, it is used in cases where no invoice is required/available and is signed by the claimant who is or represents the vendor of the goods or services to whom the obligation is owed. The claimant's signature must be notarized. Agency officers and employees are not authorized to sign in lieu of the claimant except as specifically authorized by [50.90.02 POSTAGE](#). Second, it is used for processing payroll withholding payments. The form must be signed by the appropriate payroll or accounts payable official, however, the signature is not notarized. See [50.20.05](#) for processing Payroll Withholding Vouchers.
2. The form must include a detailed description of the goods or services received for which payment is being made. Where applicable, quantity, unit prices, dates when services were performed, etc. must be entered. The Approving Officer is certifying the satisfactory receipt of goods or services.

NOTE: No separate invoice is required with the Form 3; therefore, the data entered must be at the invoice level of detail. When serving for payroll withholding payments the payroll voucher number, payroll date, and type of withholding should be listed.

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3. [The Form 3](#) is completed and used as an attachment to the Voucher Jacket Form [OMES Form 15A](#).

D. Special Provisions - Encumbered Payments

Override of Encumbrance Amount - An override of 10% on the quantity of goods will be considered *only* on certain types of purchases. These purchases are normally bulk purchases (as identified by OMES Central Purchasing Division), such as, purchase of fuel, asphalt, meats, etc. This is *not* a general override for all purchases. The overage amount should be identified as non-encumbered on the voucher and entered as a separate voucher line on the state system voucher. Only the actual encumbered balance will be charged against the order or contract. Failure to identify the overage on partial payments could deplete the encumbrance before the final payment is processed against the order or contract.

E. Open Accounts Payable Periods

The length of the open accounts payable period includes the current month and the two prior months. This will apply for the month of July also. This provides approximately 60 to 90 days to complete the payment process, finalize vouchers, reduce the related encumbrances, and reconcile payments to POs and ensure proper posting.

The *Vouchers Processed Against PO* report OCP380PO can be used to monitor the expenditures against each PO. This report identifies vouchers that fully liquidated, did not liquidate, or only partially liquidated the encumbrance balances. The navigation for this report is: Purchasing>Purchasing Reports>Vouchers Processed Against PO.

To reduce an encumbrance balance that is no longer needed and the last voucher created against it is on a date that is no longer in an open accounts payable period, reduce the encumbrance with a change order.

F. Final Liquidation of Encumbrances

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Agencies have the capability to cancel the remaining balance on an encumbrance through the state system voucher or the purchase order and restore it to the available budget. Canceling the balance through the voucher is a more flexible option because it can be undone and the encumbrance restored as long as there is adequate available budget. Canceling the balance through the purchase order is a final action.

Canceling an encumbrance through a voucher requires that only the last Voucher Distribution Line linked to a PO Distribution line be checked as “finalized.” The Voucher Distribution Line that should be finalized can be identified on the PO Accounting Entries screen. It will be the last voucher listed as a reversal against the PO Distribution line. If multiple Voucher Distribution lines on the last voucher are linked to the same PO Distribution Line, it will be the last line listed.

Refer to Procedures to Finalize Purchase Orders to Reduce Encumbrances, on the website [http://www.ok.gov/cio/Custom Portal/Business Application Services Essentials/Financials/](http://www.ok.gov/cio/Custom%20Portal/Business%20Application%20Services%20Essentials/Financials/) and <http://www.ok.gov/cio/documents/COR112.doc> for more information about “finalizing” a voucher. This document also provides the procedures for canceling an encumbrance when there is no voucher against a PO Distribution Line, and discusses procedures for canceling an encumbrance through the purchase order.

G. Vouchers with Scheduled Due Date Greater than 90 Days

Vouchers should not be submitted for processing with a Scheduled Due date greater than 90 days. The Scheduled Due field on the Payments page of the voucher calculates based on the invoice date and the pay terms. If this date is not within the last 90 days from the date the voucher is processed for payment, the State Accounting System does not select it for payment. Transaction Processing will reject these vouchers back to the agencies for correction.

H. Invoice Information on Electronic Remittance Advices, the Misc Inter/Intra Agency Report and Warrant Stubs

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Electronic Remittance Advice includes the payee, vendor ID and location, the warrant number, payment date, payment amount, the last four digits of the bank account number, remitting agency, the State Accounting System voucher number, and the invoice date. It also contains a seventy character message from the Message field on the Payment page of the voucher, and agencies are encouraged to include a message whenever the invoice number is not adequate for the vendor to identify the reason for the payment. Vendors receive one remittance advice per check number with a CSV file attached, so agencies are also encouraged to select Separate Payment on vouchers only when there is a valid reason to not combine invoices on one payment. The remittance advices are sent to the email address maintained in the Vendor Invoice Information page, and can also be copied to a secondary email address maintained in the Vendor Information Contacts page, provided the contact is linked to an EFT address and has a Type of Accounts Payable. (Vendor ID 0000181645, Oklahoma Financial Managers Association, is an example of a vendor with primary and secondary email addresses.)

The Misc Inter/Intra Agency report, OCP072AP, used to identify payments received from other agencies, includes the paying agency, the payment method, remit location, invoice number, invoice date, warrant number, bank account, the State Accounting System voucher number, payment date, and payment amount. It also includes a seventy character message whenever it is included on the Payment page of the voucher. Agencies are encouraged to select the correct remit location and include a message whenever the invoice number is not adequate for the receiving agency to identify the reason for the payment. The Misc Inter/Intra Agency report also groups vouchers by warrant numbers and subtotals the payment amounts, so agencies are encouraged to not select Separate Payment for interagency payments.

Warrant stub functionality is provided by the Office of the State Treasurer, wherein miscellaneous warrants are printed with an attached stub. The stub includes the State Accounting System voucher number and the invoice data provided by the agency within the voucher record, including invoice number, date, and amount. The system check can also contain a seventy character message (first eight is the voucher number) to print on the stub.

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Inclusion of the invoice information on the remittance advices, the Misc Inter/Intra Agency report, and warrant stubs is intended to eliminate the need to provide the vendor with separate remittance documentation. Thus, it is important for agencies to adopt written policies standardizing how payers enter invoice numbers on the vouchers. See [50.10.02 A](#). It is also equally important to select the correct remit to vendor and location and to include payment messages in the voucher when necessary.

50.10.05 General Information and Prohibited Acts

- A. The state's fiscal year runs from July 1 through June 30.
- B. The maximum obligation period of class fundings, without re-appropriation, is two and one half years. This maximum period normally relates to class fundings considered as non-fiscal.
- C. The following acts are prohibited:
 1. Payment of prior fiscal year expenditures with current year appropriated class fundings and payment of current fiscal year expenditures with prior fiscal year appropriated class fundings, without specific statutory authority. A.G. Opinion 74-230 & 81-051
 2. Advance payment of goods and services. [Const. Article X § 15](#) and [74 O.S. § 85.44B](#)
 3. Payment of personal organizational memberships or dues, without specific statutory authority. A.G. Opinion 63-247, 79-038, 80-059, and 80-261. There are four exceptions as follows:
 - a. When the fee is for a specific position requiring such membership and is in the name of the person holding that position. The membership must be transferable.
 - b. When membership can be shown to be in the best interest of the state due to discounts on job-related training, when the discounts obtained are more than the cost of the membership.
 - c. When specific coverage of individual memberships are within the terms of a grant contract. A copy of the pertinent section of the grant contract should be included with the voucher.

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- d. When the agency has been approved to enter the OMES Human Capital Management Model Project. Please contact Ron Wilson, Talent Manager at OMES/HCM for additional information regarding this exception at Ron.Wilson@omes.ok.gov.
4. Transfer of monies to an Agency Special Account class funding or an Agency Clearing Account class funding (via voucher payment) from other treasury class fundings, without specific statutory authority or approval from OMES.
5. Purchase of Gifts is not authorized without specific statutory authority. The following Constitution cites and Attorney General Opinions address the use of public funds:
 - a. [Const. Art 10, Sec. 14](#), - - ‘Taxes shall be levied and collected by general laws, and for *public purposes only*, . . . ‘ (emphasis added)
 - b. [Const. Art 10, Sec. 15](#), - - ‘The credit of the State *shall not be given*, pledged, or loaned to an individual, company, corporation, . . . *nor make donations by gift*, . . . ‘ (emphasis added)
 - c. A.G. Opinion 79-078, - - This opinion addresses tax revenues stating they must be used for public purposes.
 - d. A.G. Opinion 79-263, - - This opinion identifies fees as taxes.
 - e. A.G. Opinion 82-071, - - This opinion further addresses that state dollars must be used for public purposes.

NOTE: Items used as advertising and promotional expenses by appropriate agencies/functions are not considered gifts.

50.10.06 Special Voucher Procedures

This section includes various special payments or special procedures. It is not intended to be all inclusive and others could be provided in future updates to this manual or through DCAR Newsletters.

A. Policy on Payment for the Purchase of Refreshments

Expenditure Account Code 536110 is established for payments when purchasing refreshments which agencies from time to time may require in their operations. This policy is presented based

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on a review by the Attorney General's Office (Ltr, dated March 29, 1995), concluding that the policy on the purchase of refreshments is consistent with that office's guidelines held in A.G. Opinion 71-129. The official OMES policy on the payment for purchase of refreshments through the Office of Management and Enterprise Services is as follows:

PURCHASE OF REFRESHMENTS - Payments for purchase of light food and drink items (e.g., doughnuts, cake, coffee, tea, soft drink, etc.) used as refreshments and required in connection with meetings or similar type activities held/conducted for and in the interest of the general public, shall be considered a valid operating expense of the agency to the extent that such purchases serve a public purpose. This policy also covers payments for purchase of related refreshment service items, such as disposable plates/ flatware, stirrers, coffee cream, sweeteners, etc.

"A public purpose" as used in this policy shall mean activities or functions conducted/held in the interest of the general public at large. The general public at large may include business guests of the agency.

B. Fleet Fuel Purchasing Procedure - Gasoline Management System

The OMES Central Purchasing Division's fleet fuel purchasing procedure is designed to streamline and automate the purchase of fuel and minor maintenance service by the state in a manner which promotes savings, efficiency, and optimum control of budgeted resources, while providing timely, accurate service in all areas. The procedure consists of a gasoline charge card for use by employees using state owned vehicles and a system to automate the gasoline/diesel storage tanks owned by the state. No other purchase of motor fuel is allowed without the approval of the OMES Central Purchasing Division. See also [50.90.01](#).

For more information and details about this contract, you should contact the OMES Central Purchasing Division or the state fleet manager's office. The Fleet Management Division website is <http://www.ok.gov/DCS/Fleet Management/index.html>.

C. Buying Club Direct Membership

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Buying Club Direct (i.e., Sam's Club) is an account which can allow agencies to utilize purchase order billing for purchases made through the Club. It is designed for official business use only and not for individual use. It differs from a buying club business membership which can be used for business or personal expenses. The Direct account is for charge only purchases, and allows only authorized buyers to purchase with a purchase order. Privilege to purchase is limited to "authorized buyers," which the agency designates and maintains.

While this office does not take a position of endorsement of the Buying Club Direct, we cannot find anything in law or other regulations that would prohibit agencies from paying the administrative charges to become a member. However, OMES cautions agencies who contemplate joining to keep in mind all state purchasing and payment requirements that may apply, i.e., late payment penalty limitations, competitive bidding requirements, itemized invoicing vs. statements for payment, etc.

To determine the type of purchases that may be eligible through such Buying Club Direct account, refer to the State Purchasing Act and/or contact the OMES Central Purchasing Division for general information.

D. CFDA Procedures for Encumbered Vouchers

The State Accounting System will allow a voucher to process with a valid CFDA number. Although the CFDA field is not a required field in the State Accounting System, the federal CFDA number should be included for tracking and reporting purposes. The CFDA number can be set up in the purchase order or the voucher can be populated with the CFDA number if the purchase order does not contain it. This procedure allows the processing of the voucher without having to submit a change order to add or correct the CFDA number on the purchase order when ready to pay the voucher.

E. Garnishments - Payments of Court Cost Collections when Judgment Creditor is a State Agency

A state agency which the Court has declared judgment creditor in garnishment cases must collect the Court costs along with the payment, and remit the collection to the Court. The procedure for

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state agencies in such cases is that the Court costs collections must be received by the agency under the appropriate non-revenue receipt code 482115 -ESCROW DEPOSITS, and paid (remitted) to the Court under Expenditure Account Code 553250 - PAYMENTS FOR COLLECTIONS MADE FOR ANOTHER JURISDICTION. Such payments may be processed non-encumbered.

NOTE: The procedure stated here does not affect payroll deductions or the way an agency processes its withholding vouchers. It only affects agencies serving as judgment creditors.

F. Reimbursement of Employees and Officials for Purchases Made in Connection with Agency Operations (Non-Travel)

Employees and officials may be reimbursed for miscellaneous emergency purchases or purchases not available through their agency's normal purchasing procedures. Such a purchase must be an official state expense and must have met the same requirements (other than prior encumbrance) as though the agency had made the purchase. Such purchases are subject to the agency head's approval and must be accompanied by evidence of payments. ([74 O.S. § 250.6](#))

There is no set maximum limit on the amount which can be reimbursed; however, reimbursements which exceed \$100.00 per voucher must include a written statement of justification for the purchase as support documentation for the voucher. Evidence of payment must be attached to the Voucher Form 15A. Evidence of payment may be shown by: "cash" payment on a sales receipt; front and back copy of a processed check (canceled check); credit card statement or charge card impressed receipt; or similar annotation from the vendor indicating the expense has been paid in full. A special expenditure account code - 561130 - is established for this type of reimbursement when an applicable account code cannot be found. The voucher should be charged to either an AFP or purchase order.

G. Uniform Payment for Uniform Goods and Professional Services

Payment of professional services, e.g., maintenance contracts, must be at a uniform rate throughout the duration of the contract if the services to be provided during the period are similar and consistent. Variance must be based on written justification for non-uniform

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payments. In addition to the justification, agencies subject to the Oklahoma Central Purchasing Act must have authorization by the Director of Central Purchasing. For agencies exempt from the Oklahoma Central Purchasing Act, the justification must be signed by the agency head. ([74 O.S. § 85.41.G](#)) Following the law avoids mischarging the entire expense to the year in which it was paid. Under the practice of uniform payment, the expense would naturally fall within the year in which the portion of services was rendered and paid.

H. Payment of Rent/Lease of Office Space

Due to the general nature of office space rent or lease, OMES will allow the rent/lease voucher to be processed early, whereas, the warrant can be delivered to the vendor on or about the same time as the rent or lease period begins. Although, the earliest that OMES may accept vouchers for processing these payments shall be one week just prior to the beginning of the ensuing rent or lease period. With the current processing turnaround time, OMES anticipates that this procedure will not cause any undue delay in payments to vendors by the reasonable and customary time that the payments are due. The exception to this procedure is when the rent period is for the ensuing fiscal year. In such case, the payment cannot be processed until the new fiscal year class fundings are available.

I. Moving Expenses

Moving expenses must be paid pursuant to [74 O.S. § 500.51](#), whereby submission of a requisition to OMES Central Purchasing Division must be made and bids from certified carriers obtained. New hires to an agency are not covered under the provisions for payment of moving expenses: this includes state employees hired to an agency through an interagency transfer. Pursuant to [74 O.S. § 500.55](#), no state agency shall authorize the move of a person's household goods except in compliance with this act. ([74 O.S. § 500.51](#) et seq.) Any person authorizing a violation of this section shall be found guilty of a misdemeanor and upon conviction thereof, shall be penalized by fine and/or imprisonment, including termination of said person's position.

SPECIFIC AGENCY EXCEPTIONS: The only exception to the nonpayment of moving expenses for new hires is for institutions of Higher Education governed by constitutionally created boards. Such institutions are authorized to make payment of

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new hire moving expenses, although, still subject to the provisions of the moving act. A.G. Opinion 92-010. Following is a list of those boards and their institutions:

1. Board of Regents for the University of Oklahoma
 - * University of Oklahoma
 - * OU Health Sciences Center
 - * Cameron University

2. Board of Regents for Regional University System of Oklahoma
 - * University of Central Oklahoma
 - * East Central University
 - * Northeastern State University
 - * Northwestern Oklahoma State University
 - * Southeastern Oklahoma State University
 - * Southwestern Oklahoma State University

3. Board of Regents for Oklahoma A&M Colleges
 - * Oklahoma State University
 - * Panhandle State University
 - * Langston University
 - * Connors State College
 - * Northeastern Oklahoma A&M

Moving expenses are considered wages for W-2 purposes, inasmuch as they are paid in connection with the performance of services and are attributable to employment. (See [50.20.12](#) Fringe Benefit Reporting).

J. Advance (Pre-) Payments

Past Attorney General opinions have held that payment to a claimant (vendor) prior to the actual performance of work or receipt of product for which contracted, constitutes lending of credit or monies by the state, and therefore, violates the provisions of [Article X § 15](#), of the Oklahoma

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Constitution. In addition, pursuant to [74 O.S. § 85.44B](#), payment of goods and services by a state agency, whether or not such state agency is subject to the Oklahoma Central Purchasing Act, shall be made only after products have been provided or services rendered. The exception is payments for subscriptions to magazines, periodicals, or books or for vendors providing subscription services. OMES will allow a six (6) week lead time in submitting the payment prior to the subscription commencement or expiration period, unless service is at risk of being interrupted; then payment will be accepted at a reasonable period of time in advance of the six (6) weeks. Additionally, due to the nature of such payments, the following situations are subject to approval for advance payment only when failure to pay in advance would preclude the agency from contracting for those goods or services:

1. Payments to the U.S. Government requiring prepayment, such as Superintendent of Documents for purchase of books are normally approved.
2. Payments to fair boards and other organizations, by agencies seeking booth rental at shows for the purpose of advertising or promoting the State of Oklahoma, will be considered by OMES if the facts of such prepayment requirement are properly documented with the voucher.
3. Payments to official testing organizations requiring prepayment for attendance and/or grading of documents, for higher education or regulatory boards.
4. Registration fees for conferences, meetings, seminars, and similar events whereby in special situations an organization requires pre-registration along with payment and by standard policy will not accept a state purchase order/contract in lieu of payment. Documentation on the vendor's stationary describing this fact must be sent together with the voucher to OMES for consideration of approval or disapproval.
5. Registration fees when a discounted fee is offered if registration is paid in advance. To qualify for this procedure, the registration fee must, 1) result in a discount to the state, 2) allow for substitution of participant, and 3) provide for 100% refund should the event be canceled. Documentation on the sponsor's stationary describing these facts should accompany the voucher submitted for payment. In addition, any payment so approved shall be timed as to arrive at the sponsoring vendor not earlier than the absolute due date deadline for the discounted registration.

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6. Maintenance agreements so long as a two pronged test is met: First, where it is the industry practice or standard for vendors to receive payment up front; second, where there is no reasonable alternative method of payment. However, in many circumstances, vendors will accept payment at the time services are rendered or after the fact if the agency alerts the vendor to this provision in state law and negotiates a legal payment arrangement with the vendor. Only when the marketplace (not the particular vendor) will not accept this type of payment arrangement is an advance payment justified. Accordingly, OMES requires a statement or an attachment to the voucher certifying that both of these conditions are met before approving payment on a contract in which services are rendered after payment is made.

K. Payment of Employee License & Certificate Fees and Related Training and/or Testing Fees

The following policy guideline is established for payment of individual licenses, certificates, and related training:

1. License or Certificate Prerequisite to Employment - Employee Pays: Many state employees are required, as a prerequisite to gaining employment in a particular position, to obtain or hold a special license or certificate from a licensing board or association. Expenses incurred by the job applicant, and those incurred by the employee in obtaining the license and any subsequent renewals must be paid by the individual, not the state, unless otherwise specifically authorized by state statute or by relevant grantor. Examples include: licensed plumbers or electricians, attorneys at law (*there is an exception for Oklahoma Bar Association dues when the attorney position is authorized by statute - agency must document such statutory reference with the payment*), doctors, nurses, engineers, etc.
2. License or Certificate not a Prerequisite to Employment - State Pays: On the other hand, some job applicants and employees are hired into or holding, respectively, positions for which no particular license or certificate is required; however, in the actual assignment of duties, the employee is assigned responsibilities which do require them to obtain and hold a particular license or certificate.

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The expenses for these licenses or certificates, renewals, and for any related training or testing may be paid for by the state. Examples include: maintenance employee who is required to obtain an herbicide application license; a secretary who is required to act as a notary public; a park manager who is required to obtain a water or sewer plant certification.

3. Licenses held by the General Public - Employee Pays: Licenses required and commonly held by the general public for personal purposes such as an operator's driver's license, would not be subject for payment by the state, even when an employee may be required to possess a valid license to operate a state motor vehicle. Such licenses which are both widely held by the general public and which may be used for the personal enterprise of the employee; do not qualify as a public expense.
4. Why the Difference? In theory, the compensation for job classes which contain licenses or certificates as prerequisites to eligibility should reflect the expense of possessing and maintaining such licenses or certificates. The compensation and the relevant license requirements are fully disclosed to the job applicant at the time of application, and the individual should be able to make an informed decision accordingly.
Exceptions to this general rule may be made when a new license or certificate requirement is the result of either state or federal law or regulation, or by agency policy. This would represent a change in the terms under which the employee was hired, and the state could therefore pay the expenses, including any training and testing. Renewal expenses for the license or certificate, however, would be the responsibility of the employee. The job classification should be modified to reflect the license or certificate requirement as a prerequisite to employment, therefore, subject to item 1 above.
5. Summary and Miscellaneous Issues:
 - a. The requirements of item 1 are inherent to the profession or occupation of the position which the employee desires to work. The requirements of item 2 are more incidental to the position. Item 3 is for the more general and personal benefit of the employee.
 - b. Promotions of incumbents would be treated the same as new hires for the prerequisite outlined in item 1.

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- c. The prerequisite can be implied; for instance, a job description may not specifically address a license requirement but one is required by law or some other edict. In this case, the license would be considered a prerequisite (item 1). (Once this situation is evident, it is recommended that the job classification be modified to make this implied requirement more explicit.)
- d. Certified Public Accountant (CPA) testing and licensing costs as well as any costs associated with obtaining or maintaining a CPA permit to practice are not eligible state costs under any circumstances. The independence necessary to certify or attest vanishes when a CPA becomes an employee of the organization.
- e. Job related training or training required by law or other edicts are eligible public expense. Training courses eligible for continuing education credits would be considered a proper public expense if the course were job related or mandated by law or other edict.
- f. The licenses or certificates referenced in item 1 pertain to regulated professions which permit the owner to practice in the regulated profession for compensation, and it is inappropriate for the state to pay. However, there are some certificates which pertain to associations and similar groups, which are not regulated professions. Possession of a certificate from such an organization represents acknowledgment of a particular level of achievement, but it does not give the owner a license to practice in a regulated profession. For example, an employee may receive a certificate from the "Association of Government Accountants" or from the "Certified Public Managers Program" after having completed a number of hours of course work and associated projects/tasks. These certifications essentially represent training for the employee, which is an eligible state expense.

6. Exception:

There is an exception to the restriction of not paying for individual licenses, certificates and related training/testing fees. An exception, with limitations is available when the agency has been approved to enter the OMES Human Capital Management Model Project. For additional information regarding this exception, please contact Ron Wilson, Talent Manager at OMES/HCM at ron.wilson@omes.ok.gov.

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L. Sales Tax Liability on Out-of-State Purchases

State agencies' tax liability on purchases from out-of-state vendors normally fall under two scenarios. The Oklahoma Tax Commission provides the following:

1. Purchases made from out-of-state vendors where merchandise is shipped to and received in Oklahoma normally involve Use Tax for the State of Oklahoma; state agencies are exempt from such Use Tax. There are usually no Sales Taxes due the other state, therefore, Oklahoma state agencies should not be charged Sales Tax on these types of purchases (and should not pay any).
2. Purchases made from out-of-state vendors where merchandise is picked up within that other state, receipt of merchandise occurs there and such purchases are subject to that state's Sales Tax. Oklahoma state agencies should pay any Sales Tax billed.

An agency should contact the Business Tax Division of the Oklahoma Tax commission if they should have problems with any out-of-state vendors regarding the above-mentioned exception (#1).

M. Assignment of Voucher Payment

A voucher may be assigned to a second party if authorized by the original claimant on the voucher form. In such instances, payment of the voucher amount is credited to the original claimant for reporting (1099) purposes; however, the warrant issued by the Office of the State Treasurer is written in the name of the assigned payee.

Space is provided on the applicable voucher forms for completion by the claimant to authorize the assignment of payee, including claimant's signature; however, a signed document authorizing assignment of payment may be included with the voucher in lieu of the claimant's signature on the voucher forms.

In the case of an Internal Revenue Service tax lien or an Oklahoma Tax Commission tax lien order against the claimant, the paying agency must complete the assignment section of the voucher form showing the assignment. The claimant's signature is not required for the assignment; however, a copy of the lien must be attached to the voucher form as authority for the assignment.

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N. Memberships

Agency memberships are authorized and paid through the normal payment process. However, a review of past Attorney General Opinions (e.g., 63-247, 80-059, 80-261) have shown that payment of individual employees membership dues has consistently been determined an invalid expenditure, except as when authorized by legal authority. Such legal authority must be cited on the voucher. Alternatively, OMES has agreed to grant an exception for payment of individual "position" memberships (e.g., director, comptroller, etc.) which are of a transferable nature. When paying a membership that meets this exception, the agency should annotate the condition on the voucher form or invoice.

O. Payment of Expenses Incurred In Prior Year (Formerly a Legal Settlement Agreement)

There is a form to use for requesting the authority to make a payment of expenses incurred in a prior year's budget period where said budget is no longer available due to lapsing of the class fundings or where the budget is rolled forward into a subsequent year's budget. The form will be used whether the payee is an interagency vendor or an outside vendor. The form is named "Agreement of Obligation for Expenses Incurred in Prior Year" and is available on the OMES website under the [Comptroller's Page](#), then under '[DCAR Forms](#)'.

On this form we have removed the requirement of the former "Legal Settlement Agreement" to be signed by the agency's legal counsel authorized to act on behalf of the agency (or agency's attorney general representative). Once the form is completed and signed by the appropriate agency representative and the vendor, the new form requires submission to the OMES budget director for approval/denial of the payment with current year budget. Please submit the agreement electronically to your OMES budget analyst. If approved, it will be returned to you for you to attach to your voucher.

If the form is approved, it is considered a current obligation and therefore, a current expenditure subject to current budget. In addition, such actions will not require prior encumbrance, therefore, the voucher would be processed as an unencumbered payment and not against a purchase order or contract.

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NOTE: This procedure should not be confused with the settlement agreement process under the Oklahoma Central Purchasing Act, which ratifies an unauthorized commitment. Please refer to [40.10.18](#), and the OMES Central Purchasing Division Rules under the OMES website at <http://ok.gov/DCS/>.

50.10.07 Voucher Pre-audit Rejections: (State Process)

A. General

The voucher rejection process has been automated with an electronic rejection notice being attached to the voucher record in the system. This allows users to view vouchers and see the corresponding rejection notices. The rejection attachment link is listed on the top right corner of the Invoice Information tab on the voucher page.

B. Agencies Submitting Voucher Documents

For agencies still submitting the actual voucher documents, the rejection notice is being attached to the voucher record in the system and a copy is included with the voucher when returned to the agency. Once the correction is made the voucher is placed in a batch and returned with the rejection notice to OMES as usual. (See subtopic C. following for voucher imaging agencies) Agencies interested in the Voucher Imaging Program for scanning voucher documents and submitting only a file containing the scans along with the Voucher Batch Slip Notice will need to contact Steve Wilson at (405) 521-4679 or steve.wilson@omes.ok.gov.

C. Voucher Imaging Program

Agencies under the Voucher Imaging Program will be sent an email notification to the agency when there is a voucher rejection. There is a hyperlink to access the voucher and open the attachment to see the rejection reason.

1. The email is normally sent to the voucher preparer (unless an email is sent giving us

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a different contact's email *). To facilitate the email notification, OMES-DCAR must have the proper contact information for the voucher preparer. All voucher contacts should update their PeopleSoft System profile by following these instructions:

- i. Go to Main Menu → My System Profile (located at the bottom of the Main Menu).
 - ii. Under the section labeled Workflow Attributes, make sure the "Email User" and "Worklist User" boxes are checked.
 - iii. Under the section labeled Email, verify if the email address listed is correct. If there is no email address, check the box for "Primary Email Account" and enter your email address.
 - iv. Click 'Save' at the bottom of the screen.
2. If the agency's correction changes the voucher or documentation that was scanned, agency must contact the OMES Helpdesk to request Content Management (provider group) delete the "scanned" Form 15A and documents before agency rescans the corrected voucher. The agency then adds a pay group to the voucher and submits the batch slip to OMES for the final audit.

*For a different rejection notice contact, please send the email address to Jeannette Pascher at Jeannette.pascher@omes.ok.gov or to Cathrine Edge at Catherine.edge@omes.ok.gov.

50.20 Payroll and Benefit Vouchers

50.20.00 Overview and Subtopics Listing

A. Overview

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This section describes the state's payroll process from establishing a new employee to processing payroll through the state payroll system. It also includes the requirements for FICA, W-4s, employee benefits and the termination of an employee.

B. Subtopics Listing:

- 01 Employment – Forms and Verification
- 02 Selected Payroll Setup Information
- 03 Payroll Processing
- 04 Payroll Funds Transfers (PFT)
- 05 Payroll Withholding and State Share Class Fundings
- 06 Disbursement of Payroll Withholdings Voucher Form
- 07 FICA (Social Security) Payments
- 08 Corrections to State Insurance and Retirement Payments
- 09 Estate Vouchers Payments
- 10 Payments to Board and Commission Members
- 11 Payments of Employee Expense Allowances
- 12 Fringe Benefit Reporting
- 13 Payments to Officers and Employees
- 14 Terminated Employees
- 15 Payroll Warrant Cancellation (PWC) Procedures

50.20.01 Employment Forms and Verification

Form W-4 Requirement

The Internal Revenue Service (IRS) Form W-4 specifically states in the Basic Instructions that for regular wages, withholding must be based on allowances claimed and may not be a flat amount or a percentage of wages. If assistance is needed with the W-4 worksheets, refer to the Withholding Calculator on the IRS website, <http://www.irs.gov/Individuals/IRS-Withholding-Calculator> or to IRS Publication 919, "How Do I Adjust My Tax Withholding?"

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If an employee fails to give a properly completed Form W-4, income taxes from his or her wages must be withheld as if he or she were single and claiming no withholding allowances or a valid earlier Form W-4 for the same employee can be used.

Correspondence from the IRS regarding an employee should be in the state payroll system. Check the employees' tax data in the state payroll system to ensure compliance with any IRS direction. Please remember that if correspondence from the IRS has been received specifying the maximum number of withholding allowances permitted (commonly referred to as a "lock-in letter") and an employee submits a new W-4 claiming more allowances than the maximum allowed, the new W-4 must be disregarded until the IRS approves the withholding tax based on the new W-4. However, the employee may furnish a new W-4 that claims less than the maximum allowed and the employer must withhold tax based on that Form W-4.

Employees who certify to the employer on Form W-4 that they had no income tax liability for the prior year and anticipate no income tax liability for the coming year are entitled to an exemption from withholding for the coming year. A new form must be filed each year. If an agency received correspondence from the IRS specifying the maximum number of withholding allowances, the correspondence must be followed and any new W-4 form disregarded, except when the new form lowers the number of exemptions claimed below the amount on the IRS letter. Form W-4 exemption elections are valid for the year presented through February 16 of the following year. At that time, the election must be renewed if conditions remain the same.

Form W-4 elections are effective when processed into the payroll system. Do not submit tax refund requests to OMES for elections received after a payroll is processed. The new W-4 will take effect on the next payroll. It is not retroactive to payrolls that have already been completed.

Form I-9 Requirement

Pursuant to the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 USC 1324a) all employees, citizens and noncitizens, hired after November 6, 1986, and working in the United States must complete Form I-9, Employment Eligibility Verification, at the time of hire. The form must be completed within three (3) business days of the date the employment begins. This information is for

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employers to verify the eligibility of individuals for employment to preclude the unlawful hiring, or recruiting or referring for a fee, of those who are not authorized to work in the United States. Documents provided by the employee must be examined by the employer to determine whether the documents reasonably appear to be genuine and relate to the information provided on the Form I-9. Agencies must have a completed Form I-9 on file for each person on payroll who is required to complete the form. The Form I-9 must be retained for a designated period and be available for inspection by authorized government officials. The most recent version of Form I-9 may be accessed at: <http://www.uscis.gov/files/form/i-9.pdf>.

Currently, Form I-9 must be retained and stored by the employer either for three years after the date of hire or for one year after employment is terminated, whichever is later. Additional information and updates can be found at: <http://www.uscis.gov>

E-Verify Requirement

Pursuant to [25 O.S. § 1313](#), HB 1804 (2007), every public employer shall register with and utilize a Status Verification System (E-Verify) as described in [25 O.S. § 1312](#) to verify the federal employment authorization status of all new employees effective November 1, 2007. The earliest an employer may initiate a query is after an individual accepts an offer of employment and completes the Form I-9. The employer must initiate the query no later than the end of three (3) business days after the new hire's actual start date. Additional information and updates can be found at: <http://www.uscis.gov>

State agencies processing payroll directly in the state payroll system should run the PeopleSoft HCM Query: GO_HR_AUDIT_EVERIFY periodically to determine agency compliance with Form I-9 and E-Verify requirements and to correct any identified discrepancies. Agencies interfacing payroll into the state payroll system, should have internal processes in place to identify those employees who have not yet had the Form I-9 or E-Verify completed.

50.20.02 Selected Payroll Setup Information

The following selected information is provided to assist in setting up employees. Refer to HCM training manuals for more information.

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1. Reg/Temp (Employee Type codes)

Defaults from the position number selected and must be reviewed each time the position number is changed. Interface agencies must supply the correct code on the HR file. The codes in the state payroll system are:

R - Designates a regular employee pay status not otherwise defined in this listing.

T -Designates a temporary employee. For payroll purposes, a temporary employee is a person employed with the anticipation that the period of employment will be less than 1,000 hours worked in any twelve month period, [74 O.S. § 840-5.5](#). (A student is not a temporary employee at an Institution of Higher Education if they are taking the FICA exemption under our 218 Agreement.)

E -Designates a seasonal employee. Unless otherwise specifically authorized by statutes, agencies may employ persons in seasonal positions only during the period of May 1 - October 31.

S - Designates a full-time student employed by a state agency including higher education. (A student must be enrolled in more than 6 hours and working no more than 20 hours a week.)

2. State Retirement Plans

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Retirement Plans

R – 3.5%	A member of Oklahoma Public Employees Retirement System (OPERS) other than listed below 74 O.S. § 919.1 (a)
W – 2.91%	The 2.91% additional contribution plan (step-up) for ‘R’ Members who make an irrevocable written election for additional contributions, 74 O.S. § 913.4
Z – 8.0%	Correctional Officers, Probation & Parole Officers, Fugitive Apprehension Agents who are employed with the Department

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of Corrections and Firefighters of the Oklahoma Military Department [74 O.S. § 919.1 \(b\), \(c\), and \(d\)](#).

Refer to [74 O.S. § 902](#) and [OAC 590:10](#) for earnings subject to retirement.

Employer share of contributions is set in [74 O.S. § 920](#).

ELECTED OFFICIAL RETIREMENT PLANS

Retirement Plans

- A The 4.5% employee contribution plan, [74 O.S. § 913.4](#).
- B The 6% employee contribution plan, 74 O.S. § 913.4.
- D The 7.5% employee contribution plan, 74 O.S. § 913.4.
- Q The 8.5% employee contribution plan, 74 O.S. § 913.4
- E The 9% employee contribution plan, 74 O.S. § 913.4.
- Y The 10% employee contribution plan, 74 O.S. § 913.4.
- S The 3.5% employee contribution plan, 74 O.S. § 913.4
- W The 2.91% additional contribution plan (step-up) for 'S' Members who make an irrevocable written election for additional contributions, 74 O.S. § 913.4

Refer to [74 O.S. § 902](#) and [OAC 590:10](#) for earnings subject to retirement.

Employer share of contributions is set in [74 O.S. § 920](#).

JUDICIAL RETIREMENT PLANS

Retirement Plan

- M A member of URSJJ with an employee contribution base of 8% [20 O.S. § 1103](#).

Refer to [20 O.S. § 1103](#) and [OAC 590:15](#) for earnings subject to retirement.

Employer share of contributions is set in [20 O.S. § 1103.1](#).

LAW ENFORCEMENT OFFICERS PLAN

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Retirement Plan

XG A member of the Oklahoma Law Enforcement Retirement System (OLERS) with employee contribution of 8%. [47 O.S. § 2-304](#).

DG A member of the Oklahoma Law Enforcement Retirement System (OLERS) with no employee contributions, [47 O.S. § 2-305.2](#).

Refer to [47 O.S. § 2-300](#) and [OAC Title 395](#) for earnings subject to retirement.

Employer share of contributions is set in [47 O.S. § 2-304](#).

OTHER PLANS

Retirement Plan

Teachers' Retirement System [70 O.S., Chapter 1, Article XVII](#)

Wildlife Conservation Commission [29 O.S., Chapter 1, Article 3](#)

3. Unemployment Reporting and Tax

Contact the Oklahoma Employment Security Commission (OESC) for specific information pertaining to covered and non-covered employment. Information is also in the Oklahoma Employment Security Act, [40 O.S. Chapter 1](#). Employees are set up in the state payroll system on the State Tax Data tab to be either subject to unemployment reporting or not subject to unemployment reporting based on the employment type (covered or non-covered). The taxable wage base is announced annually by the OESC and will be published by the Office of Management and Enterprise Services (OMES) for agencies. Agencies determine upon creation whether to be a contributing employer or a reimbursing employer.

-Contributing Employer – Agency unemployment tax is calculated through payroll at 1% of covered employment taxable wages. The amount due is an employer obligation and is calculated for each employee subject to reporting on each payroll. Institutions must include the correct tax amounts on the interface files for employees subject to reporting. Wages and taxes are reported quarterly by the OMES to the OESC.

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-Reimbursing Employer – Employer pays (reimburses) the OESC for actual benefits paid to former employees. Wages are reported quarterly by the OMES to the OESC.

For purposes of calculating unemployment compensation tax, each state agency is considered a separate employer by the OESC. Thus, employment by another state agency is not a factor in the calculation of the amount due from a given agency.

4. FICA Status and Contributions

The Federal Insurance Contributions Act (FICA) tax includes two separate taxes. One is Social Security tax (Old-Age, Survivors, and Disability Insurance -OASDI) and the other is Medicare tax.

The employee FICA Status is located on the Payroll tab of Job Data in the state payroll system. Leave as “Subject” except for those persons not subject to the usual FICA taxes. The two exceptions and respective codes are:

Exempt- State employees exempt from FICA, i.e., State Highway Patrol Officers (Troopers) employed on or before March 31, 1986 and full-time students working part-time for the institution of higher education which they attend.

Medicare Only- Medicare Qualified Federal Employees (MQFE) for whom only the Medicare portion of the FICA tax is applicable. MQFE participants include certain federal employees on the state payroll at Oklahoma State University, Langston University and State Highway Patrol Officers (Troopers) employed after March 31, 1986.

The FICA OASDI/Medicare tax is calculated on a calendar year-to-date basis. When an employee's calendar year-to-date salary equals the maximum salary subject to withholding, the state share and the employee's contribution are stopped. All

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earnings paid through the OMES are combined to calculate the accumulated earnings of the employee regardless of the paying agency. Agencies will be advised of the FICA OASDI/Medicare rates as they become available.

5. **Income Tax Withholding Tax Status**

An employee's income tax withholding status is located on the Employee Tax Data pages in the state payroll system. Leave as "None" except for those persons qualified to use a special withholding tax status. The withholding tax status codes are:

None – Income taxes will be withheld based on the W-4 in effect

Do Not Maintain Taxable Gross and Do Not Withhold Tax – Very limited use and does not apply to most employees, please contact DCAR with questions

Maintain Taxable Gross – No income taxes will be withheld, use only if employee claims 'exempt' on W-4

Non-Resident Alien; Tax Treaty/NR Data – To be used only for non-resident aliens claiming treaty benefits

6. **Pay Run IDs (PayRunID)**

Pay run IDs are agency specific and are only available for use by the agency for which they were established. Pay run IDs must be attached to pay calendars manually by ISD/CORE staff and must be available before a payroll can be processed. If a pay run ID or pay calendar is missing, agency personnel will need to submit a Helpdesk case to helpdesk@omes.ok.gov to request the pay calendar be made available.

PayRunID - is a combination of specific items to uniquely identify a payroll:

aaafyppcxx where

aaa = agency number

fy = fiscal year

ppc = pay period code (M01, B01, etc.)

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xx = sequential number (00 = main payroll)

PayRunIDs are limited and requests for additional pay calendars must go through the Director of Transaction Processing.

Pay Calendar – Identifies pay begin/end dates and checks issue date. Many pay calendars may be attached to a single PayRunID

Pay Group – Each employee (empl rcd) must be assigned to a pay group. Each pay group is attached to a single pay calendar. Pay groups are determined based on the employee's:

- Compensation frequency (bi-weekly or monthly)
- Employee Type (salary or hourly)
- FLSA status (exempt or non-exempt)
- Benefits status (yes/no)

PayPeriod Code – translates to the authorized monthly and biweekly pay period date schedules that are issued by OMES. Any requested changes in pay periods must be approved by OMES.

7. **Expenditure Account Code**

Authorized Payroll detail expenditure codes are assigned to specific earnings or employer share deduction codes. Expenditure account codes are listed in Appendix 3 - *Object of Expenditure Codes List*.

8. **Budget Division/Department Code**

The Budget Division/Department Code is seven (7) positions in length. This code is established in each agency's budget work program and represents the division portion (two positions) of the budget account number and the department (five positions) number. Agency personnel may contact their OMES budget analyst for assistance.

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9. State Plan – Annuity (SoonerSave)

The State Employees Deferred Compensation Plan allows eligible employees to elect participation in the plan and consent to deferring an amount equivalent to at least Twenty-Five Dollars (\$25.00) a month. The agency shall contribute to the State Employees Deferred Savings Incentive Plan an amount equivalent to Twenty-Five Dollars (\$25.00) per month for each employee who is an active participant in the State Employees Deferred Compensation Plan. Agencies shall also contribute an administrative fee for each employee who is an active participant. The administrative fee will be determined each fiscal year by the Board of Trustees for the Oklahoma Public Employees Retirement System (OPERS). [74 O.S., Chapter 45](#), [OAC 590:25](#) and [OAC 590:35](#).

10. Education Retirement Plans

Institutions of higher education may sponsor retirement savings plans for their employees. These plans authorize eligible employees to elect participation and consent to deferred compensation. The types of retirement plans that may be offered by institutions are 401(k), 403(b), and 457(b) plans. Within each of these plans, institutions may have a designated Roth contribution program. Each type of retirement plan and contribution program has separate reporting at year end on the employee's W-2.

50.20.03 Payroll Processing

Each agency is responsible for the processing of payrolls and maintaining records in-house. The payroll withholding class fundings, state share and employee withholding, are identified in this manual and on the payroll as 394 and 994 class fundings. Agencies that interface into the state payroll system must ensure the current versions of the HR and PY file layouts are being utilized. The layouts are available on the CIO website at

http://www.ok.gov/cio/Customer_Portal/Business_Application_Services_Essentials/Technical/#hrms

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Agencies will submit the following payroll documents to OMES Transaction Processing:

- 1. The final Budget Check Report**
- 2. The final Claim Document – signed**
- 3. The CA GL Interface Trace File**

Agencies that interface payroll will submit the **Validate PFT Funding Report** if there is a Budget Deficit on the **Final Budget Check Report**.

All documents must be received five business (5) days prior to the actual pay date to ensure adequate time for audit and processing. Once OMES receives the documents, the reports will be reviewed and the payroll (check and direct deposits) will be released to the Office of the State Treasurer (OST) for processing.

Payroll documents must be received by 3:00 PM in order for payroll to be released to the OST file on that day. If the paperwork is not received by 3:00 PM, the payroll will be held until the paperwork is received.

Original payroll documents are preferred, although legible faxes and emailed documents are allowed in lieu of the originals. If faxed documents are sent, follow-up of the original documents will not be necessary. The payroll document faxes should be transmitted to (405) 521-3383. The agency must verify the transmission was successful by the confirmation on the agency's fax machine. OMES will initiate the payroll claim processing procedure upon receipt of the fax documents. If submitting emailed documents, please ensure the OMES staff contact information is correct in the email. If originals are used, send to the State Capitol attention: Transaction Processing, 2300 N Lincoln Blvd, Room 107, Oklahoma City, OK 73105-4801.

50.20.04 Payroll Fund Transfers (PFT)

Institutions of Higher Education interfacing payroll into the state payroll system are required to transfer cash and available budget into the Payroll Fund when processing payroll. [62 O.S. § 34.69](#) The PFT file load will transfer amounts to ensure sufficient cash for the payroll. The "Validate PFT Funding Process" will check General Ledger for available allotment and cash to ensure there are

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sufficient amounts available to process the PFT. The “Validate PFT Funding Report” will be submitted to OMES Transaction Processing with other required payroll documents if there is a Budget Deficit on the Final Budget Check Report.

The Payroll Fund is *not* included in agency budget work programs. Expenditures are recorded against the Payroll Fund; however, a Financial System query is provided that summarizes the transfer activity or the payroll funding of the period requested. The query is: OCP_PAYROLL_FUND_TRANSFER_PS.

Procedures to close the Payroll Fund at fiscal year-end are to transfer the available cash and available budget back to the original source class fundings. It may be left in the 905 class funding if it is needed to pay prior year payrolls in the current year. The year-end balance should not be used to pay for payroll for the following year.

When transferring cash and available budget back to the source class fundings, load a PFT file in the state payroll system, complete the Validate PFT funding process, and submit the Validate PFT Funding Report to OMES Transaction Processing. The **DEBIT** entry will be to the source class funding or fundings and the **CREDIT** entry will be to the 905 class funding. The balance in the 905 current year payroll class funding should be zero at each fiscal year end.

When transferring necessary cash and available budget from prior year source class fundings to the Payroll Fund, for prior fiscal year payroll obligations, complete the PFT process by loading a PFT file in the state payroll system, complete the “Validate PFT Funding Process”, and submit the “Validate PFT Funding Report” to OMES Transaction Processing. The **DEBIT** entry will be to 905 class funding and the **CREDIT** will be to the appropriate prior year source class fundings. In addition, the “Validate PFT Funding Reports” should be submitted with a prior fiscal year payroll as indicated in the PayRunID.

aaafppcxx where

aaa = agency number

fy = fiscal year – fiscal year would be prior year

ppc = pay period code – pay period code would be M12 or B26, etc

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xx = sequential number (00 = main payroll)

Any request to transfer cash and available budget to a current year account from a prior year account will be rejected if the PayRunID is not a prior period payroll.

For an otherwise valid PFT/payroll, OMES Transaction Processing will accept legible faxes and emailed documents in lieu of the originals. The payroll document faxes should be transmitted to (405) 521-3383. The agency must verify the transmission was successful by the confirmation on the agency's fax machine. OMES will initiate the payroll claim processing procedure upon receipt of the fax documents. If submitting emailed documents, please ensure the OMES staff contact information is correct in the email. If originals are used, send to the State Capitol attention: Transaction Processing, 2300 N Lincoln Blvd, Room 107, Oklahoma City, OK 73105-4801.

When completing a Payroll Fund Transfer, use a unique transfer number (submitted in sequential order) in the file. Transfer numbers will continue sequentially and will not start over at the beginning of a new fiscal year. While any class funding can be debited or credited as necessary to record the proper use of dollars for payroll, any funding line combination can appear only once on each PFT. Each PFT must be associated with a payroll for a like dollar amount. Any PFT correcting a previous transfer must be made in a separate PFT file. It is important to remember that while the 905 Payroll Fund may be debited or credited, the 905 class funding must appear only once in each PFT. The total of all debits and the total of all credits must be equal.

Institutions that interface into the state payroll system must ensure the current version of the PFT file layout is being utilized. The layout is available on the CIO website at:

[http://www.ok.gov/cio/Custom Portal/Business Application Services Essentials/Technical/#hrms](http://www.ok.gov/cio/Custom%20Portal/Business%20Application%20Services%20Essentials/Technical/#hrms)

50.20.05 Payroll Withholding and State Share Class Fundings

A. Payroll Withholding Fund

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The Payroll Withholding Fund is identified in the 994 class funding. The accounts within the class funding consist of the net pay account, and the various voluntary and involuntary withholding accounts. The net pay account is the amount paid to the employee as salary. Most Payroll Fund accounts (2xxxxx) are cleared by OMES. Each agency has the responsibility for maintaining the payer/payee records for the accounts cleared by the agency. All agency-cleared withholding accounts are indicated by an asterisk in the following list of accounts.

ACCOUNT

<u>NUMBER</u>	<u>ACCOUNT NAME</u>
202060	Net Payroll Amounts
202110	Federal Income Tax
202112	1099-R Federal Income Tax
202125	FICA, Employees' Share
202135	MQFE, Employees' Share Medicare
202140	State Income Tax
202205	State Employees' Share Oklahoma Public Employees Retirement System (OPERS) includes Elected Officials
202215	State Employees' Share Uniform Retirement System for Justices & Judges (Judicial)
202225	State Employees' Share State Employees Deferred Compensation Plan (SoonerSave)
202235	State Employees' Share Oklahoma Law Enforcement Retirement System (OLERS)
202305	State Employees' Share Insurance
202310	State Plan Cafeteria
202315	Group Plan Cafeteria
202320	Taxable Cafeteria

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<u>NUMBER</u>	<u>ACCOUNT NAME</u>
633110*	Other Insurance -2% Fee
633115*	Other Insurance – No Fee
633120*	Other Retirement – 1% Fee
633125*	Other Retirement – No Fee
633130*	Credit Union & Banks
633140*	Educational Employees Tax Sheltered Annuity
633150*	Other Plan Cafeteria
633160*	Other Retirement Tax Deferred - 457 Plan
633170*	Other Retirement Tax Deferred – 403b Plan
633180*	Other Retirement Tax Deferred – 401k Plan
633185*	Other Retirement Tax Deferred – 401a Plan
633190* **	Miscellaneous, includes Voluntary Payroll Deductions, Garnishments, and Tax Levies

*Denotes withholding accounts cleared by the agency.

** For Oklahoma Child Support at non-higher education entities, the balances are swept from the account to be submitted centrally.

All agency-cleared withholding accounts must be reconciled at each fiscal year end. Any money left in the withholding accounts may be transferred to an account controlled by OMES and held there for three years while agencies attempts to find the proper recipient of the withholdings. Any balance remaining at the end of the three years will be transferred to the then current year General Revenue Fund.

B. State Share Class Fundings

The State Share Class Funding is identified in the 394 Class Funding. The accounts within the class funding identify the state or employer's share of payments made through the payroll

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system. All State Share Class Funding accounts are cleared by OMES. For information purposes, the state share accounts are listed below:

202120	FICA - Employer's Share
202130	MQFE - Employer's Share Medicare
202200	OPERS - Employer's Share
202210	State Share Judicial
202220	State Match State Plan Annuity and Admin Fee (SoonerSave)
202400	Unemployment Tax
202230	OLERS - Employer's Share

C. Payroll Withholding and State Share Class Fundings - General

Transfers to the Payroll Withholding and State Share Class Fundings are not revenues to the class fundings nor are payments from the class fundings expenditures of the state. Expenditures are recorded to the Payroll Funds as the payroll is processed. Payments from the class fundings are disbursements of money previously recorded as expenditure. Cash balances in the voluntary withholding accounts in the Payroll Withholding Fund are the property of the employee from whom the money was withheld or, if a binding obligation exists, the property of the person or company to which the money is payable. Involuntary withholding accounts are generally binding obligations. Use an [OMES Form 3](#), Notarized Voucher and Disbursement of Payroll Withholdings, to clear payroll withholding.

50.20.06 Disbursement of Payroll Withholdings Voucher Form

A. Data Elements

Agencies that interface into the state payroll system transmit payroll withholding vouchers with the vendor IDs, the 994 class funding for agency-cleared accounts, the agency number; the department number; the expenditure account code, 633100 - 633190 (as appropriate) for agency-cleared departments; and the amount.

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Agencies on the state payroll system extract payroll non-tax deductions by running a PY To AP Extract Process to create payroll withholding vouchers, which begin with the letter H, from withholding data extracted by the HCM system. A nightly batch processing selects the extracted data and runs an AP Voucher Post process to transfer it to the AP staging tables. A Deduction Register, sorted by Deduction Code, is available from the HCM system and provides support for the voucher totals. A separate COR214 Payroll to AP Process training manual explaining the payroll and accounts payable processes is available on the CIO website at http://www.ok.gov/cio/Customer_Portal/Business_Application_Services_Essentials/Financials

B. Supporting Documents

The agency preparing the vouchers is responsible for the retention of the documents supporting the payments made on the withholding vouchers. Supporting documents include, but are not limited to, invoices, individual payroll deduction authorizations, and tax levy and garnishment notices. Individual payroll deduction information is confidential and access is to be limited. The retention schedule for original voucher information is 7 years, unless required for active audit or legal action.

C. Certifying Signature

In approving the voucher, the Approving Officer is certifying that the obligation is due and owing, that the payment is in accordance with the purchasing laws of the State of Oklahoma, and that the payment is in accordance with the laws pertaining to voluntary payroll deductions ([62 O.S. § 34.70](#)) and the rules promulgated by the Human Capital Management Division of the OMES.

50.20.07 FICA (Social Security) Payments

A. General

OMES will provide the employee and employer FICA rates and maximum amounts as they become available through the Division of Central Accounting and Reporting (DCAR) Newsletter. For federal tax purposes, the State of Oklahoma is the common employer of all persons paid on payrolls processed through OMES. Thus, compensation paid by all agencies must be considered

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when determining the maximum FICA withholding and employer share amounts. OMES will reject payrolls with overpaid and underpaid FICA amounts.

B. Corrections to FICA Withholdings

FICA withholding/employer share errors can occur in several ways. One of the most common is the creation of an employee in the state payroll system with an incorrect Social Security Number. FICA Status selection errors can also occur. Errors detected during the calendar year in which they occurred, and before the first of January of the following year, can normally be corrected with the assistance of the OMES.

Current year Social Security Number corrections can be accomplished by creating a case through the OMES Service Desk, 405-521-2444. The case must provide all pertinent information to include agency, employee name, state EmplID and both the correct and incorrect Social Security Number.

If current year FICA tax has been withheld on a qualified, exempt alien or a full-time student employed by an institution of higher education, a refund should be processed through the state payroll system. In addition, a case should be created through the OMES Service Desk, 405-521-2444. The case must provide all pertinent information to include agency, employee name, state EmplID, FICA taxable wages reported in error, and warrant number on which the FICA taxes were withheld. Employee balances will be corrected for yearend reporting. In very limited situations will manual refunds be processed for FICA taxes withheld in error. In such cases, the OMES Form 3 should be submitted to the OMES DCAR payroll group.

If prior year FICA tax was withheld in error, contact the OMES DCAR payroll group for specific instructions. An employee signed IRS Form 843 must be submitted along with the applicable W-2 correction and the [OMES Form 3](#) to OMES for processing of the refund. The IRS Form 843 must include the following in Section 7:

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FICA taxes were withheld in error in YYYY. The amounts should not have been withheld because (enter reason here). I authorize the State of Oklahoma to claim a refund for my OASDI and Medicare taxes withheld and I will not submit a refund claim to the IRS myself.

The amount processed as taxable FICA wages was: \$xxxx.xx

The amount of OASDI tax withheld was: \$xxx.xx

The amount of Medicare tax withheld was: \$xx.xx

C. FICA Refund Voucher – OMES Form 3

When the [OMES Form 3](#), Notarized Voucher and Disbursement of Payroll Withholdings, must be used for payment of FICA refunds, the following special instructions are also applicable:

1. Show the claimant's name just as it appears on the payroll.
2. Enter the payroll pay period(s), and warrant number(s) on which the overpayment(s) was (were) made.
3. Enter the following added certification in the 'Article' area of the voucher:

"By the act of approving this voucher I, _____(Name)_____ certify that I have not claimed and shall not voucher a credit or refund for the excess social security contributions for the year 20__, which were deducted by _____(Agency)_____."

- a. A notarized signature is required to process the form.

50.20.08 Corrections to State Insurance and Retirement Payments

A. Employees Benefits Department (EBD) Refunds

Any refund for EBD benefits improperly withheld from an employee's pay will be processed through the State payroll system. This process will ensure the employee's payroll record is accurate for federal and state tax reporting purposes.

The following procedures have been established by OMES.

1. The agency must contact the EBD office to request authorization for any benefit refunds.

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- a. Refund requests will be submitted by the agency coordinator to EBD on the Employee Premium Refund Request form.
 - b. This form can be found on the OMES website.
2. EBD will send the form back to the agency after making its determination.
 - a. If disapproved, no refund will be processed by the agency. EBD will provide written notification to the agency stating the reason for disapproval.
 - b. If approved, the agency will process the refund through the State payroll system.
3. The agency must contact the OMES Service Desk to obtain the proper procedures for processing the refund.
 - a. The refund will be processed on the next regularly scheduled pay run for the agency.
 - b. New pay runs will not be created to process refunds. (EBD refunds take up to six weeks to process and completing on the next regularly scheduled pay run will be within their policy.)
 - c. Procedures provided through the Service Desk case will ensure the refund is correctly input and amounts properly post to either the employee or to the agency.
 - d. Any amount due to the employee will be taxed appropriately, and the employee will receive the net amount.
4. OMES will monitor the processed refunds for compliance with these procedures. Any agency issuing refunds without prior approval will be at risk of having issued an improper refund for which the agency must reimburse EBD through a miscellaneous voucher. Also, the agency would be liable to OMES for any additional taxes on the amount paid to the employee.

B. Retirement Plan Refunds (OPERS and OLERS)

Refunds on employee and/or employer contributions erroneously paid to OPERS/OLERS may be refunded several ways.

1. Processing of refunds may be accomplished through the state payroll system. If a refund is to be processed in this manner, create a case through the OMES Service Desk. Procedures will be provided ensuring the refund is processed correctly. OPERS/OLERS

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must be notified of the refund along with the earnings and hours related to the refund in order to correct the employee's retirement information. Refunds processed through the state payroll system will update the employee balances for yearend reporting.

2. Agencies may submit the [OMES Form 94P](#), Request for Overpayment Refunds, for employee and/or employer retirement contributions. The form will be reviewed and submitted to OPERS/OLERS for approval of the refund. Once approved, the refunds will be processed as applicable. This process could take up to several months to complete. After the refunds have been processed, the employee balances will be corrected for yearend reporting.
3. For OPERS refunds, Form 515-120 may be used to request a refund of employee and/or employer contributions. Refunds are paid on the last working day of the month and can be expected approximately three months after the month in which the error occurred if submitted timely. Refunds of state agency employer contributions will be made by OMES as directed from OPERS. Coordination between OPERS and OMES will ensure employee balances are correct for yearend reporting.

50.20.09 Estate Vouchers Payments

[40 O.S. § 165.3a](#) - Wages and Benefits upon Employee's Death

Other than an employee provided with an option of beneficiary designation with respect to his wages and benefits by his employer, all wages earned by an employee, not exceeding Three Thousand Dollars (\$3,000.00), shall, upon the employee's death, become due and payable to the employee's surviving spouse, or if there is no surviving spouse, the dependent children, or their guardians or the conservators of their estates, in equal shares, without the necessity of a probate court action.

If an employee has designated a beneficiary or beneficiaries with respect to wages and benefits, the full amount is payable to the beneficiary(ies). If there are no designated beneficiaries, the surviving spouse, or if there is no surviving spouse, the dependent children, or their guardians or the conservators of their estates shall be paid, in equal shares, wages earned by the employee not to

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exceed Three Thousand Dollars (\$3,000.00). Any remaining amount will be payable to the 'Estate of' the employee.

Additionally, [74 O.S. § 840-2.18.H.2](#), authorizes the proportionate share of any longevity payment which has accrued as of the date of death of an employee, to be paid to the decedent's surviving spouse, or if there is no surviving spouse, to the decedent's estate.

Any payments under these two state laws must be paid as follows:

1. Payroll will be processed under the decedent's payroll record.
2. The earnings will be processed using the applicable deceased earnings codes and will be taxed as required.
 - a. For payments in the year of death, earnings will be subject to FICA withholding only.
 - b. For payments in the year after death, earnings will not be subject to withholdings.
3. The net amount of payment shall be withheld as a miscellaneous deduction and payments will then be made by voucher to clear the amount withheld in the Miscellaneous Account 633190.
4. Agency personnel must get W-9 information from recipients to enter into the vendor system, for payment, and for reporting at yearend.
5. Amounts paid due to the death of an employee will be reported as required by the IRS:
 - a. Earnings subject to FICA will be reported on the employee's W-2 along with the withholdings.
 - b. The amount that would have been reported on the employee's W-2 as federal wages will be reported on a 1099-MISC in Box 3, Other Income, for each recipient. The reportable amount will be prorated if there were multiple recipients.
6. After payments have been processed, the agency must complete and submit OMES Form DER, Deceased Employee Reporting to the OMES/DCAR payroll group. This form can be found on the OMES website.
7. Specific processing instructions are in the HCM How to Document '[Payroll Processing for Death of an Employee](#)' located on the CIO website at: http://www.ok.gov/cio/Customr_Portal/Business_Application_Services_Essentials/Human_Capital_Management/HCM_News.html

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NOTE: If an agency is presented an affidavit by or on behalf of a successor as stated in [58 O.S. § 393](#), contact OMES DCAR payroll accounting for additional guidance on processing payment(s).

50.20.10 Payments to Board and Commission Members

Payments to board and commission members which are of a compensatory nature are subject to tax reporting and the withholding of applicable income and employment taxes. The label given to the payment is immaterial, thus, "compensation", "meeting payment" and "per diem" are all considered wages. This does not include per diem payments which are made pursuant to the State Travel Reimbursement Act.

Such payments must be paid through the state payroll system and follow the standard procedures with the following exceptions:

1. Show hours as "0".
2. Use Earnings Code "BRD" which translates to expenditure account code 511400 - Compensation-Board and Commission Members.

50.20.11 Payments of Employee Expense Allowances

Expense allowance payments made by certain state agencies to their employees must be specifically authorized by statute. An example is the allowance paid to certain employees for the cleaning and maintenance of uniforms. Expense allowances fall into two different plans as they relate to tax withholding and reporting, accountable and non-accountable.

1. Under an accountable plan, expenses are substantiated to the employer and either paid as a reimbursement or, if through an allowance, the excess amounts are returned to the employer; for our purpose, the reimbursement method will be used. Such reimbursements are not required to be reported to the IRS and are exempt from withholding of income and employment taxes. A receipt, paid bill or similar evidence sufficient to support the expenditure for any single expense item of \$25.00 or more must

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also be provided. The following statement must be completed and submitted with each expense allowance reimbursement made to an officer or employee.

I hereby affirm that the amount of \$_____ was incurred by me for (e.g., uniform cleaning) as authorized by Title _____, Section _____ of the Oklahoma Statutes. The expense represents \$_____ of the total \$ authorized monthly/annually. Said expense was incurred in connection with my official state activities.

Date

Name

EmplID

The agency can choose to retain said documentation on-site at the agency (and simply record the appropriate statutory cite on the voucher) if such payments are submitted as a multiple payee voucher, in which case the volume of certification attachments may not be feasible for submission to OMES. Said documentation must be made available for inspection upon request of OMES or the IRS.

2. A non-accountable expense allowance is one in which payments are made to employees without any requirement that they substantiate the expense or return any excess amounts. Non-accountable expense allowances are W-2 reportable and subject to the withholding of applicable income and employment taxes. Therefore, such allowances must be paid through the state payroll system and follow the standard procedures with the following exceptions:
 - a. Show hours as "0".
 - b. Use the applicable Earnings Code that translates to expenditure account code 511430 - Employee Expense Allowances-Reportable. Contact the OMES Service Desk and a case will be created to assist the agency in determining the correct earnings code to use.

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50.20.12 Fringe Benefit Reporting

A. Compliance

The taxable components of fringe benefits will be reported to the appropriate state and federal officials as required by law. Income and payroll taxes will be withheld as necessary. The following benefits must be reported. (For additional information, see applicable IRS regulations.):

B. Group Term Life Insurance

1. The cost of group term life insurance in excess of \$50,000.00 is taxable/reportable income.
2. The cost is calculated using standard tables developed by the IRS. See IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits.

The amount of the benefit for each employee must be reported to OMES on the payroll with applicable taxes withheld. The amounts listed will be reported as a part of gross wages. (Also see G below).

C. Using State Vehicles to Commute

The personal use of employer property by an employee can cause income to be imputed to the employee. Because Oklahoma law and the Oklahoma Constitution clearly prohibit the use of State property for personal profit or benefit, many of the more onerous reporting requirements of the IRS are not applicable. However, [47 O.S. § 156.1](#), as amended, while forbidding the personal use of state-owned motor vehicles, permits the use of the vehicles for commuting when the employee is subject to emergency calls at home and the employee's status has been so designated with the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives.

1. Pursuant to federal law, the IRS has ruled that use of an employer-provided vehicle to commute between an employee's home and official duty station constitutes a non-cash taxable benefit to the employee even when the use of the vehicle is for the benefit of the

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employer. Excepted are prominently-marked law enforcement vehicles when used by armed law officers and certain limited-use commercial vehicles. The imputed income is subject to FICA taxes and may be subject to income tax withholding. The imputed income computation method is dependent on the employee status.

2. Control employees must compute their personal use income based on the annual lease value and the fair market value of the vehicle provided, or the cents-per-mile valuation rule. The tables and rules are available from the IRS. The IRS has defined governmental "control" employees as elected officials and as officials appointed by the Governor and confirmed by the Legislature. Contact OMES for further information on these methods.
3. Non-control employees may compute the imputed income at the rate of \$1.50 for each one-way trip between the employee's home and duty station in lieu of using the annual lease value or cents-per-mile methods. Every commuting trip must be counted no matter how many times a day trips are made. If more than one employee commutes in the vehicle, each rider has imputed taxable income.

The amount of the benefit for each employee must be reported on payroll. The amount listed will be reported as a part of gross wages. (Also See G below.)

D. Maintenance, Car, and Housing Allowances

This applies only to institutions of higher education. If an employee is reimbursed and does not account for expenses or has the right to retain any amount in excess, these payments will be paid through payroll and subject to payroll tax withholdings including FICA.

1. Any allowance for housing, in lieu of campus-provided housing, will be paid through payroll at least monthly and will be subject to FICA and income taxes.
2. Any allowance for automobiles, in lieu of the Travel Reimbursement Act, will be paid through payroll at least monthly and will be subject to FICA and income taxes.
3. Any expenses or entertainment allowance (maintenance) that the employee chooses not to make an accounting for, or is allowed to keep any excess, will be paid through payroll at least monthly, and will be subject to FICA and income taxes.
4. Any expenses or entertainment allowance (maintenance) that the employee chooses to make an accounting for will be paid as a reimbursement monthly. These expenses will be

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reimbursed on an [OMES Form 3](#) with no attached receipts required. The voucher form must contain the date of the purchase, the payee (vendor), and the amount. This type of payment will not be included on the W-2 form.

E. Moving Expenses

Moving expenses paid or reimbursed as authorized and in compliance with [74 O.S. § 500.51](#) et seq., are considered wages for W-2 purposes, inasmuch as they are paid in connection with the performance of services and are attributable to employment. As explained further below, said moving expenses may or may not be taxable and/or reportable on the employee's W-2 depending on the type of payments. Payments may be for qualified or nonqualified moving expenses and require a close review to ensure proper reporting is completed. Any amounts found to be taxable are subject to federal and state income tax and FICA tax withholdings as applicable.

1. **Qualified moving expenses** paid or reimbursed by an employer can be treated as an excludible fringe benefit to the employee. The exclusion only applies to the reimbursement of moving expenses that the employee could deduct if he or she had paid or incurred them without reimbursement. Refer to IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits, and IRS Publication 521, Moving Expenses, for additional information on qualified expenses. Qualified moving expense reimbursements paid directly to the employee are reported on Form W-2 only in box 12 with code "P". Qualified moving expenses paid by an employer directly to a third party on behalf of an employee (i.e. moving company) are not reportable on Form W-2.
2. **Nonqualified moving expense reimbursements**, paid directly to an employee or indirectly on behalf of an employee, are taxable wages to the employee and subject to federal and state income tax and FICA tax withholdings as applicable and includible Form W-2. (Also See G below.)
3. Moving expenses, both qualified and nonqualified, can be processed through the state payroll system, special earnings codes are available to correctly tax and report the amounts. If moving expense amounts are paid through Accounts Payable, agency payroll personnel must be notified to timely report the amounts through payroll for inclusion on the employee's W-2.

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See also [50.10.06](#) (Special Voucher Procedures) for when moving expenses are authorized by the State.

F. Employee Recognition Awards

Gifts to employees are restricted and should only be given as part of a formal employee recognition program. See [74 O.S. § 4121](#) and [4122](#). Furthermore, any gift cards, certificates, and coupons given to employees are to be included in the employee's taxable income. These items are considered by the IRS to be cash or a cash equivalent and do not meet the requirements to be excludable as a de minimis fringe benefit. Amounts are to be reported through payroll at least monthly and will be subject to FICA and income taxes. (Also See G below.)

G. Tax Liability

Non-cash taxable income imputed under the provisions of paragraphs B, C, and F (preceding) and any taxable amounts paid through Accounts Payable must be reported through payroll at least monthly. Withholding of the employee's share of FICA is required and the matching state share must also be paid on the payroll. Withholding of income taxes on the imputed income for vehicle usage is optional with each agency, but employees must be notified not later than January 31 each year if the agency elects not to withhold income tax. In either event, the income will be included in the gross wages reported on the employee's W-2.

50.20.13 Payments to Officers and Employees

A. Payments to Officers and Employees

State officers and employees shall not be paid any salary, fee, wage, remuneration, expense allowance, or other compensation on warrants issued by the Office of the State Treasurer except when voucher for payment is made on the prescribed payroll form of the agency for which services were performed. The only exceptions are as follows (and shall be made as provided by statute for expenses incurred on official state business and processed on approved travel vouchers or miscellaneous vouchers, as appropriate):

1. Reimbursement for travel expenses

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2. Reimbursement to officials and employee for miscellaneous emergency purchases or other purchases not available through their agency's normal purchasing process. Such reimbursements
 - a) shall be approved by the agency head,
 - b) must have receipts,
 - c) must not be otherwise restricted by state statute, and
 - d) must have written justification if over \$100.
3. Contractual payments authorized specifically by statute. [74 O.S. Chapter 62, App. 257:20-1-10. \(c\)](#)

The above provision is not intended to keep a state agency from being reimbursed for services performed by employees of one agency for another. Also, it shall not affect the method of payment of any expense allowance to any officer or employee *specifically authorized* by statute, or payment to uniformed employees for maintenance and cleaning of uniforms where the payment is made under an accountable plan as defined by the Internal Revenue Service. [74 O.S. § 250.6.](#)

B. Loyalty Oath

Every person who is elected, appointed, or employed by the State of Oklahoma for a continuous period of 30 days or more, in order to qualify and enter upon the duties of his office of employment shall first take and subscribe to the loyalty oath or affirmation. The oath must be filed with the Secretary of State. Blank forms will be furnished by the Secretary of State's Office, without charge, upon request. No compensation or reimbursement for expenses will be paid to any officer or employee until he or she has taken and filed the oath or affirmation as required. [51 O.S. § 36.1 through 36.6.](#)

50.20.14 Terminated Employees

Employee termination pay should be paid on the next regularly designated payday established for the pay period in which the work was performed, unless otherwise provided for by a collective bargaining agreement covering the employee. This applies to all employees in compliance with [40](#)

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[O.S. § 165.3](#), Termination of Employee – Payment – Failure to Pay. Requests should NOT be made to OMES staff to establish additional pay calendars to pay terminated employees before the regularly scheduled pay day.

50.20.15 Payroll Warrant Cancellation (PWC) Procedures

The OMES Form PWC should only be used when an employee is not entitled, in whole or part, to the Payroll Funds that were processed. Agencies should identify payroll errors and process the PWC form immediately upon discovery. The PWC procedures allow for processing time. Depending on the timing of the PWC, either a Stop Payment/Delete or a Reversal will be initiated. Please follow all instructions for faxing and completing the form. The OMES Form PWC and instructions are located on the OMES website. The following link will take you to the DCAR Forms section of the website: <http://www.ok.gov/OSF/Forms/Division of Central Accounting and Reporting Forms/>

1. Paper Warrant Cancellations

The original payroll warrant must be marked “Void” and attached to a completed PWC form. Send the form and warrant to OMES Transaction Processing for cancellation in the payroll system.

Paper warrants that have been cancelled by statute require special processing as the agency is not entitled to receive the monies back. The form and warrant must be sent to OMES/DCAR payroll group along with a memo stating that the original payroll warrant must be marked as “Do Not Reissue” the employee was not entitled to the monies. The DCAR payroll group will make the appropriate corrections to the employee’s earnings for the year and coordinate with Transaction Processing to ensure the warrant cannot be reissued.

2. Direct Deposit Cancellations

Requests for cancellation of payroll direct deposits must be made by completing the PWC form and faxing to OMES at 405-521-3902 to initiate the cancellation procedures. To ensure processing begins, the agency must verify the transmission was successful by the confirmation on the agency’s fax machine. PWC forms received for direct deposit items that are more than five (5) business days past the effective date will not be processed, in

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accordance with National Automated Clearing House Association (NACHA) rules. If agencies encounter erroneous entries more than five business days past the effective date please contact OST for consultation on options for recovering the monies.

- A. Stop Payment/Deletes** are initiated for payroll items that have been processed through the OST three (3) or more days prior to the item's effective date.
1. The OMES Form PWC must be faxed to the OMES by 12:00 noon three (3) or more business days prior to the effective date of the payroll item.
 2. Successfully processed stop payment/deletes prevent the monies from being deposited into the employee's bank account.
 3. OMES is notified of the return on the effective date of the payroll item. The warrant cancellation will be completed after receiving the bank notification.
- B. Reversals** are initiated for payroll item(s) that do not fall into the Stop Payment/Delete time frame. A reversal is a debit transaction that follows the credit payroll item to the employee's bank account.
1. The receiving bank has five (5) business days from the date of the reversal request to return the item. All reversal items are at risk of not being returned to the State.
 2. NACHA rules require that an employee be notified in writing of a reversing entry and the reason for the reversing entry no later than the effective date of the reversing entry. Please notify the employee no later than the day the OMES Form PWC is submitted to OMES. The statement below can be modified by your agency and used to inform your employee(s) of the pending reversal.

A payroll item will be posted in error to your bank account on MM/DD/YY. A reversal has been issued and will post to your account to pull these monies back to the State. Please keep the full amount of this deposit in your account. If the State cannot retrieve the full amount of the deposit, action will be taken in accordance with applicable statutes and procedures to retrieve the monies from you.

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3. Once amounts have been returned to the State, the OMES will release the PWC to be cancelled in the payroll system which returns the monies to the agency.

If the monies cannot be recovered from the bank, the agency will be notified and will be responsible for collecting the overpayment from the employee in accordance with [74 O.S. § 840-2.19D](#). The agency should submit the [OMES Form 94P](#) to OMES/DCAR payroll group for processing if the employee pays back the amounts through a miscellaneous payroll deduction, cash, or terminal leave.

50.30 Travel Vouchers

50.30.00 Overview and Subtopics Listing

A. Overview

This section will cover the travel rules for employees of the state along with non-state employees. It will explain how to compile, document, and process travel expenditures whether they are reimbursement or direct pay expenditures. The section will also cover how to determine the mode of travel, calculation for the reimbursement of meals and miscellaneous expenses, and the registration process.

B. Subtopics Listing:

- 01 Applicability
- 02 Official Business Travel-General Rules
- 03 Travel Reimbursement Guidelines
- 04 Lodging
- 05 Meal Expense
- 06 Transportation
- 07 Registration
- 08 Miscellaneous Travel Expenses
- 09 "Actual and Necessary" Travel Reimbursement Procedures
- 10 Other Travel Expense Reimbursement Requirements and Related Instructions

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- 11 Travel Use Log – Flight Service
- 12 Airfare Arrangements - OMES
- 13 Direct Purchase of Travel Expenses and Registration

50.30.01 Applicability

The guidelines set forth in this section are based on provisions of the State Travel Reimbursement Act (STRA), [74 O.S. § 500.1](#), et seq., except as noted. The instructions and procedures that follow apply to official travel of employees of state agencies, volunteers performing substantial and necessary work for the state, and appointed and elected officials in performance of travel authorized by the STRA, excluding certain travel by members of the state legislature covered by separate statutes.

As used in this section, *employee* means the head of an agency, an agency official, or any other person employed by a state agency. This definition also includes compensated and non-compensated board and commission members, appointed and elected officials and other persons approved and authorized to perform official travel for the state pursuant to the provisions of the State Travel Reimbursement Act. This includes *non-state employees (volunteers)* who are performing substantial and necessary services to the state which have been directed or approved by the appropriate department official. ([74 O.S. § 500.2](#))

These instructions and procedures also apply to travel by individuals being considered for employment to and from pre-employment interviews as determined necessary and approved by an agency.

The requirements and procedures for travel expense reimbursement as contained in this section do not apply to contractors or the agents of such contractor firms doing work or providing service under terms of a contract or agreement with the state. However, agencies may require contractors to adhere to the rates and allowances set forth in the STRA in setting travel expenses. Any travel expenses incurred by such contractors or agents must be included in the contract award and payment to said individual or firm. Said contractor travel expenses must be included in the contract unless

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otherwise exempt. Payment of such expenses must be made through the regular vendor vouchers procedures, as opposed to payment through the STRA and these related procedures. (See [50.10.04](#), for instructions on vendor voucher payments.) ([74 O.S. § 85.40](#))

50.30.02 Official Business Travel - General Rules

Employees on official travel for the state may be reimbursed for authorized and approved travel expenses essential to the transaction of official business. Other persons who are not state employees, such as volunteers, students, etc., who perform substantial and necessary work or service for the state may also be reimbursed for expenses incurred during official, authorized travel.

In addition, travel expenses incurred by persons during the course of seeking employment with a state agency may be reimbursed provided the travel was performed at the explicit request of the employing agency and such travel is approved by said agency. The approving official's signature on the associated travel voucher shall serve as verification that the travel was authorized and performed in connection with the person's seeking employment at the request of the agency. Current employees of the state who are seeking employment with another state agency or a department within their own agency, as in the case of an inter/intra-agency transfer applicant and on their own time, shall be entitled to reimbursement of expenses under this provision (and as a non-state employee).

A. Employee's Responsibility

Employees traveling on official business for the state are expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business. Excess costs, circuitous routes, luxury accommodations, and services unnecessary or unjustified in the performance of official business are not acceptable and should be avoided as a standard practice.

Persons performing official travel as authorized by their agency are responsible for the preparation and submission of their travel voucher, although the agency should assist in such preparation when appropriate and/or provide training in the process. The traveler should obtain appropriate receipts for all applicable charges and keep a personal record of miscellaneous

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expenditures chargeable to the state, noting each item as the expense is incurred. In this way, all necessary information will be accumulated and available for preparation and submission of the travel voucher.

All expenses claimed for reimbursement must be fully denoted and properly declared under the appropriate section of the travel voucher. Reimbursable travel expenses are confined to those expenses that are essential to the transaction of official business in connection with the purpose of travel (i.e., "nature of official business") as indicated on the travel voucher.

The employee's signed affidavit affirms that all travel was performed as indicated and that the voucher for reimbursement represents a true and correct account of travel and related expenses. It is further implied from the traveler's signature that any expenses claimed have not been reimbursed or otherwise provided for by other sources. This includes the certification that "No frequent travel miles earned from any official state transportation have been used for personal transportation purposes." By their signature on the affidavit, the employee is held liable under possible penalty of law for any falsified expense or misstatement of voucher. ([74 O.S. § 500.15](#))

B. Approving Authority

Only the elected or appointed head of the agency or department, or designated representative may approve travel vouchers for payment. The approving officer's signature on the voucher form authorizes the disbursement of dollars and authenticates that the voucher complies with the state purchasing laws and the STRA, or as otherwise authorized and denoted on the voucher form. ([62 O.S. § 34.68](#))

The approving officer's signature on the voucher form further conveys the following:

1. Certification that the employee or official claiming reimbursement for out-of-state travel was duly authorized in the performance of policy making, professional, technical, supervisory, or administrative duties. ([74 O.S. § 500.10](#))
2. If claimant is not a state official or employee, provide certification that travel was in performance of substantial and necessary service to the State of Oklahoma, and that such service was germane to the duties and functions of the agency.

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3. Certification that all expenses presented for reimbursement have been reviewed, approved, and authorized for payment in accordance with the purchasing laws of the state and the STRA, or as otherwise indicated.

C. Guidelines for Filing of the Travel Voucher

1. Authorized Forms for Filing of Travel Expenses

All vouchers for reimbursement for travel expenses must be submitted on prescribed travel voucher forms, with expenses itemized and stated in accordance with the STRA. Vouchers for reimbursement of expenses incurred during ordinary travel performed under the general provisions of the STRA shall be filed on State Travel Voucher [OMES Form 19](#). Reimbursement of expenses claimed as actual and necessary as authorized by the STRA or other edict shall be filed on the State Actual and Necessary Expense Travel Voucher [OMES Form 18](#).

2. Travel Voucher Preparation

- a. *Preparation and Submission.* The traveler is responsible for preparation and submission of their travel voucher, which may be typed or handwritten in ink, but legible. Proper completion of all pertinent information fields on the voucher form is essential for prompt payment. Incorrect or partial completion of any of the required information risks rejection of the voucher and resultant delays in payment of expenses.
- b. *Official Duty Station.* This is the employee's or officer's official work station/office. It is normally the city or town in which the employee or officer is assigned to work. Employees or officials, whose duties are normally mobile and statewide or multi-county in nature, may be deemed by the agency to have no official duty station or office; therefore, the person's home area would be considered the duty station.

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- c. *Filing Period.* Vouchers for reimbursement of travel expenses shall not cover periods of over 31 days. ([74 O.S. § 500.3](#)) This can be a single trip or multiple trips over a period of time. In cases where the travel period (days claimed) would extend beyond 31 days, subsequent vouchers for expense reimbursement must be filed as necessary to cover the extended period. In addition, the current travel voucher must be annotated to show that the travel period is continuous, and a copy of the previously submitted voucher, if applicable should be included for verification of the payment history of expenses claimed.

There is no limitation as to when a travel voucher for a particular trip must be filed, except payment of expenses shall be restricted to amounts applicable to the fiscal year in which the travel occurred. In addition, payment shall be subject to the availability of the amounts in the agency's budget.

- d. *Payment Accountability.* All vouchers for reimbursement of travel expenses must be made payable to the person who performed the official travel, unless the traveler authorizes assignment of payment to a second party. For example, an employee may make arrangements with the lodging vendor to accept assignment of payment (subject to the authorized lodging rate) for the hotel room charges to avoid having to pay these charges directly. In such cases, the employee may complete the "assignment" section of the travel voucher for claiming lodging expense, and authorize the Office of the State Treasurer to issue the warrant in the name of the lodging vendor.
- e. *Coding of Payments.* All expenses claimed must be grouped and properly coded as to the appropriate expenditure account (e.g., in-state mileage 521110; out-of-state lodging 521260, etc.) on the travel voucher. Proper coding of the payments is usually done by the agency according to [Chapter 10](#) of this Manual and the 520000 series of [Expenditure Account Codes](#) which contains a complete listing of each travel Account Code and definitions to be used on the travel voucher.

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- f. *Travel by Non-State Employee.* If the person completing the travel voucher for reimbursement is not a state employee or official, the agency must indicate same on the travel voucher. In addition, the agency must provide a description of the services performed as required by the STRA. The appropriate expenditure account code is 521310 - Travel Reimbursement-Non State Employees. ([74 O.S. § 500.2.A](#))

- g. *Indication of Purpose of Travel.* The employee must clearly state the purpose of travel or "Nature of Official Business" on the travel voucher. The statement of purpose of travel should be concise, but clear enough that a person apart from the agency may understand the precise nature or purpose of the trip. For example, indication of "Meeting" for "Nature of Official Business" is too vague to convey the clear purpose of travel. A notation or statement, such as "Attend Office of Management and Enterprise Services Meeting on Travel Voucher Preparation, May 3 - 5, 2007" provides a better and more useful description of the purpose of travel.

- h. *Inclusion of Object of Travel Dates for Verification of 24/48/72-Hour Travel Rule.* For expense allowance verification purpose, the inclusive dates during which the object of travel was held or conducted must be indicated in the travel voucher package. If the object of travel (e.g., meeting, seminar, etc.) is without a formal announcement or brochure showing the program dates, the dates must be shown on the face of the travel voucher form, such as in the "Nature of Official Business" section of the voucher form. (Also see Section [50.30.03.A.\(2\)](#), "Travel Criteria - Meals and Lodging Expenses.")

- i. *Indication of Points and Periods of Travel.* Each point of travel (including en route stops for lodging) with its location (e.g., city and state) and the exact date and time of starting and ending overall travel must be shown as provided for on the travel voucher. This information is required in part to verify the use of the most direct route in travel.

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- j. *Personal Leave in Conjunction with Official Travel.* When personal leave time of any kind is taken in conjunction with the employee's official travel schedule, such personal leave time should be reflected in the dates of entering travel and returning home. However, the number of days and hours must reflect only the official travel status period and a notation made identifying the personal leave period. The employee may be allowed travel status not to exceed the customary 24-hour period before or 24 hours after the object of travel when personal leave is taken immediately prior to the object of travel or immediately after the object of travel has ended. (See the 24-Hour Rule, Section [50.30.03.A.3.a](#)) However, reasonable expectations should be considered for whether such business trip would have required such extended period, e.g., would the person have returned home instead of staying another night?

When personal leave time is taken in between multiple official business trips on the same schedule, the employee must indicate the exact date and time of departure from and return to official travel status on the travel voucher. The payment of ordinary travel expense reimbursement shall be suspended for periods when the employee is in personal leave status. (e.g., Oklahoma City to Denver on business -- personal leave -- Denver to New York on business and return to Oklahoma City) The 24-hour period after one trip and the 24-hour period before the next trip may be considered if added costs (per diem, lodging, etc.) are less than the transportation cost savings of not returning back home between individual trips. A cost comparison of said time period costs -vs- any transportation costs savings must be provided with the voucher.

- k. *Travel Time Adjustment for Weekend/Holiday Non-Work Periods.* Travel that transcends a weekend/holiday period must be terminated/re-instituted pursuant to the 24-hour travel rule for periods wherein work is not performed (See Section [50.30.10.H](#)) (1), Weekend/Holiday Non-Work Schedule Times).

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- l. *Presentation of Expenses.* An employee may be reimbursed only for expenses he/she personally incurred and is entitled to voucher. No reimbursement shall be allowed for expenses of other persons, except where specifically authorized and normally made through established "actual and necessary" travel reimbursement.

All expenses claimed for reimbursement must be indicated under the appropriate sections provided on the travel voucher. Employees may list only the total amounts spent during a travel period for certain itemized miscellaneous expenses, such as business telephone calls, local transportation, parking fees, etc., without itemizing each daily charge. Paid receipts or other evidence of payment must be provided for each expense item for which a receipt is required as the basis of payment (e.g., lodging, registration, actual and necessary expense items for others, single expense charges of \$25.00 or more, etc.). (See also for receipts Sections [50.30.09.B.](#) and [50.30.10.D](#))

Erasures and alterations in material amounts of expense items' extended totals on the travel voucher should normally be initialed by the traveler, and erasures and alterations in totals on receipts should normally be initialed by the person who signed or acknowledged receipt of payment.

The travel voucher must be signed both by the agency official authorizing payment (e.g., a person authorized to sign voucher documents submitted for payment) and the person making claim for reimbursement.

If authority for reimbursement of travel expenses is covered under separate edict from the standard STRA provisions, the authority, such as statutory reference, grant/contract number, etc., must be referenced on the voucher.

- m. *Exclusion of Major Category of Expense.* When any of the three commonly used major categories of expenses, e.g., meals, lodging, or mode of transportation is

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excluded or omitted from the travel voucher and one or both of the others are claimed, the travel voucher must be annotated with a statement to show:

- i. cross-reference to another voucher by number where the omitted expense item(s) was (were) claimed;
- ii. payment of omitted expense(s) made by another form or source; or)
- iii. no reimbursement to be claimed for omitted expense(s).

For example, if meals expenses are claimed, there should be some indication or notation of lodging and mode of transportation claimed or not claimed. This also holds true for each of the other categories, such as where lodging expense is claimed, indication should be provided regarding meals and transportation claimed or not claimed.

The notation may be as simple as "no charge" written or typed in the applicable expense column on the travel voucher, or the employee may explain how the expense was or will be handled (e.g., "Lodging - no charge, stayed with relatives or friends"; "Transportation - Agency Direct Purchase space checked, etc.).

In travel cases where the transportation expense claimed merely involves local travel (i.e., mileage, taxi, bus, etc.), there is no need to provide a notation covering any of the other categories. However, if the local transportation expense is a portion of the total voucher for the trip and another voucher has been filed (or is pending) for the remaining trip expenses, both vouchers should be cross-referenced and a copy of the related travel voucher document may be included; however, if not, reference number (or notation) of the respective related voucher will suffice.

50.30.03 Travel Reimbursement Guidelines

A. General Provisions

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Reimbursement of travel expenses may not exceed the allowable daily rates as provided for in the State Travel Reimbursement Act (STRA), other related travel laws, or grant/contract authority. Vouchers for reimbursement of expenses, such as mileage, per diem, etc., at rates different than as provided for by the STRA must reference the authority, such as grant/contract number, on the voucher form as the basis for payment. In addition, a copy of the authority of reference should be kept on file at the agency for review and verification as required. OMES reserves the right to request a copy of the grant/contract document to verify the agency's authority for reimbursement of any travel expense in question.

1. In-State vs. Out-of-State Travel

Reimbursement of certain travel expenses as provided by the STRA is determined in part by whether travel was performed within or outside the borders of the state. For example, reimbursement for automobiles leased or rented within the state is based on the standard mileage rate provided for privately owned automobiles used in travel. In contrast, reimbursement for leasing or renting an automobile outside the state is authorized at actual rental cost, subject to approval by the agency head/director. ([74 O.S. § 500.5](#))

For expense reimbursement purpose, in-state travel includes travel performed within the borders of the State of Oklahoma. Trips originating from outside the state with objective of travel within the state should be treated as in-state travel. Out-of-state travel is any trip in which the objective of travel is to destinations outside the borders of Oklahoma. Travel across the state-line to merely acquire lodging does not constitute out-of-state travel for reimbursement of expenses purposes. The trip's objective destination points are what determine whether travel is in-state or out-of-state for expense reimbursement purposes.

Persons who are based outside of Oklahoma and who perform official travel outside the borders of the state should treat their expenses as out-of-state for reimbursement purposes. Vouchers for reimbursement of expenses for trips that involve both in-state and out-of-state destination points should denote the portion of travel performed in-

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state/out-of-state, respectively, for application of the appropriate expense reimbursement rates and allowances. For example:

*Trip: Oklahoma City-Lawton-Wichita Falls, TX and return to Oklahoma City.
Oklahoma City-Lawton (in-state); Lawton-Wichita Falls, TX - Oklahoma City (out-of-state).*

The purpose for differentiating in-state and out-of-state travel is application of the appropriate reimbursement rates and allowances set for certain expenses (e.g., meals) based upon whether travel is in-state or out-of-state. Such differentiation of travel shall not be required for routine rest stops in route to the object of travel final destination point.

Payment of expenses for in-state and out-of-state travel must also be coded with the appropriate expenditure account as found in the list of "[Expenditure Account Codes and Definitions](#)," of this Manual. The agency vouchers processing department is normally responsible for proper coding of the expense payment.

2. Travel Criteria - Meals and Lodging Expenses

Travel status for the purpose of meals and lodging expenses reimbursement is defined as absence from the employee's or officer's home area or official station area while performing official state business. The limits of the home or official station area are defined as the corporate boundaries of the city or town in which the employee or officer resides or is assigned to work (See 'Distance Test' following). Employees or officials whose duties are normally mobile and statewide or multi-county in nature may be deemed by the agency to have no official station or office; therefore, absence from home area will apply. (For such mobile officials and employees, their home shall be considered their duty station.) For procedural definitions used on all travel vouchers when determining starting and ending points of travel, official station shall mean the employee's or officer's regular duty station. Any return to the official duty station will end the travel period. If returning to travel status, a new period will be started. In

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addition, the trip must be of sufficient duration and distance to qualify as "overnight" absence from the person's home and/or official duty station area.

Exception to Overnight Requirement: An exception to the overnight requirement is allowed per [74 O.S. § 500.2.E.4](#). "State agencies are authorized to enter into contracts and agreements for the payment of food and lodging expenses as may be necessary for employees attending an official course of instruction or training conducted or sponsored by any state agency. Expenses may be paid directly to the contracting agency or business establishment. The cost for food and lodging for each employee shall not exceed the total daily rate as provided in the State Travel Reimbursement Act."

This sub-section of law does not include the standard language "provided the meeting qualifies for overnight travel for the employees." It was designed to allow agencies to purchase meals for employees who are not in overnight travel status while attending instruction or training conducted or sponsored by the state agency in cases where some staff are in overnight travel and others not. Consequently, all staff attending the training could receive a meal during said training. The cost of such meals(s) shall not exceed the total daily rate allowed in the STRA.

Travel status for expense reimbursement purposes is further determined by the following guideline tests (both tests must be met):

- (a) *Distance Test for Meals and Lodging Expenses:* The travel distance performed must be such that the employee cannot reasonably leave from and return to his/her home or office location at the start or close of each day's work schedule. The reasonableness guideline used for the distance test is 60 map miles (one-way) or more. However, this is not an irreversible criterion due to varying travel factors that could occur, requiring exception to the distance guideline. If travel does not meet the distance guideline, that is, one-way mileage is less than 60 miles, and there are valid reasons for waiving the distance test, the approving official should

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provide written clarification/explanation of the travel purpose and requirements and reasons for allowance of the expense(s) reimbursement. If the employee supplies this information, the approving official should initial the employee's statement to show his/her review and approval. OMES/Transaction Processing will use the explanation to determine if the requirements of the trip were sufficient to justify exception to the distance guideline for allowance of travel expense reimbursement. To ensure approval of voucher under such exception, advance approval by the Transaction Processing Director is recommended. Send such clarification/explanation of the travel purpose, requirements, and reasons for allowance of the expense(s) reimbursement. If approved, a copy of the approval should be attached to the voucher.

- (b) *Duration Test for Meals and Lodging Expenses*: The STRA provides for reimbursement for meals expenses only for periods that are "overnight." However, in reality, there are business trips that are not literally "overnight," but are of substantial duration to justify treatment as overnight to the extent of requiring the employee to get necessary sleep and rest to meet the demands of his/her work. Thus, to qualify for overnight travel, employees need not be away a full 24 hours or dusk to dawn, provided the trip is substantially longer than an ordinary work day, and it is reasonable for the employee to need and to get necessary sleep and rest to complete his/her work. Under this guideline, it is necessary for the employee to have been given relief time from his/her duties in order to get the needed sleep and rest. Relief time does not mean short rest stops taken for napping in the car while driving to and from points of travel or during flights. It refers to meaningful periods of sleep and rest.

The basic guideline for "overnight" travel status is there must be an overnight lodging receipt or written verification that supports the person stayed somewhere and received the required proper relief time during the travel period to get rest and sleep to complete his/her assigned work. Approval of payment shall be based on the employee's true account of travel and the approving

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official's verification of the employee's need of rest and sleep during the travel period.

3. Commencement/Termination of Travel Periods for Reimbursement of Meals and Lodging

(a) *Standard 24-Hour Travel Rule.* Reimbursement for meals and lodging expenses shall not extend more than 24 hours before and/or more than 24 hours after the date/time the object of travel (e.g., meeting, workshop, conference, etc.) begins and/or ends. ([74 O.S. § 500.9.E](#)) When the event begins with a meal or dinner reception and is considered a “meet and greet” activity, this could be acceptable for the timing of the 24-hour rule. Open registration more than 24 hours prior to the actual start of the event and activities that are primarily provided clearly for the entertainment of participants, such as sightseeing tours, athletic events, etc. are not appropriate. Exception to the “24-hour travel rule” may be allowed in cases for special business-related meetings prior to the conference. Proper documentation of the business purpose for participating in such early (or later) activities should be provided with the travel voucher as justification for extending the start of the 24-hour travel period.

Where a saving in travel costs is available through the purchase of discount airline tickets in connection with weekend commercial airline flights (see the following on *Special 48-Hour Extended Rule* and *Special 72-Hour Extended Travel Rule*) or limited available flights require an earlier flight, these may also be exceptions to the “24-hour travel rule”. However, if it is just a person’s preference to leave early when later flights would be available, the early travel status exceeding the 24-hour rule would not be acceptable. Travel status for receiving per diem and lodging would be based on the 24-hour rule from the start of the event.

(b) *Standard 48-Hour Travel Abroad Rule.* For purpose of meals and lodging expenses reimbursement, official travel in areas outside of the United States may start as early and/or end as late as 48 hours before/after the objective of the trip. We interpret “... official travel in areas outside of the United States ...” to mean

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official travel to areas outside the contiguous United States, thus travel to Hawaii, Alaska and other possessions of the U.S., (e.g., Puerto Rico, U.S. Virgin Islands, etc...) would be included under the 48-hour travel abroad rule. ([74 O.S. § 500.9.F](#))

(c) *Special 48-Hour Extended Rule.* In order for the state through its employees to take advantage of special weekend cost saving air fares, reimbursement of expenses may be allowed to start up to 48 hours before and/or extend 48 hours after the date of the object of travel under the following conditions:

- (1) Notwithstanding any savings involved, the extra day of travel must be a weekend day, i.e., Saturday or Sunday. For example, if the purpose of the trip:
 - a. Begins on Monday/Tuesday, reimbursement status cannot begin earlier than Saturday/Sunday, respectively, and/or
 - b. Ends on Thursday/Friday, reimbursement status cannot end later than Saturday/Sunday, respectively.

(2) The voucher must include a detailed cost comparison of additional meals, lodging and other expenses versus the saving on airfare. The airfare rate used in the comparison must come from the same travel agent as where the cost saving ticket was purchased.

(3) Total reimbursement for meals and lodging and the cost of the airplane ticket shall not exceed the amount of reimbursement that would have been allowed for travel under the normal 24-hour rule plus the related air fare cost available at that time.

(d) *Special 72-Hour Extended Travel Rule.* In order for the state to further participate in the cost savings airfares offered by airline companies, state employees may be allowed to claim reimbursement of travel expenses starting up to 72 hours before and/or extending 72 hours after the date of the object of travel, provided:

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- (1) Travel is in conjunction with a 3 or 4-day holiday weekend.
- (2) The first/last day of the objective of travel is immediately preceding and/or following the weekend day/holiday of travel.
- (3) The extra day(s) of travel is a weekend day (i.e., Saturday/Sunday) or holiday immediately adjacent to the weekend, i.e., (Thursday) Friday or Monday (Tuesday).
- (4) There is a demonstrated cost savings to the state. Presentation of travel expense vouchers under the special 72-hour travel rule shall be similar in procedures as the current 48-hour extended rule above.

This policy procedure allows for officials and employees on business travel for the state to take advantage of less expensive air fares available for weekend departures or arrivals, particularly Saturdays. To support approval of travel under the 48/72-hour extended rule as the most economical in terms of costs, a comparison of meals, lodging and transportation expenses versus travel costs under the 24-hour provision is required. Travel under the 48/72-hour extended rule shall not be allowed if the costs of extra lodging and meals along with the discounted air fare exceed the costs of travel under the standard 24-hour rule as shown in the cost comparison of the two. In addition, the 48/72-hour extended rule shall not apply where travel is by privately-owned automobile in lieu of coach class airline fare, regardless of any direct savings that may be demonstrated. (Unless the extended travel is over the weekend, then the extended rule may be considered. This is also applied to use of state vehicles – with exceptions. Requests should be submitted to the Transaction Processing Director.)

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50.30.04 Lodging

Lodging expense reimbursement includes the actual cost for overnight sleeping accommodations based on paid receipts and subject to limitations of the State Travel Reimbursement Act (STRA). ([74 O.S. § 500.9](#)) Besides traditional public lodging facilities, such as motels or hotels, expense reimbursement may include rent of an apartment or other type dwelling, as well as charges or fees associated with the use of a motor home or recreational vehicle used in travel. Reimbursement, however, shall not cover accommodations ordinarily provided on a common carrier, such as AMTRAK sleeper car, since such accommodations would be included in the transportation cost.

A. Regular Lodging Rates

Reimbursement for lodging expense shall not exceed the maximum daily rates. Any associated tax charges will be reimbursed in addition to the maximum rate.

NOTE: Reimbursement of taxes on room rates exceeding the maximum rate must be prorated down and based on the maximum rate amount. (See section [50.30.10.F](#), for applicability of sales tax charges)

The current standard daily lodging reimbursement rates authorized by the STRA shall be the amount authorized by the provisions of the Internal Revenue Code of 1986, as amended, for deductibility of expenses for travel while away from home without additional documentation. ([74 O.S. § 500.9](#))

This rate can be different depending on the location of travel as identified in the Government Services Administration's (GSA) Continental United States (CONUS) rates for domestic locations and OCONUS for locations outside of the continental United States. For example, for travel within the State of Oklahoma there may be more than one rate depending on the location. A complete listing of the CONUS locations/rates can be obtained from the GSA per diem web site: <http://www.gsa.gov> Follow the link "Per Diem Rates" which is for both lodging and meals.

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Receipts submitted with the travel voucher for reimbursement of lodging expenses incurred during travel to one of the CONUS or OCONUS higher rate areas must show the name of the lodging facility and its location as within the higher rate area. Payment of expenses at the higher area rate shall only be allowed for lodging acquired at facilities located within the specified cities and/or areas. If the receipt for lodging does not indicate such location, but the facility where lodging was acquired is located within a listed "high rate area," the traveler or approving officer must provide a certification statement on the travel voucher or paid lodging receipt similar to:

"I certify the public lodging place named on the lodging receipt is located in the corporate limits or county of the CONUS city of travel.

Signature

A similar statement would be required to confirm locations in the OCONUS. OMES/Transaction Processing shall use the national "Rand McNally Road Atlas" to verify the corporate limits of the city/county or area of points of travel as indicated on the travel voucher in qualifying allowance of the higher lodging rate.

B. Exception to Regular Lodging Rates

The Director of the Office of Management and Enterprise Services may authorize reimbursement for overnight lodging while in official travel status within the State of Oklahoma at a rate of up to one hundred fifty percent (150%) of the amount authorized above if it is determined that no lodging was available at the OCONUS rate. Prior to authorizing such payment, the state officer or employee shall certify the efforts made to obtain lodging at the rate set out in subsection A of this section and the reasons why such lodging was not available within a reasonable distance from the state officer's or employee's work location.

In order to receive reimbursement under this exception, **all** of the following conditions must be met:

- a. travel is within the State of Oklahoma;
- b. traveler documents efforts to find lodging at the listed rate;

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- c. traveler's agency Director certifies that no lodging at the regular rate was available within a reasonable distance.

Requests for reimbursement under this section should be addressed to the State Travel Coordinator at agency.travel@omes.ok.gov and must be approved prior to the trip.

C. Designated Lodging

Reimbursement of the actual cost of lodging not limited to the maximum standard daily rates is authorized when lodging occurs at a prearranged designated hotel, motel or other facility. In such travel instances, payment shall be limited to the vendor's single occupancy room rate charge as indicated on the paid lodging receipt.

A lodging facility may be designated under the following criteria:

1. Sponsor Arranged

(a) *Lodging at Host or Headquarters Hotel.* A sponsor may arrange a meeting, workshop or similar travel objective to be held at a host or headquarters lodging facility. In such travel instances and when the hotel or motel is specified by the sponsor's announcement or notice (e.g., conference brochure), reimbursement may be allowed for the actual cost of lodging not to exceed the single occupancy room rate charge as indicated on the paid lodging receipt. However, a different lodging rate charged than as indicated in the sponsor's announcement or notice may be allowed when the travel objective is held or conducted at the place of lodging (i.e., out of blocked rooms or rate reduction rooms). Other different amounts must be explained and approved by the agency before payment of reimbursement will be considered by OMES (approved/disapproved).

(b) *Other Sponsor Arranged Designated Lodging Conditions.* Lodging arranged at a facility other than where the travel objective is held may also qualify as designated when the sponsor provides for the blocking of rooms or rate reductions for participants. Again, such arrangements must be evidenced by the sponsor's announcement or notice. Reimbursement shall be limited to the actual single occupancy room rate charged as reflected on the paid lodging receipt.

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Standard military or government rates as sometimes made available by lodging vendors are not considered special rate reductions arranged by the sponsor for the purpose of designated lodging. Nor would a sponsor's announcement recommending or suggesting a list of hotels, motels, etc., for the convenience of participants satisfy the requirements for "designated" lodging. In such cases, reimbursement of lodging expenses shall be held to the applicable rate as authorized by the STRA.

2. Agency Arranged

When an agency is the sponsor or host of the object of travel (e.g., meeting, workshop, seminar, conference, etc.), the sponsoring agency may prearrange and designate the public lodging place for employees to stay while attending the travel objective. Under this provision, the agency must clearly be the sponsor of the object of travel, and (1) the travel objective is held or conducted at the place of lodging, or (2) lodging is arranged (reserved) by the blocking of rooms or rate reductions for participants. As documentation for lodging expense reimbursement, the agency must provide the employee with its announcement or notice stating the:

- (a) object of travel (purpose),
- (b) date(s) the travel objective is being conducted or held,
- (c) name and location of the designated hotel, and
- (d) single room rate charge authorized.

The agency's announcement or notice prepared prior to beginning of the trip (prearranged) shall be submitted along with the travel voucher as documentation for reimbursement of expenses. (See [OMES Form 19-1](#), Agency-Sponsored Designated Lodging Notice, for agency-designated lodging notice form for submission with the Travel Voucher, [OMES Form 19](#).)

3. Self-Designated Lodging Unauthorized.

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As stated earlier, regular travel by employees and officials in the conduct of routine state business shall be subject to the regular lodging reimbursement rates as provided by the STRA. Thus, an individual cannot self-designate a hotel or other lodging for the purpose of reimbursement of expenses over and above the standard rates. This means that reimbursement may not exceed the applicable authorized standard daily lodging rate where, for example, a conference, meeting or workshop was conducted at a separate location from where lodging was obtained, but the sponsor failed to provide the blocking of rooms or rate reductions for participants (notice or announcement).

D. Use of Optional Lodging in Lieu of Designated Lodging

Employees attending objects of travel (e.g., meetings, workshops, conferences) which are conducted or held at a designated hotel, motel or other type lodging facility may choose to acquire optional public lodging at a lesser expensive charge. In such cases, the employee may be reimbursed the actual cost of lodging not to exceed the single occupancy room rate charged by the designated (host) hotel or motel. In order to verify the amount of expense reimbursement authorized, a schedule of the designated (host) hotel single room daily rates must be submitted along with the travel voucher.

If an employee opts to use other lodging besides the designated hotel or motel at which the object of travel is conducted or held, reimbursement for any incurred local transportation expenses (such as, taxi, bus, rental car, private automobile mileage, etc.) for travel between the optional lodging location and the designated (host) lodging facility shall be allowed in an amount not to exceed the difference between the cost of the designated lodging and the cost of the optional lodging. ([74 O.S. § 500.9.C](#))

When optional lodging is used in connection with an object of travel conducted or held at a facility (e.g., convention center) separate from the designated lodging place, and transportation costs would otherwise be incurred (e.g., going between the lodging place and meeting location), reimbursement may be allowed for necessary local transportation for travel to and from the meeting or conference facility. Such reimbursement may also be allowed in instances where an

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employee opted to stay with friends or relatives and needed transportation to travel to a conference facility held separately from the designated lodging location.

In instances where lodging is at no cost to the employee, such as when staying with a relative or friend, the traveler may claim a lodging allowance of \$10 for each allowed lodging night. See [50.30.05 C. Per Diem in Lieu of Subsistence](#).

E. Other Limited Travel Expenses in Connection With Optional Lodging

Employees performing official travel for the state may on occasion incur expenses, such as vicinity mileage, local transportation, etc., which they wish to claim in lieu of lodging. For instance, when an employee opts to stay with relatives or friends instead of acquiring regular public lodging while performing official travel for the state, it may be necessary to incur local transportation costs for travel between the lodging location and place of the meeting or other object of travel. Limited reimbursement of such expenses incurred (excluding contract rental car) may be allowed in conjunction with the applicable out-of-state \$10 lodging allowance up to an amount not to exceed the maximum lodging rate authorized for the area. In other words, the total of the cost of local transportation plus the extra lodging allowance may not exceed the standard lodging rate allowed for the area in which travel was performed. [50.30.05 C. Per Diem in Lieu of Subsistence](#).

The above transportation expense allowance shall not apply where "designated" lodging has been arranged for participants by the sponsor (host), notwithstanding any savings that may ensue from an employee staying with relatives or friends in lieu of at the designated lodging place. However, an exception may be applied in cases where the object of travel is conducted at a separate location from the designated lodging facility, such as at a convention center, and local travel between the designated lodging facility and the conference location would have otherwise been incurred. In such cases, the travel requirements and necessity of the expense would need to be explained on the travel voucher for review and approval/disapproval of payment on a case by case basis.

F. Direct Purchase of Lodging

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State agencies are allowed direct purchase of lodging (and food) for employees (See [50.30.05](#), [50.30.10.J](#), and [50.30.13](#)) For example, the STRA authorizes state agencies to enter into contracts or agreements with lodging establishments for the purchase of food and lodging for employees attending conferences, meetings, seminars, workshops, or training sessions, or in the performance of their duties. The cost of food and lodging for each attendant employee or official at these facilities shall not exceed the standard daily rates as provided by the STRA. Payments for direct purchase of food and lodging shall be paid directly to the business establishment. The direct payment for food and lodging expenses must be filed through the vendor vouchers process procedures on [Claim Jacket Voucher Form 15A](#) using expenditure account code 522130. The voucher document should be annotated with the authority reference for pre-/post-audit verification.

The STRA also authorizes certain, specified agencies to make direct purchase of food, lodging and other expenses as may be necessary for employees for special purposes. The agencies and the purpose under which direct purchase is authorized are explicitly named in the Act. ([74 O.S. § 500.2](#))

G. Companion Travel - Lodging Expenses Shared

When two or more employees travel together and they share common lodging accommodations, such as a double room, there are the following three reimbursement options:

1. Hotel provides individually billed hotel receipts, each employee may be allowed reimbursement of the lodging expense, provided:
 - (a) The amount of the lodging expense does not exceed the single occupancy room rate the employee would have ordinarily been charged and entitled to claim; and,
 - (b) The cumulative total of each employee's share of the lodging cost does not exceed the total amount of the actual room charge.

2. Without receiving individually billed hotel receipts, each employee may be allowed reimbursement of his/her pro rata share of the lodging expense, provided:
 - (a) A copy of the hotel lodging receipt is submitted with each employee's travel voucher and the pro rata share is detailed on the hotel billing statement;

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- (b) The amount of the lodging expense does not exceed the single occupancy room rate the employee would have ordinarily been charged and entitled to claim; and,
 - (c) The cumulative total of each employee's share of the lodging cost does not exceed the total amount of the actual charge as reflected on the paid lodging receipt.
3. One employee pays the entire lodging amount and seeks reimbursement for the total bill, provided:
- (a) The hotel lodging receipt is submitted with the employee's travel voucher and the pro rata share for each employee is detailed on the hotel billing statement; and,
 - (b) The amount of the lodging expense does not exceed the cumulative total of the single occupancy room rate each employee would have ordinarily been charged and entitled to claim.

Option 2 is the most recognized procedure, and with Options 1 & 2 they keep the related travel expenses associated with the employee performing the travel. Option 2 can be submitted as a reimbursement voucher for each employee or, alternatively, as an assignment voucher to a single employee having actually paid the entire lodging bill.

Under Option 3 the full authorized lodging amount would be claimed under one employee's lodging. The others sharing the room would document no lodging claimed and cross-reference the vouchers. This option provides a method of reimbursement without requiring an additional voucher as with the assignment method in Option 2.

For post auditing purposes, each companion travel voucher should bear cross reference to any and all other related travel vouchers by number, when available

H. Use of Other Rented or Leased Lodging Accommodations

Agencies may authorize employees' use of rented or leased nonpublic type lodging (e.g., rent of a room, apartment, house, etc.) for travel when it is advantageous to the state for such lodging arrangements. For example, such arrangements may be advantageous where the cost of conventional lodging (i.e., hotel, motel) is prohibitive or impossible due to travel to remote areas,

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extraordinarily long travel periods, foreign travel, etc. Before authorizing employees the use of such arranged lodging accommodations, the agency must first request OMES review and approval of its lodging arrangements proposal by submitting a letter of request explaining the travel conditions and requirements. OMES shall review the agency's request and approve/disapprove the travel proposal on the merits of the travel requirements presented.

When non-conventional lodging accommodations are approved and authorized as indicated above, reimbursement of expenses shall be bound by the daily lodging reimbursement rates authorized by the STRA. That is, when an employee obtains a leased or rental nonpublic form of lodging, such as a room, apartment or house on a weekly or monthly basis, the daily expense reimbursement shall be limited to the actual cost not to exceed the STRA applicable standard daily lodging rate authorized for the travel location. The daily lodging expense allowed shall be computed by dividing the total lodging cost plus any necessary incidental expenses to renting of the lodging by the number of days the accommodations were actually used. The resulting daily average cost shall not exceed the standard daily rate for conventional lodging for the area for reimbursement purpose. All costs shall be evidenced by paid receipts from the landlord or vendor.

I. Use of Motor Home, Travel Trailer or Camping Trailer for Lodging

Reimbursement of actual expenses not to exceed the standard daily lodging rate authorized by the STRA may be allowed when an employee uses his or her privately-owned motor home, travel trailer, camping trailer or similar mode of lodging while on official travel for the state. Reimbursement may include such actual charges as parking fees, fees for connection, use and disconnection of utilities (i.e., gas, electric, water, sewage, etc.), bath and shower fees and toilet dumping fees. Any expenses claimed must be documented by paid receipts.

50.30.05 Meals Expense

A reimbursement in lieu of meal expenses, per day, while in official travel status, in an amount authorized by the provisions of the Internal Revenue Code of 1986, as amended, for deductibility of expenses for travel while away from home without additional documentation within the State of

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Oklahoma and outside the state is authorized, as identified in the Government Services Administration's (GSA) continental United States (CONUS) rates for the for domestic locations and OCONUS for locations outside of the continental United States. ([74 O.S. § 500.8](#))

A. CONUS Standard Meals Expense Allowance

Employees are authorized to receive a daily meals expense allowance while performing regular business travel for the state, provided the trip meets the overnight criteria. The allowance is in lieu of reimbursement of the actual cost of meals, and is intended to cover expenses for breakfast, lunch and dinner, including tips, taxes and any other personal purchases such as snacks, refreshments, over-the-counter medicines, etc. There may be more than one rate depending on the location. A complete listing of the CONUS locations/rates can be obtained from the GSA per diem web site: <http://www.gsa.gov>. Follow the link "Per Diem Rates" which is for both lodging and meals. **NOTE:** We use the GSA "Meals" amount as our authorized per diem rate.

In computing the reimbursement allowance, a day shall be a period of twenty four (24) hours, except no reimbursement of expenses shall be allowed for less than overnight travel. (See Section [50.30.03.A\(2\)](#), "Travel Criteria - Meals and Lodging Expenses," for definition of "overnight" travel status.) Reimbursement may be allowed for each one fourth (1/4) day (6 hours) or major fraction thereof (more than three [3] hours) at a rate not to exceed the per quarter day within both the State of Oklahoma and outside the State of Oklahoma.

(Also see Section [50.30.05.E](#), "Meals Included in Cost of Registration or 'Package Plan' - Meals Expense Allowance Adjustment.")

B. CONUS High Rate Locations

For travel to certain locations, the rate can be different depending on the point of travel as listed under the (CONUS) rates for the for domestic locations and OCONUS for locations outside of the continental United States. A complete listing of the CONUS locations/rates for the appropriate meals and incidentals (per diem rate) can be obtained from the GSA per diem web site: <http://www.gsa.gov> Follow the link "Per Diem Rates" which is for both lodging and meals.

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The Office of Management and Enterprise Services will follow GSA's definition of "per diem localities with county definitions." Per diem localities with county definitions shall include "all locations within, or entirely surrounded by, the corporate limits of the key city as well as the boundaries of the listed counties, including independent entities located within the boundaries of the key city and the listed counties (unless otherwise listed separately)."

For example, if an employee is in overnight travel status and obtains lodging in Edmond, Oklahoma, the higher reimbursement rate for the Oklahoma City locality will apply (rather than the 'standard' rate), as Edmond is within the same county as the "Oklahoma City locality". For cases where the hotel or motel location is not identified as a city on the CONUS list, then the traveler or approving officer must provide a certification statement on the travel voucher or the paid lodging receipt similar to:

"I certify the public lodging place named on the lodging receipt is located in the corporate limits or county of the CONUS city of travel.

_____ "

Signature

NOTE: If only per diem is being claimed such as with provided lodging and no lodging receipt is available, then a certification similar to the following should be provided:

"I certify the official point of travel as listed on this voucher is located in the corporate limits or county of the CONUS city of travel.

_____ "

Signature"

C. Special Per Diem Allowance When No Lodging Is Claimed

Under certain travel occurrences, employees may be reimbursed on the basis of a special per diem allowance for meals and incidentals, formerly known as "per diem in lieu of subsistence." ([74 O.S. § 500.9.B](#))

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A per diem allowance may be authorized by a travel claim which shall include all charges for meals and incidental expenses where overnight travel was involved, and a traveler has lodging provided at no cost to the state. A ten-dollar lodging per diem allowance may be claimed in addition to the normal meals and incidental expenses per diem allowance for the location of travel. See also [Section 50.30.03.A\(2\)](#), "Travel Criteria - Meals and Lodging Expenses," for definition of "overnight" travel status.

For example, an employee may Voucher the authorized additional allowance where overnight travel was involved, but expenses for public lodging were not incurred, for instance, in the case where the employee elected to stay with relatives or friends during the travel period. The allowance, however, would not be authorized for trips in which lodging was arranged and paid by another source apart from the employee. In other words, an employee would not be authorized the additional allowance where lodging was provided through the cost of registration or "package plan" paid by the state or provided complimentary by a grantor or sponsoring foundation. That is, if the employee used furnished lodging during travel, the special per diem allowance shall not be allowed.

Under this special per diem allowance procedure, the authorized amount would be the rate for that location and add \$10.00 (i.e., OKC rate \$66 + 10 = \$76). Reimbursement may be allowed for each one fourth (1/4) day (6 hours) or major fraction thereof (more than three [3] hours) at a rate not to exceed the per quarter day within both the State of Oklahoma and outside the State of Oklahoma.

D. Meals Included in the Cost of Registration, "Package Plan", or "Agency Direct Payment Contract" - Meals Expense Allowance Adjustment

When meals are provided through the cost of registration or package plan paid by the agency or directly by the employee and reimbursed, the employee's daily meals expense allowance shall be adjusted by 1/4 for each meal provided or actual meal cost if known via a receipt or event documentation. However, if meals are provided in registration or a package plan paid directly by the agency or through an agency direct payment contract, the allowable per diem reimbursement would be the difference between the full authorized per diem rate less the actual cost of meals

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provided in the registration, package plan or contract. In no case shall the payment of meals included in a package plan or contract exceed the total daily rate as provided for in the STRA, whether paid for direct by the agency, through reimbursement, or a combination of both. ([74 O.S. § 500.8](#)) For the method of computation and presentation of the meals expense adjustment on the travel voucher, see Section [50.30.10.J](#).

If the employee is not allowed reimbursement for meals expense because overnight travel was not involved, no adjustment shall be required; although meals may have been provided (since no travel voucher could be filed). Similarly, if no registration fee is paid, adjustment to the meals expense allowance is not required.

E. Exceptions to the Meals Expense Allowance Adjustment

Exceptions to the requirement for adjustment to the meals expense allowance may be allowed where special circumstances prevented the employee from participating in the meal activity. An exception would not apply where an employee merely chose not to attend the meal activity in preference to some other personal activity. Exceptions are:

- 1 “Continental breakfasts”, snacks or refreshments, such as coffee, tea, soft drinks, etc., provided during meeting breaks.
- 2 Meals provided by a third party that are not covered in the registration fee, package plan, or agency direct pay contract.
- 3 Non-participation due to one of the following:
 - Special dress requirements
 - Diet restrictions
 - Lack of means of transportation
 - Conflicting meetings

A notation to explain non-participation in the official meal activity or explanation of exempt meal, must appear on the travel voucher or elsewhere in the voucher packet as support documentation for any exception

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50.30.06 Transportation

A. Transportation Expenses Defined

Transportation expenses for approved state travel include commercial common carrier fares; local transit system and taxi fares; cost of commercial rental cars and other special conveyance; and mileage for use of privately-owned motor vehicle in travel. Reimbursement for authorized in-state or out-of-state use of privately-owned motor vehicles (and rental cars as appropriate) shall be the amount prescribed by the Internal Revenue Code of 1986, as amended, or rules, procedures or other action by the Internal Revenue Service, for use in determining the standard mileage rate allowed for a business expense deduction. The current standard mileage rate is subject to change normally each January and will normally be published in the DCAR Newsletter in December or as needed if changed for a different period.

Fees for parking and tolls are transportation related expenses to be itemized on the travel voucher under the category of miscellaneous expenses.

Mileage allowance and other associated expenses in connection with use of privately-owned automobile in travel shall be payable to only one of two or more employees traveling together on the same trip and in the same conveyance, although each may have shared in the operating cost of the vehicle.

B. Methods of Transportation

Transportation means for official travel for the state may include all forms of common carriers (e.g., commercial or commuter airplanes, railroads, ships, buses, etc.); transit system carriers (e.g., helicopter service, subways, street cars; taxicabs, etc.); state-furnished or contract rental cars or airplanes; privately-owned motor vehicles; and any other authorized passenger type conveyance.

Motor vehicles, as used above, refer to passenger type vehicles, such as motorcycles, cars, station wagons, vans, trucks, buses, and motor homes. The term does not include unconventional forms

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of passenger transportation, such as bicycles, motorized bicycles, small powered marine vessels (boats), motorized farm machinery, tractors, etc.

C. Trip Optimizer

In general, per [74 O.S. § 85.451](#), all agencies, boards, commissions, or other entities organized within the executive department of state government must use the State Fleet Management Trip Optimizer system that limits in-state and out-of-state mileage reimbursement to the lesser of private vehicle (mileage) -VS- motor pool vehicle -VS- contract rental car. Note: For out-of-state mileage reimbursement, the allowable amount is the lesser of the trip optimizer results and the coach airfare quote obtained through an authorized contract travel agent.

The purpose of the trip optimizer is to compute the optimum method and cost for travel by state employees and is used in situations where the travel will exceed one hundred (100) miles per day and the employee is not driving a state-owned or lease dedicated vehicle. A dedicated vehicle is considered to mean a vehicle that has been assigned to the employee or otherwise leased by the agency. The [OMES Form 19 – Travel Voucher](#) has a section to indicate whether the trip optimizer was used or if the travel is exempt from using the trip optimizer. Also, a copy of the printout of the trip optimizer results page must be included with the travel voucher when the trip optimizer is required (not exempt).

1. Exemption

However, state employees may be exempt from the reimbursement requirements of the Trip Optimizer system provided the state employees utilize a personally owned vehicle and seek reimbursement according to the scheduled rates. The Office of Management and Enterprise Services (OMES) will publish a schedule of reimbursement rates for state employee travel and may categorize reimbursement rates by type of vehicle, but shall not exceed standard mileage reimbursement rates as established by the Internal Revenue Service. The OMES opted to categorize all vehicles in a single class and applies the federal mileage rate established by the Internal Revenue Service and subject to change normally each January.

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2. Agency Head Approval for Trip Optimizer Exemption

Pursuant to [74 O.S. § 500.4.B](#), agency heads may grant exceptions to the use of Trip Optimizer. This exception is intended to be used only in extenuating circumstances but is based on agency head approval. If the agency head does not grant an exception to using the Trip Optimizer, the employee should use the Trip Optimizer system and should be reimbursed at the lower rate for personal vehicle use.

The Office of Management and Enterprise Services considers those vouchers submitted for mileage reimbursement to have met the “agency head’s” approval for use of the privately owned motor vehicle, when supported by the approving officer’s signature authorizing the payment.

Fleet Management Calculator (Trip Optimizer):

<https://www.ok.gov/dcs/calculator/welcome.php>

D. Routing of Travel

All travel performed for the state shall be by a direct travel route appropriate to the mode of transportation used. When an employee for his/her own convenience travels by an indirect route or otherwise interrupts travel by direct route, the extra expense shall be borne by the employee. Reimbursement of authorized expenses shall be based only on such charges as would have been incurred had the direct travel route been used. However, travel by other than a direct travel route may be allowed when necessitated by circumstances beyond the employee's control such as weather, involuntary flight changes, etc. An explanation for such exception shall be noted on the travel voucher.

If entering travel status on a weekend or holiday, for calculating mileage, travel will begin from the official's or employee's home instead of the official duty station. For travel during regular work days, mileage claimed must be the shorter of the distance from the home or from the official duty station when leaving directly from the home to the objective of travel. Mileage from home to work is not reimbursable.

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E. In-State Travel

Persons performing official travel within the state may be reimbursed for the use of any of the methods of transportation enumerated above. However, if available, agencies are encouraged to provide agency-owned motor vehicles or motor vehicles leased from the State Fleet Management on a full-time basis or for individual trips for employee's use in motor vehicle travel within the state. Reimbursement for the use of common carriers, e.g., bus, rail, etc., while performing in-state travel shall not exceed the normal charge, except in no instance shall reimbursement exceed the coach class airplane fare as determined when air connections are available to the designated points of travel.

Agency heads may authorize the use of privately-owned or contract leased/rented automobiles for motor vehicle travel when such is advantageous to the state. If the trip will exceed 100 miles per day, Trip Optimizer must be used – see [50.30.06.C](#). Under no circumstances should a person be authorized to drive a privately-owned or contract leased/rented automobile and seek reimbursement for travel between his/her home and duty station. This is not allowed by the State or per IRS regulations (IRS Publication 463). In use of either a privately-owned or contract leased automobile for in-state travel on official state business, reimbursement shall be limited to the actual cost not to exceed the per mile rate listed above, based on the official mileage distance between points of travel as referenced in the latest Oklahoma Department of Transportation Statewide Mileage Chart. Excess odometer mileage over the map miles as recorded from the starting and ending points of travel can be claimed as vicinity mileage if such travel was official business travel and based on the most direct route. Vicinity mileage appearing to be excessive based on the nature of official business will be questioned if not justified. The shorter of the distances from the employee's residence (if leaving from home) or office location to the destination point(s) of travel would be considered the starting point of travel. The shorter distance test would also apply for returning to the office or to home if released for business day. When claiming such shorter distance, it must be documented on the voucher. Also, see Section [50.30.03.A\(2\)](#), "Travel Status Defined."

In addition to the mileage allowance, reimbursement may be allowed for other incidental expenses incurred in the use of motor vehicle for travel, such as parking fees, toll fees, etc.

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F. Out-of-State Travel

Persons traveling on official state business outside the State of Oklahoma may utilize appropriate forms of transportation, including but not limited to those listed above under Methods of Transportation. ([74 O.S. § 500.4](#)) Except as otherwise provided herein reimbursement shall not exceed the normal cost for the type of transportation used. (Also see Section [50.30.05.C](#) “Trip Optimizer”)

1. Commercial Air or Commuter Air Travel.

Regardless of the mode of travel (including privately-owned motor vehicle, rental car, etc.), reimbursement for out-of-state transportation costs shall not exceed that of coach class or commuter airplane fare, as appropriate. Travel by first-class commercial airline may be reimbursed if coach class is not available within a reasonable time and is justified by a statement of the facts from the agency in support of payment.

In cases where an airline extends first class accommodations at coach class rates or the ticket receipt fails to show the class accommodation, the travel voucher must be annotated with information indicating the type (class) of accommodations purchased.

Fares paid for air transportation may be at the business class fare rate for international travel.

2. Privately-Owned or Rental Automobile - Reimbursement / Air Fare vs. Mileage Cost Comparison.

Occasionally, extraordinary circumstances may arise making out-of-state travel by commercial or commuter airplane impractical or unfeasible, such as trips to remote locations, multiple destination points, transport of state-owned materials or equipment whereas travel by plane is not feasible, etc. Under the above conditions no airfare comparison is required, however, explanation of such conditions must be provided with voucher. In other instances the choice of not using commercial or commuter air travel may be based on convenience or personal reasons of the employee, and in this case a

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comparison is required. In either case, out-of-state travel by motor vehicle, privately-owned or contract rental, in lieu of commercial airline must first be approved and authorized by the agency. Such approval and authorization do not, however, negate the requirement that the travel time for reimbursement purposes shall not begin more than 24 hours before or continue more than 24 hours after the date of the object of travel.

Whenever a privately-owned motor vehicle or rental car is approved for use for out-of-state travel, a comparison of costs must be presented for reimbursement of expenses. Trip Optimizer should be used if travel is to exceed 100 miles per day. Mileage distance used in calculating cost for privately-owned motor vehicle and rental car shall not exceed distances set forth in a recognized published national atlas or road map. Such road map or atlas must be referenced on any reimbursement voucher cost comparisons. Reimbursement for privately-owned motor vehicle shall be the lesser of the cost of the single coach class air fare or commuter plane fare vs. the map mileage cost. Reimbursement for rental car shall be the lesser of the single coach class air fare or commuter plane fare vs. the actual cost (e.g., rental cost plus fuel expense). Furthermore, if no commercial or commuter flights are available to the destination point, rental car reimbursement is limited to the lesser of the actual cost vs. the map mileage cost.

The comparison may include any required vicinity mileage travel when local ground transportation otherwise would have been needed and is justified. For example, vicinity mileage included in the cost comparison may be justified on the basis that transportation for travel to and from the departure/arrival airport would have been required if travel was performed by commercial airplane. However, estimated costs for hypothetical use of local public transportation (i.e., taxi, bus, subway, etc.) or rental car may not be used in the cost comparison. This would entail approval of payment based on costs that are highly variable and uncertain as to the most economical means available for use (e.g., taxi vs. local transit system vs. rental car). An exception is where local public transportation costs are provided through conference brochures, and etc.

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The comparison may also take into account any avoided air travel costs for other authorized persons who are included on the trip.

NOTE: A cost comparison will not be required for authorized use of government furnished vehicles. However, a consideration should be given as to whether such travel by state vehicle is the most economical and/or appropriate mode of transportation.

For payment approval, the comparison must be presented with the travel voucher, detailing the air coach class cost (e.g., amount, source, and date of the estimate) vs. the actual mileage and lodging costs. Reimbursement shall be based on the lesser of the two costs.

NOTE: In the interest of containing travel costs for the state, OMES recommends that the cost comparison include the most economical coach class air fare available at the time the trip is approved versus the automobile map mileage cost to and from the point(s) of travel. As further savings measure, it is recommended that the coach class ticket price be obtained from a state contract agency for travel under the most economical arrangement, such as the carrier's 21-day (advance notice) excursion program. Finally, employees and officials responsible for approving travel plans should avoid, if possible, any practices that could eliminate opportunities for obtaining the most economical air fare estimates for use in the cost comparison.

G. Vicinity Travel

Vicinity travel is defined as the mileage incurred during local motor vehicle travel in and around the points of travel. Vicinity mileage may also include non-highway road miles (e.g., odometer reading less the official map miles between points of travel) recorded as indicated on the travel voucher. Reimbursement for required local or vicinity travel is authorized as mileage expense at the standard mileage rate. See Section [50.30.06.A](#), for reference to the current standard mileage rate; and Section [50.30.06.D](#), for additional information on calculating vicinity mileage.

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Vicinity mileage shall be entered separately on the travel voucher form. Space is provided on the travel voucher for recording of both map and vicinity mileage incurred. Vicinity mileage shall be totaled and included with the map mileage for reimbursement payment purpose.

H. Local Transportation

1. Local Transportation Expenses.

Local transportation expenses refer to the usual transportation charges for business travel in and around the local area of the point(s) of travel by normal transit conveyances. For example, reimbursement is authorized for taxicab, shuttle, or limousine fares between an airport or other terminal and the employee's official work location, or place of business or lodging at the object of travel location. In addition, reimbursement may be allowed for expenses incurred for local travel to and from a meeting or conference site located separately from the hotel/motel facility, such as at a convention center, or where designated lodging was not provided. ([74 O.S. § 500.4](#) & [500.12](#))

NOTE: As a means of containing travel costs for the state, agency officials should encourage employees to use available courtesy transportation service furnished by hotels/motels or host sponsor, to the maximum extent possible as the first source of transportation between the place of lodging and airport or other objective of travel point(s).

Taxicab fares for local in-state travel shall be reimbursed only upon justification as to the necessity for such service. Local transportation during out-of-state travel may be reimbursed based on itemization of the costs on the travel voucher. (Also see section [50.30.10.D\(4\)](#), concerning taxi receipts)

2. Local Transportation Expenses in Connection with Designated Lodging.

Local transportation, including rental car service, used while attending an object of travel conducted or held at a designated (host) hotel must be explained on the travel voucher as to the business necessity for travel beyond the designated hotel facility. In addition,

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reimbursement for transportation expenses for travel between an optional lodging location and the designated hotel, motel, or other public lodging where the object of travel is conducted shall be allowed but not to exceed the cost of the difference between the optional lodging and the designated lodging. ([74 O.S. § 500.9.C](#))

3. Personal Use Transportation Expenses.

Normally, reimbursement of local transportation for personal use, such as travel to obtain meals, shall not be allowed. However, where the nature and location of the object of travel is such that suitable meals cannot be obtained there, the expense of daily travel required to obtain meals at the nearest available place may be approved as necessary transportation not incidental to the employee's meals expense allowance. Such travel shall be restricted to the use of taxicabs and other local public conveyances, such as, bus, street car, subway, etc. The necessity for such travel and the nature of the expense incurred shall be explained on the travel voucher.

4. Tip Expense in Connection With Local Transportation.

In addition to the usual fare expense, reimbursement may be allowed for reasonable tip expense when local or courtesy transportation service is approved and used in connection with official travel. For reimbursement purposes, reasonable tip expense shall be not more than \$1.⁰⁰ if the reimbursable fare charge is \$5.⁰⁰ or less; or 15 per cent (15 %) of the reimbursable charge when it exceeds \$5.⁰⁰. If the 15% calculated tip amount is less than \$1.⁰⁰ or is not a multiple of 5, the reimbursable tip amount may be rounded to \$1.⁰⁰ or up to the next \$.05, as applicable.

I. **Leased or Rented Automobiles**

1. Vehicles Leased/Rented Within the State.

Reimbursement for automobiles leased or rented from vendors located in the state and used for in-state official travel shall not exceed the standard mileage rate authorized for the use of a privately-owned automobile in travel. ([74 O.S. § 500.5](#)) In other words, reimbursement shall not exceed the STRA standard mileage allowance figured on the actual miles traveled. On the other hand, use of a motor vehicle rented or leased within

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the state for the purpose of travel outside the state shall be limited to lesser of the single coach class air fare or commuter plane fare from the in-state departure point to/from the out-of-state destination point(s) vs. the actual cost (e.g., rental cost plus tolls plus fuel expense). Furthermore, if no commercial or commuter flights are available to the destination point, reimbursement is limited to actual cost vs. the map mileage cost based on distances set forth in a recognized published national atlas or road map. ([74 O.S. § 500.4](#)) Expenses incurred for non-business use of automobiles leased or rented for business purposes shall not be reimbursable.

2. Vehicles Leased/Rented Outside of the State.

The actual cost of leasing or renting an automobile outside the state for travel shall be reimbursed subject to the approval of the agency head or his/her designee (subject to the limitations above when not used as local transportation). ([74 O.S. § 500.5](#)) The approving official's signature on the travel voucher form shall attest to the business necessity of the expense. However, OMES recommends that the approving officer strictly review the business necessity of any rental car expense where the object of travel is conducted or held at a designated hotel location, or the cost or mileage usage appears excessive to the stated purpose of travel. In addition, the cost of a rented/leased vehicle used both for personal and business travel should be prorated for reimbursement of the business portion of expenses. See [50.30.06.H](#) (1), '*Vehicles Leased/Rented Within the State*' (above) for instructions on cars rented in-state and driven out-of-state.

3. Insurance Costs

The State of Oklahoma enjoys sovereign immunity as adopted under the Oklahoma Governmental Tort Claims Act, [51 O.S. 151](#), et seq. (GTCA). The Risk Management Division provides tort liability protection corresponding with the GTCA for all employees of the State while employees are in the Scope of Employment. While State employees are conducting State business outside of the State, the State Risk Management division purchases a commercial liability insurance policy that provides both Commercial General Liability as well as Auto Liability coverage protecting employees while they are in the Scope of Employment. If an employee rents or leases a vehicle to use on State business,

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whether in the State or outside of the State, the Risk Management Division **strongly recommends** the employee purchase from the car rental company vehicle physical damage insurance offered by the car rental company. The fee for this coverage is part of the rental cost of the vehicle and should be reimbursable as travel expense. Failure to purchase this coverage may create a problem for the individual renting the vehicle. If an employee has any question or concern about this issue, he or she should contact the State Risk Management Division. (Also see Section [50.30.08.B](#) (2) for trip insurance costs in connection with travel abroad.)

4. Adjustment for Personal Use

Notwithstanding the statutory provision that "... the actual cost of leased or rental automobile to be used on official business shall be reimbursed subject to the approval of the agency head or authorized designee ..." this office may question any rental car expense whenever other than official business purpose appears to be the motive for the rental car usage. For example, an expense voucher for an automobile rented or leased on flat-rate terms (i.e., weekly) with unlimited miles, and justified on the basis of business necessity, but which contains extraordinary miles as reflected on the rental receipt suggesting other than official business usage, could be subject to return and questioning as to the business purpose or connection of the extra travel (i.e., miles). If the extra mileage is not of business necessity, costs shall be prorated between personal and business usage.

This policy is not intended to usurp the authority of agency heads, but rather to help discourage the inappropriate practice of personal use of rental car on the pretense of official business, and to avert impertinent travel expenditures, be they from state dollars or federal awards or grants. We cite an example of a case where an official recorded over 1500 miles usage on the car he rented while attending a 3-day conference. By our unofficial calculations, the official would have had to spend the entirety of his 3 days of travel status driving the rental vehicle in order to record the number of miles indicated on the rental receipt. Consequently, we found a need to question the apparent non-business usage of the rental car for which the official was seeking full reimbursement. In another case, an official filed for reimbursement for rental car expense based on a flat rate

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with unlimited miles at a cost of over \$300.⁰⁰. What made this expense voucher eye-catching was the fact that the meeting was held at a designated hotel and that the cost appeared excessively high based on the usage, e.g., 41 miles recorded as driven. In this case, it is easy to reason that the rental car expense was excessive to the needs of the state, as a lesser expensive mode of travel likely could have been used.

Additionally, agencies are encouraged to remind their employees and officials who travel of the need to be aware of the potential personal and property liability risk they might bring upon the state if engaging in personal side trips with the rental car hired for official state business.

J. Privately-Owned or Chartered Airplane

Transportation costs for travel by privately-owned or chartered airplane in lieu of privately-owned automobile may be reimbursed in an amount which, when added to reimbursement for meals and lodging expenses for the trip, does not exceed automobile mileage plus meals and lodging expenses had a privately-owned automobile been used for the trip. ([74 O.S. § 500.6](#))

Whenever a privately-owned or chartered airplane is used for out-of-state travel in lieu of commercial airline, reimbursement of expenses shall be limited not to exceed the cost of a single coach airplane ticket. If more than one person traveled, reimbursement of each person's pro rata share of the cost of the chartered airplane shall not exceed the cost of a single coach class airplane ticket. See Section [50.30.06.E](#) (2), "Privately-Owned Automobile - Air fare vs. Mileage," for example method of cost comparison.

K. Travel Incentive Programs

Agencies should encourage their employees who travel often to participate in the various travel incentive programs offered by airlines, hotels, and car rental agencies to help offset the overall travel costs for the state. However, travel incentive programs awards, such as "buddy" ticket fares and two-for-one ticket fares, and frequent flyer miles received by employees in connection with official travel or incidental to the purchase of a ticket for official travel, or other services such as car rentals paid for (or reimbursed) by the state, are due the state for official use only,

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although they normally will not be placed in the agency/state's name. They should be used for future official state travel. No travel claim shall be awarded if the filer of the claim has benefited from the personal receipt of frequent travel miles unless those miles are used to offset future claims against the state. ([74 O.S. § 500.15](#)) Confirmation of this requirement is part of the certification statement on the travel voucher.

50.30.07 Registration

A. Registration Travel Expense

Registration charges in connection with attending workshops, conferences, seminars, etc., are travel related expenses regardless of whether the person is in travel status as defined for reimbursement of meals and lodging expenses. Such charges must be itemized as "registration" expense and listed under the miscellaneous category on the travel voucher. In addition, the expense must be supported by a paid receipt or other evidence that the expense was paid. See Section [50.30.10.D](#) for information on receipts requirements for reimbursement of expenses.

B. Meals Included in the Cost of Registration (or Package Plan)

When meals are provided in the cost of registration or other costs (e.g., package plan, lodging, etc.) paid by an employee or by an agency, and the traveler is authorized reimbursement for meals expenses, the meals expense allowance must be adjusted accordingly. See Section [50.30.05.E](#) for meals expense allowance adjustment procedure. Adjustment to the meals expense allowance averts the state from making double payment for meals, that is, once through the paid registration fee or other cost, and secondly, through payment of reimbursement for meals expense allowance (per diem). If the employee was not in travel status for the purpose of claiming reimbursement for meals expenses (per diem), no adjustment in the amount of reimbursement for cost of registration or package plan/lodging shall be required, although meals were provided.

C. Optional Activities Separate from the Cost of Registration

Optional activities, such as special tours, recognition banquets, etc., are sometimes included as part of the travel objective agenda. The additional cost of such activities may qualify for

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reimbursement as a miscellaneous expense provided they are business related and essential and necessary to the purpose of travel. Reimbursement shall not be allowed for activities that are primarily social and provided clearly for the entertainment of participants, such as sightseeing tours, athletic events, etc. Again, proper documentation of the business purpose for participating in such activities will save the travel voucher from rejection and delay of payment.

D. Registration Fee/"Package Plan" Paid Directly by the Agency

Agencies are authorized to pay the cost of registration or tuition for employees to attend approved objects of travel (e.g., conferences, seminars, etc.) when such costs are required. Payments for agencies' direct purchase of registration or tuition for employee's travel are submitted through the miscellaneous vendor vouchers processing procedures. See Section [50.30.13.C](#).

Agencies may also pay directly the costs of so called "package plans," which may include registration, tuition, food and lodging for employees, or other purchase of which the agency is authorized to make based on a paid receipt. However, the cost of such meals and lodging cannot exceed the total daily rate provided in the State Travel reimbursement Act, [74 O.S. § 500.8](#).

In filing their travel vouchers for reimbursement of expenses, employees must include a cross-reference explanation of how any applicable costs for registration or package plan paid by their agency were handled. For example:

"Registration fee paid separately by the agency - P.O. No. _____"

In addition, an adjustment to the employee's meals expense allowance must be made for any meals provided and included in the cost of registration or package plan paid directly by the agency. See Section [50.30.05.E](#), "Meals Included in Cost of Registration - Meals Expense Allowance Adjustment".

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NOTE: If meals are provided in a package plan, the allowable per diem reimbursement would be the difference between the full authorized per diem rate less the actual cost of meals provided in the package plan.

A copy of the travel objective program brochure is required with the employee's travel voucher to substantiate whether or not any meals were provided. If the sponsor did not provide a program brochure to participants, and no meals were involved in the cost paid by the agency, the employee should further annotate his/her travel voucher to reflect that no meals were provided, such as:

"meals not provided in registration paid by agency"

50.30.08 Miscellaneous Travel Expenses

A. General Requirements and Allowance Criteria

Authorized and approved general miscellaneous travel expenses may be reimbursed based on itemization on the travel voucher form. These expenses must be listed separately under the "miscellaneous expense" category on the travel voucher.

To qualify as an allowable miscellaneous travel expense, the purchased item or service must be clearly connected with the purpose of travel, and not otherwise required to be grouped in another category of travel expense on the travel voucher. In addition, there must be a clear business reason, explicit or implied, for incurring the expense. For instance, mail service or other communication charges incurred during in-state travel must be explained as to their purpose and necessity.

When the business connection of the expense with the stated purpose of travel is unclear, further explanation may be required to help determine allowance of the expense for reimbursement. If in doubt about its clarity, a statement explaining the expense should be provided along with the original travel voucher submission to minimize the chance of rejection and delay of payment.

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Purchases and charges of a personal nature, such as telephone calls to family or friends, reading materials, over-the-counter medicines, non-business use transportation, etc., are included in the per diem ([50.30.05](#)) and are not allowable business reimbursement expenses.

B. Miscellaneous Travel Expenses Allowed

1. General Expenses.

Reimbursement of general miscellaneous travel expenses may include: parking and toll fees; business communications (i.e., telephone, postage, fax, etc.), when approved and authorized; baggage handling (non-personal) for equipment and materials; standard airline baggage costs associated with flights; rent of meeting room (when it's necessary to engage a room at a hotel or other place to transact official state business); necessary laundry and cleaning services (when such expenses are approved for travel extending 7 days or longer or required in emergency situations); registration fees; emergency and other expenses (excluding personal) incidental to the purpose of travel, etc. Gas and oil when a government-furnished vehicle or contract rental car is approved and authorized for travel may be reimbursed. However a Comdata card should be used for government vehicles and justification is required when the card is not used. See [50.90.01](#)

2. Expenses in Connection With Travel Abroad.

Reimbursement of expenses in connection with travel to and within a foreign country may be authorized and approved, such as:

(a) *Conversion of Currency.* Commission charges for conversion of currency for travel in a foreign country.

(b) *Trip Insurance.* The State's Risk Management Division provides through a commercial insurance policy liability insurance coverage protecting employees of the State traveling on State business to a foreign country. The policy of insurance contains restrictions against travel to certain foreign countries with which the United States has trade or economic sanctions; some coverage restrictions may also apply to other countries as well. If an employee rents or leases a vehicle to use on State business while traveling in a foreign country, the Risk Management

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Division strongly recommends the employee purchase from the car rental company vehicle physical damage insurance offered by the car rental company. The fee for this coverage is part of the rental cost of the vehicle and should be reimbursable as travel expense. Failure to purchase this coverage may create a problem for the individual renting the vehicle. Agencies, colleges, and universities must report any foreign travel to the Risk Management Division well in advance of any such travel in order for Risk Management to provide to employees vital information related to this insurance. (Note: Some foreign countries require the purchase of auto liability insurance from locally admitted insurance providers. Contact the Risk Management Division for information related to this issue.)

(c) *Travel Document Costs.* Fees associated with the issuance of passports, visa fees, costs of photographs for passports and visas, costs of certificates of birth, health, and identity, and of affidavits and charges for required inoculations.

3. Expenses Incidental to Travel by Persons with a Disability (Ref.: Americans With Disabilities Act (ADA) 1990; Rehabilitation Act of 1973, as amended, 29 U.S.C. 701, et seq.). Payment may be authorized for extraordinary expenses incurred in connection with travel by persons with a disability as defined by law. For reimbursement, such expenses must be (1) approved and authorized by the agency's controlling board or agency head, and (2) authenticated by the agency on the travel voucher as:

***"REASONABLE ACCOMMODATIONS FOR EMPLOYEE/OFFICIAL WITH DISABILITY
AS APPROVED BY: (Authority) "***

The term "employee/official with disability" means an employee who has a disability as defined in and is otherwise generally covered under the Rehabilitation Act of 1973, as amended.

Expenses allowed may include:

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- (a) Transportation, lodging and subsistence expenses (as authorized by the STRA) incurred by an attendant approved and authorized to accompany the employee when assistance of an attendant is required.

NOTE: Persons serving as attendant may or may not be a member of the employee's family. In either case, a separate travel voucher must be filed by the person incurring the expense with cross-reference to the subject employee's official travel voucher.

- (b) Cost of specialized transportation for the employee to, from, and/or at the point(s) of travel;
- (c) Cost of specialized services provided by a commercial carrier necessary to accommodate the employee's disability;
- (d) Costs incurred as a direct result of the employee's disability for baggage handling in connection with public transportation or at lodging facilities; and
- (e) Cost of renting and/or transporting a wheelchair.

50.30.09 "Actual and Necessary" Travel Reimbursement Procedures

A. General Guidelines

The STRA, various other laws, and certain grants and contracts provide for reimbursement of travel expenses on the basis of "actual and necessary" accountability for certain specified travel. Employees who perform such travel are authorized payment of actual expenses incurred not bound by the standard STRA rates and allowances, such as those pertaining to meals and lodging. Other travel requirements of the Act not pertaining to rates of reimbursement, however, shall apply for "actual and necessary" travel. For example, the 24-hour rule, coach air fare vs. mileage comparison for privately owned automobile used in travel, mileage in lieu of cost of rental or leased car used for in-state travel, etc., would apply as appropriate expense controls for any travel

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performed under actual and necessary travel authority, unless specifically exempted. In other words, travel under these provisions are subject to the same customary travel requirements as pertain to regular travel for the state, except pertaining to expense reimbursement limitations.

Following are excerpts of the most prominent STRA provisions relating to "actual and necessary" travel:

1. Actual and Necessary Travel - Grant/Contract.

[74 O.S. § 500.9A](#), provides:

"...Meals, incidentals, lodging, travel and other actual and necessary expenses may be paid if same is provided for in any contract or grant."

Guidelines for expenses reimbursement for travel performed pursuant to this section of law are based on the following interpretation. Agencies that receive monies from outside sources under terms and conditions of a contract or grant agreement entered into under state statutory authority, may expend amounts received to pay reimbursement of related travel expenses at the actual cost as provided in the contract or grant agreement. However, if the contract or grant agreement simply provides the availability of amounts without stipulation of how they are to be expended or accounted for, the state's standard laws as they apply to other amounts under the control of the state shall prevail. Thus, if the contract or grant agreement does not explicitly provide otherwise, reimbursement of travel expenses shall be subject to the standard provisions of the STRA.

2. Actual and Necessary Travel - Travel Outside U.S.

[74 O.S. § 500.9.F](#) provides:

"...Reimbursement for meals and lodging incurred in official travel in areas outside of the United States to implement the objectives of contracts, grants, agreements or gifts for which monies from these sources are furnished shall be reimbursed from said monies at actual cost not to exceed the amount authorized for United States Government

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employees in its periodical publication entitled 'Standard Regulations (Government Civilians, Foreign Areas), Department of State, Washington, D.C.'"

Travel vouchers for payment of expenses filed under provisions of the preceding referenced statutes must bear, on the face or back of the travel voucher, the following applicable certification notations signed by the agency's Fiscal Officer or Contract and Grant Administrator:

"I certify this voucher complies with the provisions of [74 O.S. § 500.9.A](#) (or [500.9.E](#)) and payment is authorized under terms or agreement identified as _____ (Number/Name of contract, grant, gift or other agreement)_____"
(Signature of Certifying Officer)

3. Actual and Necessary Travel - Congressional and Federal Meetings.

[74 O.S. § 500.9.D](#) provides:

"...State officers and employees who have been required to attend hearings or meetings of any congressional committee or subcommittee or any federal agency, board or commission shall be reimbursed for their actual and necessary travel and lodging expenses; however, the agency head must approve any vouchers in connection with such expenses."

It is important to note that this provision pertains to persons who have been "required" to attend a hearing or meeting, not just invited. "Required" as used in this section is interpreted to mean "subpoenaed" by the government entity or "at the explicit direction, request or invitation" of the congressional committee or federal agency. In either case, as the law requires, the agency head must approve (sign) the travel voucher form for payment of expenses.

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4. Actual and Necessary Travel - International Development.

[74 O.S. § 2009.1](#) provides:

"...The Governor, Lieutenant Governor and their staffs shall be reimbursed for actual and necessary travel expenses when incurred in implementing duties relating to international development. Employees of other state agencies designated by the Governor shall be reimbursed for actual and necessary travel expenses as authorized by the Governor, when incurred in implementing duties relating to international development."

For reimbursement purpose, vouchers for travel expenses by employees of other state agencies performing travel under this authority must be supported by a letter of authorization from the Governor.

5. Actual and Necessary Travel - Governor, Lt. Governor.

[74 O.S. § 500.20](#), authorizes: Reimbursement for the Governor and Lt. Governor for their actual and necessary travel expenses incurred when on official business for the state. Reimbursement of such travel includes the subsistence (meals and lodging) and transportation expenses for the Governors' accompanying spouses when on official business for the state, or when attending an official function at the request of the respective Governor. The personal staffs of the Governors are not covered by this statute for purpose of "actual and necessary" expense reimbursement.

6. Actual and Necessary Travel - Other Provisions.

The STRA and other applicable laws provide exceptions and/or exemptions to the standard travel procedures on the basis of "actual and necessary" expenses for agencies so named for specific purposes of travel. When such laws are the basis for travel, their reference must be shown on the travel voucher for verification that the travel performed matches the purpose prescribed by the statutory authority. An information space at the bottom of the travel form is provided for this purpose.

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Again, these exceptions/exemptions pertain only to specific purposes of travel as specified by the law that applies. If the travel performed does not fit the purpose as the law indicates, reimbursement shall be held to the standard provisions of the STRA and related regulations.

B. Submission Procedures - "Actual and Necessary" Travel Voucher

Vouchers for payment of travel expenses on the basis of actual and necessary reimbursement are normally filed on an [OMES Form 18](#), Actual and Necessary Travel Voucher. For verification purpose, the reference cite (such as, statute section, contract number, etc.) of the authority for reimbursement of the trip's actual and necessary travel expenses must be shown on the voucher form.

The term "actual and necessary" implies that any expenses claimed must be documented (actual) and essential (necessary) to the purpose of travel. Thus, in filing of the travel, the employee must itemize all expenses for which reimbursement is claimed.

The Actual and Necessary Travel Voucher ([OMES Form 18](#)) is designed to require daily meals expenses to be itemized separately (e.g., breakfast, lunch and dinner). However, optional [OMES Form 18-1](#), Record of Lost Receipts and Daily Record For Actual and Necessary Travel Expense, may be used for the convenience of employees to maintain a daily record of expenses incurred during travel in lieu of itemizing each expense item on the travel voucher ([OMES Form 18](#)). Expenses may be recorded on the form daily as they occur and the totals carried forwarded to the appropriate section of the travel voucher. When used in this manner, the daily record form shall be required along with the travel voucher for payment.

A receipt shall be required for any lodging or registration expense, regardless of the amount, and for any single meal or miscellaneous expense of which the cost is \$25.00 or more. Receipts shall also be required for any actual and necessary expense claimed for others as listed on the travel voucher. (Also, see Section [50.30.10.D](#), "Receipts - Requirements for Reimbursement of Expenses.")

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C. Mixing of Reimbursement Methods

Generally, when travel is performed under the actual and necessary travel rules, those procedures will be used for the payment of travel expenses. However, an agency may establish a procedure allowing employees to file dual "actual and necessary" and regular reimbursement expense travel vouchers or a single [OMES Form 19](#), Travel Voucher, with dual expenses to ease the payment process. That is, travel expenses for a single trip may be filed partly under the regular reimbursement procedures and partly under procedures covering actual and necessary expense reimbursement.

When using this mixed method of travel expense reimbursement as dual vouchers, each travel voucher filed must:

- (1) Cross-reference and include a copy of the related voucher;
- (2) Include invoices and/or a copy of the daily record log (e.g., [OMES Form 18-1](#)), if applicable, of all expenses incurred/claimed; and
- (3) Include a summary of the trip total expenses claimed with each voucher submitted for payment.

When processing as a single voucher, the statutory authority or other provision must be reference for each actual and necessary expense item. This is normally where only a particular expense (e.g., lodging or meals) is being claimed under actual and necessary, whereby paying the actual cost. The voucher filed must include invoices and/or a copy of the daily record log ([OMES Form 18-1](#)), if applicable, of all expenses incurred/claimed as actual and necessary.

50.30.10 Other Travel Expense Reimbursement Requirements and Related Instructions

A. Assignment of Payment of Travel Reimbursement

Employees may elect to assign payment of a portion or all of their travel reimbursement to a second party. For example, an employee may elect to assign the lodging (not to exceed the allowable rate) or registration portion of his travel expense reimbursement directly to a lodging vendor or conference sponsor for convenience of payment. In assigning payment of a portion of

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a trip's travel expenses, a separate travel voucher shall be required for the assigned payment. Consequently, each voucher must be cross referenced respectively.

B. Reimbursement of Prepaid Travel Expenses in Connection With Canceled Trips

Reimbursement of prepaid expenses, such as for lodging, involving canceled trips, may be allowed only if:

- (1) the travel is canceled for legitimate reasons as documented by the approving authority, and
- (2) the prepaid amount is not returnable/refundable to the employee.

If a portion of the amount (e.g., 90 percent) is returned to the employee, only the remaining 10 percent of the expense amount may be reimbursed.

Vouchers for such reimbursements shall be filed on [OMES Form 15A](#), Claim Jacket Voucher Form, or [Notarized Voucher Form 3](#), with appropriate paid receipts. In addition, the payment must be coded with Expenditure Account 553150, Indemnities (Loss). The voucher should also have attached statements from the agency certifying to the employee's loss as a result of condition (1) and from the employee and/or payee certifying to condition (2), as described above.

C. Expenses Incurred Outside of Travel Period

Ordinarily, expenses incurred outside of the period of travel shall not be allowed in connection with the stated purpose of travel. However, incidental pre- or post-travel expenses that are consequential to completion of the purpose of travel may be reimbursed as related trip expenses. (For example: passport application fees, film processing charges, etc.) The facts of the expense's relationship to the purpose of travel should be clearly defined in order for the OMES pre-auditor to complete her/his review for approval.

D. Receipts - Requirements for Reimbursement of Expenses

74 O.S. § [500.9](#), [500.9A](#), [500.13](#), [500.18](#) & [500.20](#)

1. [Expenses for Which Receipts are Required.](#)

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When filing vouchers for travel reimbursement, a receipt shall be required for any miscellaneous expense item in an amount of \$25.00 or more, including any sales tax associated with the purchase. Receipts are also required for the following types of expenditure, regardless of the amount:

- (a) *Lodging.* The paid lodging receipt issued by the vendor. The receipt must show number of guests charged, single room rate charged, itemized list of all charges billed and acknowledgment or verification of payment. In the case of so called “Express Checkout” options, a receipt without a “zero” balance is acceptable if the lodging receipt shows that a credit card was used to secure the payment.
- (b) *Registration/Tuition.* The paid receipt issued by the vendor or agency sponsoring the object of travel. The receipt must show itemized list of all charges and acknowledgment or verification of receipt of payment.
- (c) *Common Carrier Passenger's Ticket Receipt.* The passenger's ticket receipt issued by the common carrier agent, e.g., airline, rail, bus, etc. At a minimum, the passenger's ticket receipt should show the passenger's name, number of seats/passes charged, travel class, destination points and amount.
- (d) *Hire of Travel Conveyance.* The paid receipt acknowledged by the vendor for the rent or lease of automobile, transport truck, etc. Also, the paid receipt for purchases of fuel e.g., gas, oil, etc., and payment for other purchases used in the operation of rental or leased automobile. Receipts for leased or rented motor vehicles should show all charges paid and indicate miles driven.
- (e) *Meeting Room Rental.* The paid receipt from the vendor for rent of room for business purposes when authorized.
- (f) *Laundry and Cleaning.* The paid receipt from the vendor for the cleaning of clothing when authorized. Ordinarily, employees are expected to carry sufficient

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change of clothing to avoid the necessity of additional laundry and cleaning expense during travel. However, during extended travel periods of more than one week (7 calendar days) and for emergency occurrences, an employee may not be able to carry a sufficient change of clothing to represent the state in a professional and presentable manner. In such cases, employees may be reimbursed reasonable and necessary costs for laundry and cleaning of personal clothing used during travel based on paid receipts for the charges. The expense must have incurred during the travel period and used for laundry and cleaning of clothing necessary for completion of the object of travel.

2. Criteria for Evidence of Payment. Reimbursement of travel expenses for which a receipt is required shall be based on evidence that the expense was paid. Evidence of payment may be presented by: "0 balance due" on the vendor's billing statement; receipt shows amount charged to the employee's credit card (if not identified on receipt, a credit card statement or charge card impressed receipt must be attached to the voucher); or similar annotation from the vendor indicating the lodging statement has been paid in full.

If the expense requires proof it was paid by credit/charge card and the official or employee feels reluctant to release his/her full statement or account number, he/she may submit a sanitized copy of the charge card statement identifying only the expense item being claimed. In cases where payment is by personal check, a copy of the person's bank processed check may serve as the receipt of payment. Obviously, if the receipt shows paid in full from the vendor, that is, "0 balance due," no further evidence of payment would be required.

NOTE - Lodging: Some major hotels as a convenience to their guests offer an "express check-out" service to customers who charge by credit card. The hotel, in such cases, customarily provides a lodging receipt showing that a credit card was used to secure the payment and this will serve as evidence of payment in lieu of a true statement showing "0" balance or their regular charge card statement. This is acceptable to

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show that the expense has been charged (paid), and thereby qualifies for reimbursement.

3. Lost or Unavailable Receipts. If a receipt for an expense item is lost or it is impossible or impractical to furnish one, a full explanation of the lack of receipt documentation must be documented on the travel voucher. Mere inconvenience will not serve as a valid reason for not supplying the required receipt. If an original receipt cannot be obtained from, for example, the lodging facility, it should be documented on the voucher that the lodging facility would not provide an original. (Note: Statements such as “Original not available” are not acceptable.) Although, if it is a case of the claimant wanting to keep the original receipts, a certification must be made by the claimant that the originals will be made available to OMES, the State Auditor and Inspector, or any legal entity should the receipts be requested (maintained for a minimum of seven years as if OMES was maintaining them). This certification must be included with the travel voucher.

For actual and necessary travel where receipts are required, a signed statement or affidavit of lost or unavailable receipt by the employee may be used to document lost or unavailable receipts. The affidavit should bear the name and employee id# of the employee, inclusive dates of travel and an itemized list of expenses for which the required receipts are missing. In addition, the document must be signed and dated by the employee. The [OMES Form 18-1](#) can be used for this and documented for a lost receipt.

4. Miscellaneous Expenses for Which Receipts are Not Required. Single miscellaneous expenses (such as business related telephone calls, facsimile charges, etc.) and local transportation costs (such as, shuttle fare to and from airport, business-related taxi fares, etc.) of less than \$25.⁰⁰ may be claimed for reimbursement based on itemization of the expense on the travel voucher without receipt documentation.

E. Travel Arrangement and Ticket Changes

Reimbursement of charges for exchange of travel tickets or change in transportation schedules for business or emergency reasons may be allowed when authorized and advantageous to the

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state. Costs associated with changes made for personal convenience or benefit of the employee, are not allowed. Any changes must be essential and necessary based on business requirements and approved by the agency to qualify for expense reimbursement.

F. Sales Tax Non-Exempted for Travel

Sales of tangible personal property and services to state agencies are exempt from state taxation. Sales to individuals who are employees of the state, however, are not exempt from tax unless the sale is billed directly to the appropriate state agency or the purchase is by means of a properly completed government purchase order. This extends to employees who travel for the state and make purchases subject to taxation. Any applicable tax charges paid shall be included in the total cost of the purchased item or service. Reimbursement of the actual cost (including any applicable tax) shall be reimbursed, unless specifically subject to any maximum limits set for such expenses. (Tax Requirement - Source: Business Tax Division of the Oklahoma Tax Commission.)

G. Deceased Person Travel Expense Voucher

Payment of travel expenses of a person deceased may be made to the estate of the individual. The travel voucher shall be in the name of the deceased person and the assignment section completed for payment to the "Estate Of (claimant's name).". The "assignment" section and the voucher form shall be signed in the customary manner by the decedent's appointed "Power of Attorney" or "executor of estate." An employee/board member vendor form must be submitted to set up the "Estate Of (claimant's name)" as a new location or as an "Alternate Name" on the existing employee location. This would be used on the Payment Information 'Remit To' field of the voucher.

H. Expenses Incurred During Exceptional Travel Periods

1. Weekend/Holiday Non-Work Schedule Times. Travel that transcends a weekend/holiday period must be terminated/re-instituted pursuant to the 24-hour travel rule (see Section [50.30.03.A \(3\)](#)) for periods wherein work is not performed.

For example, in the case of a trip that carries over from Thursday to Tuesday in which the employee receives personal time off on Saturday/Sunday, travel status for meals and

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lodging expenses reimbursement must be suspended for the time during which state business (work) was not performed. Travel periods that extend over weekends/holidays and which an employee vouchers reimbursement of expenses shall be annotated on the travel voucher to show weekend work was required or that weekend stopover was necessary or advantageous to the state (e.g., return of employee home and back to point of travel impractical).

2. Travel Outside the U.S. Travel to and within a foreign country may involve complex travel arrangements beyond the control of the employee in which compliance with the 24-hour travel rule or other applicable travel requirements is impossible. Therefore, there is a 48-hour rule for travel abroad. ([74 O.S. § 500.9.F](#)) For other exceptions to the standard travel guidelines under such circumstances, an explanation of the travel situation must be prepared and submitted along with the employee's travel voucher to substantiate reimbursement of the necessary related expenses. OMES shall require any exceptions to be in writing for review and approval/disapproval on a case-by-case basis.

I. Guideline for Adaptation of the State Standard Travel Forms

The Office of Management and Enterprise Services has prescribed the standard forms to be used for submission of state travel vouchers. However, an agency may find it necessary to adopt its own version of the prescribed forms for its use because of special internal needs. In such cases, a copy of the proposed form layout must be submitted to OMES for review and prior approval to ensure that all data fields are properly laid out in the standard format for ease of processing and uniform data entry.

J. Reimbursement -vs- Direct Payment of Meals & Lodging (including Package Plans)

[74 O.S. § 500.2](#), authorizes the direct contracting and direct payment of meals and lodging, but at a rate not to exceed the total daily rate provided in the Travel Reimbursement Act (STRA). In addition, [Section 500.8](#) authorizes payment of meals, incidentals and lodging as package plans, based upon a receipt, but also at a daily rate not to exceed the total daily rate provided in the STRA.

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1. Package Plan Procedures Package plans which include other related travel costs such as transportation and registration costs will be accepted. However, all the costs should be separated out on the travel reimbursement form in order to determine that the daily rates are not exceeded and proper object of expenditure coding is used. If package plans are to be paid directly by the agency, a breakdown of the costs must still be shown on the miscellaneous voucher if possible; however, the appropriate agency direct payment expenditure codes would be used. For direct payment by the agency, such break down should be provided on both the purchase order and voucher.

When possible, the agency should obtain a breakdown of the actual costs within the package plan from the sponsor. This will help in determining the allowable amounts to be claimed. As stated earlier, the reimbursement/direct payment amount cannot exceed the STRA daily rate, therefore, such things as number of meals included and lodging rate (standard, high rate, and designated) must be identified. Normally however, the lodging in a package plan would meet the requirements for designated lodging.

There are several different scenarios which we have identified as examples of package plans. They are based on the official's or employee's entitlement to full calculated per diem for the travel period and the first three scenarios meet the requirements for designated lodging.

- (a) *Scenario 1*- The plan includes only meals and lodging and the actual costs by type are known. The cost of meals is less than the daily per diem rate for the period.

Reimbursement or Assignment - the full standard per diem rate and the full cost for lodging could be claimed. The appropriate travel reimbursement expenditure codes must be used. Example for an in-state trip (may not be current rates):

- STRA per diem rate for 1½ day trip is \$69.00.
- Plan is for three meals totaling actual cost of \$45.00.
- Normal per diem reimbursement of \$69.00 and actual lodging would be claimed.

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- Employee would be responsible for paying the \$45.00 for meals and the actual lodging cost for the plan.

Direct Payment by agency - the full amount would be paid; however, a comparison of the actual costs to the authorized daily rates would be required. The appropriate agency direct travel expenditure code must be used.

NOTE: Even if the plan is paid directly by the agency, some per diem could still possibly be paid to the employee. Such per diem would normally be calculated as the full authorized rate, less $\frac{1}{4}$ per diem for each meal provided. However, since the law restricts payment for the trip not to exceed the STRA rate, the package plan policy for per diem calculation would be the standard STRA per diem rate less the actual cost of meals provided in the package plan. Example for an in-state trip (may not be current rates):

- STRA per diem rate for 1½ day trip is \$69.00.
- Direct payment could not exceed the \$69.00 for meals.
- Plan is for three meals totaling actual cost of \$45.00.
- Normally per diem reimbursement adjusted for meal provided (e.g., registration) would be \$69.00 less \$34.50 (three $\frac{1}{4}$ per diem of \$11.50 each) for a net reimbursement of \$34.50.
- However, the direct payment of \$45.00 and normal reimbursement of \$34.50 totals \$79.50, exceeding the authorized maximum of \$69.00 by \$10.50.
- Therefore, per diem reimbursement under the package plan policy would only be for \$24.00 (\$69.00 less \$45.00). A notation of this adjustment would be placed on the voucher.

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- (b) *Scenario 2* - The plan includes only meals and lodging and the actual costs by type are known. The cost of meals is greater than the daily per diem rate.

Reimbursement - the full standard per diem rate and the full cost for lodging could be Vouchered. The employee would be responsible for the cost of meals in excess of the authorized daily rates. The appropriate travel object codes must be used. Example for an in-state trip (may not be current rates):

- STRA per diem rate for 1½ day trip is \$69.00.
- Payment could not exceed the \$69.00 for meals.
- Plan is for three meals totaling an actual cost of \$75.00.
- Employee would be responsible for paying the full \$75.00 and receive only \$69.00 in per diem reimbursement
- The actual lodging cost would be claimed.

Direct Payment by agency or assignment - this should be avoided since the full amount for meals could not be paid by the State. The employee would be responsible for the cost in excess of the authorized daily rates. If direct payment is used, however, the warrant from the State and a check from the employee would be required.

- (c) *Scenario 3* - The plan includes only meals and lodging and the actual costs by type are not known.

Reimbursement or Assignment - the full standard per diem rate could be claimed. The amount remaining after subtracting the per diem amount from the total package plan cost would be put under lodging. Remember, this is based on the lodging qualifying as designated. Appropriate paid receipt would be required and a statement placed on the voucher setting forth that the rates Vouchered are calculated since actual individual costs are not known. Example for an in-state trip (may not be current rates):

- Plan is for a total of \$125.00.

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- STRA per diem rate for 1½ day trip is \$69.00.
- The remaining amount of \$56.00 would be claimed as lodging.

Direct Payment - the full amount would be paid; however, a breakdown of the calculated costs by type would be required along with the statement as described above.

- (d) *Scenario 4*- The plan includes registration, meals, and lodging and the actual costs by type are not known.

Reimbursement or Assignment - the full standard per diem rate and the standard or high rate lodging (as appropriate) would be claimed. The amount remaining after these two amounts are subtracted from the total package plan cost would be put under registration. A paid receipt and the statement described above in Scenario 3 would be required on the voucher. Example for an in-state trip (may not be current rates):

- Plan is for a total of \$225.00.
- STRA per diem rate for 1½ day trip is \$69.00.
- STRA standard lodging rate is \$83.00.
- The remaining amount of \$73.00 (\$225.00 less 69.00 less \$83.00) would be claimed as registration.

Direct Payment - the full amount would be paid, however, a breakdown of the calculated costs by type would be required along with the statement as described above in Scenario 3.

2. Additional Notes: If lodging is not designated, amounts claimed for lodging could not exceed the authorized standard amount. Therefore, except under Scenario 4, the employee/official would be responsible for any amount over the appropriate standard

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lodging rate. Under Scenario 4, the employee/official places amounts in excess of the authorized per diem and lodging under registration.

If other incidental type expenses are included in the plan, such expenses would be claimed as appropriate, if actual individual amounts are known. If such amounts are not known, then they would be placed under miscellaneous expenses as is registration in Scenario 4.

The appropriate travel reimbursement or agency direct expenditure codes must be used.

This replaces all other package plan procedures previously issued.

The per diem adjustment for meals included in regular registration scenarios would remain at the $\frac{1}{4}$ per diem adjustment if actual cost is not known; otherwise, actual cost must be deducted (more or less than the $\frac{1}{4}$ per diem).

3. Per Diem Reimbursement under Direct Contract Payment. The actual cost of meals and lodging should always be known. The direct contract payment and reimbursement procedures are the same as the direct payment option in scenario 1 under package plans. That is, based on the package plan policy, any per diem reimbursement would be the standard STRA rate less the actual cost of meals included in the contract. Example for an in-state trip (may not be current rates):
 - STRA per diem rate for 1½ day trip is \$69.00.
 - Direct payment could not exceed the \$69.00 for meals.
 - Contract is for three meals totaling actual cost of \$45.00.
 - Per diem reimbursement would be for \$24.00 (\$69.00 less \$45.00). A notation of this adjustment would be placed on the voucher

K. Legislative Travel Per Diem

1. In-State Travel During Session

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The amount of per diem in lieu of expenses (meals and lodging) which members of the Legislature can receive for each night spent away from home in the performance of their official duties within the state during regular and extraordinary legislative sessions shall be the amount authorized by the provisions of the Internal Revenue Code of 1986, as amended, for deductibility of expenses for travel while away from home without additional documentation. ([74 O.S. § 291.1](#))

NOTE: There is exclusion per IRS regulation for those who live within 50 miles. Internal Revenue Code, Section 162 [h].

2. In-State Travel When Not In Session

The amount of per diem in lieu of expenses (meals and lodging) which members of the Legislature can receive for attending meetings and other such legislative business when the legislature is not in session is \$25.00 per day. ([74 O.S. § 456.B and C](#))

3. Out-of-State Travel During Session.

The amount of per diem in lieu of expenses (meals and lodging) which members, officers and employees of the Legislature can receive for each night spent outside the state, including a special rate for the high-rate geographical area, shall be the amount authorized by the provisions of the Internal Revenue Code of 1986, as amended, for deductibility of expenses without additional documentation. ([74 O.S. § 456.D](#))

NOTE: Members and employees of the legislature may, in lieu of the above language, be reimbursed for out of state travel pursuant to the STRA.

L. Travel Voucher Direct Deposit

[74 O.S. § 500.37](#) allows an employee enrolled in payroll direct deposit to receive travel voucher reimbursement via direct deposit. The direct deposit of travel is now required by legislation that reads “Payments disbursed from the State Treasury shall be conveyed solely through an electronic payment mechanism” and would apply to all payments to employees. ([62 O.S. § 34.64](#))

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The following will describe general processing procedures for direct deposit travel reimbursement, as well as special handling procedures to be implemented if a problem should result.

1. Travel reimbursement vouchers will continue to be processed through the normal vouchers cycle. OMES runs a daily job to compare and update the name and banking information from the Payroll System to the Vendor file. However, new employees who will be traveling must first be added to the Vendor file by the agency (see Section [40.10.18](#)). This must be done before the Vendor file can be updated with the direct deposit information. If the person travels and has a travel voucher submitted before the daily update occurs, any vouchers processed will result in a paper warrant being issued. Once the update occurs, future travel reimbursements will be processed as a direct deposit.
2. This voucher payment information will be forwarded to the State Treasury (OST) for creation of an ACH/Direct Deposit (EFT) transaction.
3. Travel vouchers paid by ACH/Direct Deposit (EFT) will be deposited into the employee's bank account the following business day after OMES has submitted the payment request to OST. (For example, if OMES processes a travel voucher on Monday, the direct deposit will be posted to the employee's bank account on Tuesday). There is a 'notice of deposit' email from the system notifying the employee of the direct deposit.
4. Cancellation of these transactions is not possible; therefore, if a state agency needs to "recall" an ACH travel item, they should prepare an OMES Form EWC and submit it to the OMES Transaction Processing department. The form will be reviewed and then forwarded to the OST for processing.

A recall must be initiated within five business days of the effective date of the ACH transaction; 'effective date' in this context refers to the date the monies were deposited into the employee's account. Note: issuance of a 'recall' does not guarantee the monies will be recovered.

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5. ACH transactions may also be “**returned**” for various reasons, such as a closed account.
6. In either a ‘recall’ or ‘return’ situation, OST will deposit any monies recovered into the state Agency’s Clearing Account (ACA) class funding; if the state agency does not have an ACA, OST will deposit these monies into the ACA maintained by OMES for the processing of refunded payroll ACH/Direct Deposit transactions. OMES will then make arrangements to pay the employee or the state agency.
7. General questions concerning a travel reimbursement paid by ACH/Direct Deposit should be referred to the OMES Transaction Processing department, 405-521-6187.

50.30.11 Travel Use Log – Flight Service

The OMES Form LOG - [Travel Use Log](#) - Flight Service must be completed for all flights using an aircraft owned, leased, chartered, or operated by the state. ([74 O.S. § 500.6A](#)) Instructions for completing the form are as follows:

A. Page One of the Form

1. AGENCY NAME - This is the operating agency of the aircraft whether owned, leased, chartered, or otherwise operated by the state.
2. PASSENGER (PRINT) (REQUIRED) – This is the name of each passenger on the plane. (Signature required on page two.)
3. DEPT/AGENCY (REQUIRED) – This is the name of the state entity for which each passenger represents.
4. TRIP ITINERARY (REQUIRED) – This is a general itinerary while the detailed listing of the location, date, and time of each departure and arrival is shown elsewhere on the form.
5. RETURN TIME - This is informational since detailed return time is shown elsewhere on the form.

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6. LEG (REQUIRED) – There are six possible “legs” of a flight provided on the form showing departure and arrival information.
7. AIRPORT (REQUIRED) – This will be used to identify the locations of all departures and arrivals. It is based on a 3-letter code identifying the airports.
8. DATE (REQUIRED) – This is the date of each departure and arrival during the trip.
9. TIME (REQUIRED) – This is the time of each departure and arrival during the trip.
10. PASSENGER (1, 2, ETC) (REQUIRED) – This will be used to show the passengers traveling on each leg of the trip. It is represented by listing them by number based on the passenger list above. It may be shown as “1 - 10”, or “1, 3, & 4.” It should suffice the law requiring information for when a person or persons boards or disembarks from the aircraft during the trip.
11. CREW UNLESS NOTED (REQUIRED) – The crew would be considered boarded on the aircraft unless noted otherwise. The requirement is similar as the previous item.
12. MILES - This will show the miles for each leg of the trip and is used to calculate the required total mileage (below).
13. PURPOSE OF FLIGHT (REQUIRED) – This will show the nature of each leg of the trip, e.g., the name of one of the following events: speech or other presentation; attendance at a meeting or other gathering; or for the performance of a service. Repeat for each leg of the trip if different.
14. SPONSOR (REQUIRED) – This would be the name of the group sponsoring the purpose of the flight (above). Repeat for each leg of the trip if different.
15. TRIP CHARGES: As below
 - a. FORWARD TO FINANCE FOR BILLING - Informational, use as appropriate.
 - b. TOTAL TRIP MILEAGE (REQUIRED) - Calculated from the miles listed above.
 - c. A/C HOURLY RATE - As applicable for obtaining Total Trip Charges.
 - d. FLIGHT TIME (REQUIRED) – Same as Total Flight Time under Flight Time Accountability. This should normally agree with the TAC/Hobbs Meter Total time.
 - e. PILOT DOWN TIME (REQUIRED) – Pilot waiting time.
 - f. PILOT FEE - As applicable for obtaining Total Trip Charges.
 - g. PILOT EXPENSES - As applicable for obtaining Total Trip Charges.

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- h. FUEL GALLONS/COST (REQUIRED)
 - i. LANDING FEE (REQUIRED)
 - j. HANGAR FEE (REQUIRED)
 - k. MISC - As applicable for obtaining Total Trip Charges.
 - l. TOTAL TRIP CHARGE (REQUIRED)
16. FLIGHT TIME ACCOUNTABILITY - As below
- a. TRANSPORTATION - Informational, use as appropriate.
 - b. MAINTENANCE - Informational, use as appropriate.
 - c. 10 - 5 - Informational, use as appropriate.
 - d. TRAINING - Informational, use as appropriate.
 - e. OTHER - Informational, use as appropriate.
 - f. TOTAL FLIGHT TIME - See Flight Time under Trip Charges.
17. TAC/HOBBS METER - As below
- a. ENDING (REQUIRED) – Meter reading when trip ended.
 - b. BEGINNING (REQUIRED) – Meter reading when trip began.
 - c. TOTAL - See Flight Time under Trip Charges.
18. FLIGHT CONDITIONS - As below
- a. DAY HRS - Informational, use as appropriate.
 - b. DAY LNDGS (REQUIRED) – Number of daylight landings.
 - c. NIGHT HRS - Informational, use as appropriate.
 - d. NIGHT LNDGS (REQUIRED) – Number of night landings.
 - e. X-COUNTRY - Informational, use as appropriate.
 - f. IFR (SIM) - Informational, use as appropriate.
 - g. IFR (ACT) - Informational, use as appropriate.
 - h. APPROACHES - Informational, use as appropriate.
 - i. DISCREPANCY - Informational, use as appropriate.
19. DATE OF FLIGHT - Summary of Dates above under ‘Leg’ of the trip.
20. AIRCRAFT REGISTRATION Number (REQUIRED)
21. CREW - As below
- a. PILOT (REQUIRED) – Name of the pilot. (Signature required on page two.)

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- b. COPILOT (REQUIRED as applicable) – Name of the copilot. (Signature required on page two.)
- c. OTHER (REQUIRED as applicable) – Name of any other crew. (Signature required on page two.)

B. Page Two of the Form

1. CERTIFICATION - SIGNATURE (REQUIRED) – The signature of each passenger (before the flight) including pilot if the passenger, are required. There is also a general YES or NO answer for a series questions. If the answer is yes to any of the questions, the “Yes” should be circled, otherwise, the “No” should be circled. NOTE - A yes to any of the questions would represent an improper use of the state aircraft, and therefore, not authorized.
2. CREW CERTIFICATION (REQUIRED) – (Completion of trip) The signature of each crew member constitutes certification that the information provided on the form is true and correct to the best of the information and belief of such crew member.

C. Annual Reporting

Summaries of the Travel Use Log shall be compiled by the state entity and filed with the Governor, Office of Management and Enterprise Services, Speaker of the House of Representatives, and the President Pro Tempore of the Senate annually. The summaries shall contain the following information:

1. A chronological listing of the date and time of flights,
2. A listing of each location from which the aircraft takes off or at which the aircraft lands during each trip,
3. A listing of the name of each passenger,
4. Total flight time, and
5. Total cost of trip based on the number of hours of flight time at a standard hourly rate which shall be approximately the cost of chartering a comparable aircraft.

50.30.12 Airfare Arrangements – OMES

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Arrangements for commercial airline tickets for state employees on official business and other persons traveling for state-authorized purposes must be made in accordance with rules and regulations promulgated by the State Travel Office within the Purchasing Division of the Office of Management and Enterprise Services. All state agencies and departments of this state shall make arrangements for all air travel on scheduled commercial airlines for state employees required to travel in the course of their official duties and for all other persons traveling at state expense through the State Travel Office, except when the state agency determines that:

- A. services can be secured at a cost less than that which can be secured by the State Travel Division; or
- B. originates from a location outside the state and it would be impractical to arrange for the air travel through the State Travel Division; or
- C. is necessitated by an emergency and time does not permit utilization of the State Travel Division's services; or
- D. is part of a package arrangement made by the organization scheduling the meeting or conference.

Any voucher for reimbursement for an airplane ticket purchased from a non-contract travel agency must contain an appropriate reason statement from above for exception. If none of the above reasons apply, a waiver approval notice from the State Travel Office is required in accordance to [74 O.S. § 85.45k](#). (Also, see Section [50.30.13.B](#), below.)

The State Travel Office shall promulgate rules and contract specifications to which the contract travel agencies shall be subject. The rules and specifications shall be drawn with the intent of obtaining the lowest available fares for scheduled commercial air travel

50.30.13 Direct Purchase of Travel Expenses and Registration

A. Meals, Lodging, and Other Related Expenses (e.g., Classroom Space):

Special provisions ([74 O.S. § 500.2](#)) have been authorized for agencies which allow them to arrange for and pay directly to the contracting agency or business establishment for meals, lodging, and other related expenses as follows. However, all direct purchases, with the exception

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of commercial airline tickets, are subject to the no advance pay rule and, therefore, cannot be paid until after the travel has occurred.

1. For a contingent of personnel moved into an area for the purpose of preserving the public health, safety or welfare, or for the protection of life or property. The cost for meals and lodging shall not exceed the amount authorized in the State Travel Reimbursement Act. The agencies authorized are the Department of Public Safety, Oklahoma State Bureau of Investigation, Bureau of Narcotics and Dangerous Drugs Control, Oklahoma Military Department, Department of Corrections, Office of Management and Enterprise Services, Alcoholic Beverages Laws Enforcement Commission, State Department of Agriculture, Department of Emergency Management, the State Fire Marshal, and the State Department of Health.
2. State agencies are authorized to enter into contracts or agreements for the payment of food and lodging expenses as may be necessary for employees or other persons who are performing substantial and necessary services to the state attending official conferences, meetings, seminars, workshops, or training sessions, or in the performance of their duties. Such expenses may be paid directly to the agency or business establishment, provided the meeting qualifies for overnight travel and the cost for food and lodging for each employee shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.
3. The Oklahoma Department of Commerce, the Oklahoma Center for the Advancement of Science and Technology, and the State Department of Agriculture are authorized to enter into contracts and agreements for payment of food, lodging, meeting facilities, and beverages as may be necessary for sponsoring seminars and receptions relating to economic development and science and technology issues. Each entity shall provide a quarterly report of such expenditures to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate.

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4. The Native American Cultural and Education Authority is authorized to enter into contracts or agreements for the payment of food, lodging, and meeting facility as may be necessary to pursue the promotion of fund-raising, marketing, and development of Native American educational programs and cultural projects, or to sponsor luncheons, seminars and receptions relating to Native American educational, cultural, museum, and economic development issues. The Executive Director shall provide a monthly report of such expenditures to the Board.

5. The Oklahoma Indigent Defense System is authorized to enter into contracts and agreements for payment of lodging as may be necessary for employees to carry out their duties in representing any client whom the System has been properly appointed to represent. Such expenses may be paid directly to the business establishment. The cost of lodging for each employee shall not exceed the daily rate as provided in the STRA.

6. The Office of Management and Enterprise Services is authorized to enter into contracts and agreements for payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meeting, or training sessions. The Director may establish accounts as necessary for the collection and distribution of monies related to such conferences, meetings, or training sessions. The cost of food for persons attending any conferences, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

7. The Department of Mental Health and Substance Abuse Services is authorized to enter into contracts and agreements for payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meeting, or training sessions. The Commissioner may establish accounts as necessary for the collection and distribution of monies, including monies of sponsors and registration fees, related to such conferences, meetings, or training sessions. The cost of food for persons attending any conferences, meetings, and training sessions that do not require

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overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

8. The Oklahoma Tourism and Recreation Department is hereby authorized to enter into contracts and agreements for the payment of food, lodging, meeting facility, and beverage expenses as may be necessary for seminars and receptions relating to familiarization tours and tourism development. The expenses may be paid directly to the contracting agency or business establishment. The Executive Director of Oklahoma Tourism and Recreation Department shall provide a monthly report of such expenditures to the Oklahoma Tourism and Recreation Commission.
9. The Oklahoma Tourism and Recreation Department is hereby authorized to enter into contracts and agreements for the payment of exhibitor fees and display space charges at expositions to promote the Department's recreational facilities and the tourism and recreation industry. The expenses may be paid directly to the contracting agency or business establishment, provided that no payment shall be made prior to the event unless it conveys a property right to the state for future availability and use.
10. The Oklahoma Highway Safety Office of the Department of Public Safety is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary, to host, conduct, sponsor, or participate in highway-safety-related conferences, workshops, seminars, meetings, or training sessions. The payments shall be for all persons in attendance, including, but not limited to, employees of political subdivisions or employees of the state or federal government. For purposes specified in this paragraph, only federal highway safety dollars may be used in accordance with federal guidelines and regulations, and no appropriated state dollars shall be used. The cost of food for persons attending any highway safety conferences, workshops, seminars, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

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11. The Director of the Oklahoma State Bureau of Investigation is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor or participate in any conference, meeting, training session, or initiative to promote the mission and purposes of the Bureau. The payments may be for all persons in attendance, including, but not limited to, employees of political subdivisions or employees of the state or federal government. The cost of food for persons that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

12. The Oklahoma Homeland Security Director is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in homeland security related conferences, meetings, workshops, seminars, exercises, or training sessions. The expenses may be paid directly to the contracting agency or business establishment.

13. The Oklahoma Insurance Department is authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The Commissioner may establish accounts as necessary for the collection and distribution of monies, including monies of sponsors and registration fees, related to such conferences, meetings, or training sessions. The expenses may be paid directly to the contracting agency or business establishment. The cost of food for persons that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

14. The State Regents for Higher Education is authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The State Regents for Higher Education may establish accounts as necessary for the collection and distribution of monies, including monies of sponsors and registration fees, related to such conferences, meetings, or training sessions. The

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expenses may be paid directly to the contracting agency or business establishment. The cost of food for persons that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

15. For purposes of these procedures, "... official conferences, meetings, seminars ..." means any business objective officially assembled and as may be evidenced by a formal notice or announcement (e.g., program brochure, letter, agenda, etc.).

16. Although an Authority for Purchase order (AFP) is acceptable for such purchases, (1) if under \$5000⁰⁰, (2) if between state agencies, or (3) if used by agencies exempt from the Central Purchasing Act or Competitive Bidding Procedures, it is recommended that such authorized payments be encumbered through the State Purchasing System. However, if the purchase is over \$5000⁰⁰ and not exempt from the Central Purchasing Act or Competitive Bidding Procedures, then such procedures must be followed for encumbering the payments, including Competitive Bidding or Sole Source requirements.

Requisitions, purchase orders, or vouchers presented for approval must provide (1) a description of the travel objective; (2) a separate accounting of the contracted daily cost for food and lodging per employee to ensure that such costs shall not exceed the total daily rate as provided by the State Travel Reimbursement Act (STRA); and (3) reference cite of the statutory authority for direct purchase/ payment of such expenses (e.g., statute -- title number and section).

B. Commercial Airline Tickets:

State agencies are authorized to make direct purchases of commercial airline tickets for use by employees in approved out-of-state travel, provided they have been properly encumbered and submitted to the Director of the Office of Management and Enterprise Services. Direct payment of commercial airline tickets requires that encumbrances be setup pursuant to the statewide contract established by the OMES Central Purchasing Division. Agencies must encumber the purchase of airline tickets through the State Purchasing System.

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Payment shall be submitted on [Form 15A, Voucher Jacket Form](#), and expenditure account code 522110. In addition, each voucher for the payment for direct purchase of airline ticket shall bear the following: ([74 O.S. § 500.2.F](#))

1. Airline ticket identification number;
2. Name of the airline;
3. Total cost of purchased ticket;
4. Class of accommodation; and
5. Name of the employee for whom the ticket was purchased.

An affidavit stating that the employee did use any direct purchase commercial airline ticket received for his or her approved out-of-state travel shall be obtained from the employee within ten (10) days of completion of the trip. The affidavit shall be retained on file at the agency with a copy of the voucher form for payment of the direct purchased ticket. In the event that the employee for whom the ticket was originally purchased is unable to use the ticket and another employee is substituted, such substitution should be documented by the agency - in addition to the using the employee's affidavit.

However, in lieu of the affidavit, a signed copy of the employee's travel voucher verifying use of the direct purchased airline ticket may be retained to suffice for the documentation requirement.

The foregoing requirements do not preclude an employee or other authorized person from seeking reimbursement for airline ticket expense incurred on authorized state business, provided the ticket is purchased through or does not exceed the rate from an approved travel agency as established by the State Travel Office within the Purchasing Division of the Office of Management and Enterprise Services. Such vouchers can be made in advance of the trips since such tickets are considered a “thing of value” at the time of the purchase.

Purchase of commercial airline tickets can also be made via the State Travel P-card. See Section [40.30](#) and the OMES P-card Procedures for detailed instructions.

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These purchases must be made in accordance with the provisions of [74 O.S. § 85.45.k](#). (Also see Section [50.30.12](#))

C. Registration Fees

Ordinarily, registration fees for conferences, workshops, seminars, etc., are treated as travel expenses and claimed for reimbursement on the employee's travel voucher. However, when necessary, agencies may pay the required registration fee directly for employees to attend the conference, workshop, seminar, etc. [74 O.S. § 500.2.E.3](#)

Invoices for registration fees paid directly by the agency must show the name and date(s) of the conference, workshop, meeting, etc. In addition, the miscellaneous voucher jacket should include the name(s) of the person(s) who attended, the purpose of travel, and cross-reference to the related travel voucher(s), if applicable and available. Also, payment for direct purchase of registration should be encumbered through the agency's issued purchase order or Authorization for Purchase. The correct object of expenditure account code to use for direct payment of registration fees is 522150 Registration - Agency Direct.

Advance payment of registration fees is authorized under certain circumstances. See Section [50.10.06.J](#), for specific guidelines for such payments.

NOTE: Unless otherwise statutorily authorized, it is inappropriate for an agency to charge a registration fee for “in-house” sponsored events for the sole purpose of providing a meal, such as provided by some private groups during conferences and seminars. This would appear as trying to circumvent the State Travel Act. However, if an agency is the sponsor of a “public” conference or seminar, and it may be that state employees (from the agency) attend, such a registration fee would be appropriate.

50.40 Petty Cash Vouchers

50.40.00 Overview and Subtopics Listing

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A. Overview

The section will address the establishment of a Petty Cash Fund and the rules governing this type of activity.

B. Subtopics Listing:

- 01 Imprest Cash (Petty Cash Fund)
- 02 Imprest Cash (Petty Cash Voucher)

50.40.01 Imprest Cash (Petty Cash Fund)

Each Petty Cash Fund will operate under the imprest cash system. The imprest cash system is a common method of obtaining reasonable control, simplicity of operations, and general adherence to the rules of disbursement by voucher.

A. Establishment

No agency shall maintain a Petty Cash Fund except when authorized by state statute. Unless otherwise specifically provided by statute, the Petty Cash Fund of an agency may operate through a commercial bank account, or through an Agency Special Account class funding. To operate a Petty Cash Fund through an Agency Special Account class funding, the class funding must be approved by OMES ([62 O.S. § 34.56](#))

The Director of the Office of Management and Enterprise Services and the Director of the authorized agency shall determine the necessary account balance when the amount is not specified by statute. The Director of the Office of Management and Enterprise Services and the State Regents for Higher Education shall act jointly in establishing the account balance for the institutions of higher education.

B. Instructions

Upon receipt of a letter from the director of an agency authorized by statute to operate an imprest Petty Cash Fund, the Director of the Office of Management and Enterprise Services will review the request to determine proper authority and specific purpose of the Petty Cash Fund. The

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Director of the Office of Management and Enterprise Services will then identify specific expenditures necessary to operate the Petty Cash Fund within the parameters of the request.

Requests for an imprest Petty Cash Fund from institutions of higher education must first be submitted to the State Regents for Higher Education. Upon approval by the regent's office, the request will be forwarded to the Director of the Office of Management and Enterprise Services. The Director will then follow the same procedures as outlined above.

When "emergency" or "small" purchases are authorized by statute, the Director of the Office of Management and Enterprise Services shall determine if the purchase complies with the purpose for which authorization was established.

Petty cash expenditures are subject to all rules, restrictions, and laws pertaining to other expenditures. Therefore, if the item cannot be legally purchased on a voucher form, neither can it be purchased from a Petty Cash Account.

Petty Cash Funds authorized as "change" or "cash drawers" should be kept separate from other Petty Cash Funds. When checks are received, they should be deposited at the first opportunity (daily where possible). "Change" and "cash drawers" are self-sustaining. Expenditures from "change" or "cash drawers" are prohibited, and these amounts should never need replenishment by voucher except for stolen or lost cash.

Checks drawn by or to an employee shall not be cashed in the Petty Cash Fund except payments to student employees at institutions of higher education. Warrants and vouchers drawn on the state shall not be deposited or cashed in Petty Cash Funds except warrants drawn payable to the Petty Cash Fund. This limitation already exists for Petty Cash Funds established as Agency Special Account class fundings. ([62 O.S. § 34.57](#)) No other monies, including "flower fund" and "coffee fund" monies shall be co-mingled with Petty Cash Fund monies. Monies shall never be "advanced" nor loaned from Petty Cash Funds for any purpose.

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The total of cash-on-hand (currency, negotiable instruments, and unobligated bank or special account balances) plus the unreimbursed, paid invoices shall not exceed the amount of the balance authorized for the Petty Cash Fund. Replenishment vouchers in excess of the authorized amount will not be paid.

Revenue code 458111, Deposit of Imprest Cash Monies into Treasury Class Funding, should be used when Petty Cash Funds are reduced or eliminated. Agencies with multiple balance needs based upon seasonal requirements will use 458111 to record temporary petty cash reductions to the treasury class funding. Subsequent increases in an amount not larger than the reduction will be object of expenditure coded 562190 from the treasury class funding. If an agency accumulates cash-on-hand in amounts greater than the authorized petty cash balance, the excess shall be deposited in the appropriate treasury class funding. Revenue code(s) corresponding to the source(s) of the receipts should be used. All invoices and/or signed cash disbursement receipts should be retained by the agency for seven (7) years to conform to the voucher retention schedule. Shortages and losses do occur and in the case of "change" or "cash drawers"; the "unders" and "overs" normally balance out. If continual shortages occur, the agency internal controls should be investigated. If there are lost or stolen petty cash monies, proof of loss and recovery efforts will be required by OMES to effect replenishment. A copy of the police report or formal internal audit will normally satisfy the requirement and should be attached to the agency's replenishment voucher.

Each agency and institution with a Petty Cash Fund shall prepare formal rules governing its operation and use. Applicable sections of these procedures should be incorporated into agency rules. Standard internal control procedures should include periodic "no-notice" cash counts and review for administrative and fiscal compliance. A current copy of these rules shall be filed with OMES.

C. Replenishment

Replenishment of a Petty Cash Fund shall be made by [OMES Form 9](#), Imprest Cash Voucher (See Section [50.10.01](#) and section [50.40.02](#) below).

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50.40.02 Imprest Cash (Petty Cash Voucher)

An Imprest Cash Voucher ([OMES Form 9](#)) is to be used to replenish the Petty Cash Fund of a state agency. See section above for detailed instructions and procedures governing the operation of Petty Cash Funds.

The voucher form should be completed as follows:

- A. Make the voucher payable to the name of your agency. Include the words "Petty Cash in the claimant name (this should be a separate location number for your agency in the Vendor File).
- B. Enter the Account, Sub-Account (if appropriate), Class Funding, Department, Bud Ref, and CFDA number(s), if appropriate.
- C. Enter the date of each check voucher or receipt for cash expended.
- D. Enter the name of the payee to whom payment was made.
- E. Enter a brief description and the expenditure account code of the purchase made.
- F. Enter the petty cash check number and/or receipt number.
- G. Enter the amount of each expenditure paid from the Petty Cash Fund.
- H. The voucher must be signed by the custodian of the Petty Cash Fund and approved by the designated agency approving officer.

A Notarized Voucher Form ([OMES Form 3](#)) must be used and coded to expenditure account 562190, *Establishment or Increase of Imprest (Petty) Cash Account*, to establish a Petty Cash Fund, to replace losses, and to increase the amount of a Petty Cash Fund when the increase is authorized by statutory authority, agreement with the Director of the Office of Management and Enterprise Services, or as an agreed upon seasonal requirement. It should be submitted as an attachment to the [OMES Form 15A Claim Jacket Voucher Form](#). A Petty Cash Fund cannot be replenished by an assignment of a Notarized Voucher Form ([OMES Form 3](#)).

50.50 Warrants

50.50.00 Overview and Subtopics Listing

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A. Overview

This section will cover the cancelation of a warrant by statute and by the agency in the case when the warrant is lost, destroyed, or issued in error. The reconciliation of outstanding and paid warrants should be performed periodically to determine the vendors that have received payment and the vendors who have been issued a warrant but have not yet deposited or cashed the warrant. This reconciliation could also be used to detect any warrants that have been issued by mistake or without the knowledge of the agency.

B. Subtopics Listing:

- 01 Warrants Canceled by Statute
- 02 Warrants Lost or Destroyed
- 03 Warrants issued in Error
- 04 Warrants Paid or Outstanding

50.50.01 Warrants Canceled by Statute

Warrants issued by the Office of the State Treasurer which for any cause remain outstanding or unpaid for a period of ninety (90) days shall be revoked and canceled under the provisions of [62 O.S. § 34.80](#). Thereafter, no such warrant shall be paid except that the holder of a warrant canceled by statute may, within thirty-six months following the month in which the warrant was canceled, submit a request for replacement to the Director of OMES. Such submissions should be made through the originating agency using the [OMES Form 20R](#), Warrant Replacement Request. If the warrant is available, complete the appropriate section of the form and submit with the warrant. If the warrant is lost, complete the form as appropriate (including Notary Section) and submit to the OMES. A replacement warrant will be returned to the originating agency; therefore, the agency retains its position as originating issuer of the warrant.

However, prior to replacement, the warrant must appear on the current *36 Month Statutory Cancellation Report* (AP Report OCPAP0071) or the *Payroll 36 Month Statutory Cancellation Report* (AP Report OCPAP0309), which list warrants canceled during the most recently completed thirty-six (36) month period. These reports should be reviewed regularly to determine whether a warrant is

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listed and, therefore, eligible for replacement. If there is a warrant listed which the issuing agency knows of a reason it is not eligible for reissue or should never be reissued, the issuing agency must notify the Office of Management and Enterprise Services, Transaction Processing, within seven (7) days after the close of the month in which the warrant was canceled by statute. ([62 O.S. § 34.80](#)). However, should such determination be made at a later date, OMES should be notified upon discovery. OMES adds a notation in the “Comments” field of the Payments page of the voucher screen that the warrant is not to be reissued. The *AP Statutory Cancellations* report (AP Report OCAP0064) was designed for agencies to run by date range to review recent miscellaneous stat cancelled warrants and satisfy the requirements of [62 O.S. § 34.80.C](#).

The [Form 20R](#) must be completed as follows when a request is made to replace a warrant canceled by statute:

- The Canceled by Statute (Warrant) or Cancelled by Statute (No Warrant) box is checked.
- The number of the Canceled by Statute warrant.
- The warrant issue date.
- Type of warrant (P-Payroll or M-Miscellaneous).
- Name of Payee/Holder in Due Course.
- The warrant amount.
- Vendor I.D. # and Location (Loc.) No.
- Voucher No.
- Go to the ‘Warrant Canceled by Statute’ section
 - Enter the name of the payee or holder in due course.
- If the warrant is available, submit it to OMES with the [Form 20R](#).
- If the warrant is lost or destroyed, complete the ‘Notary Section’
 - Signature of payee, Title or Position, and Business Name (if appropriate).
 - The payee’s signature must be notarized.
- The agency's approving officer's signature, Title, and Agency (business unit) Number.
- Contact Name and Phone #

Requests from so-called “finder companies” are sometime received, wherein they will arrange for the replacement of warrants which have canceled by statute, for a percentage of the warrant amount.

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Often their fee will be as high as 60-70% of the warrant amount. Agencies should be reviewing the statutory cancellation reports to identify and notify your vendors of any warrants canceled by statute. To avoid such requests for replacement of warrants issued to other state agencies which would result in loss of dollars to the State, be sure to always notify any agencies listed on the report. Agencies should also review the *Month End Outstanding Warrants* report (Accounts Payable Report OCAP0123) to research aging warrants and limit the occurrence of high dollar stat cancelled warrants.

The request for a replacement warrant shall be recognized as an attestation that the original obligation, as certified on the voucher for which the original warrant was issued, is due and owing to the original payee or to the holder in due course. OMES will prepare and process vouchers on a regular basis for the issuance of replacement warrants which shall be issued from the Canceled Warrant Fund class funding (Class Funding 950 Agency 467) with new warrant numbers and issue dates. The original expenditures will remain on the agency and class funding source of original issue. There should be no new vouchers issued by the agency to replace warrants canceled by statute as this would create a duplicate payment, and, agencies will not be refunded the value of the canceled warrant(s). However, should an agency inadvertently process a duplicate, please submit a request for OMES to denote the original warrant as “not to be reissued.”

Effective thirty-six months following the month in which the warrant was canceled by statute, the only recourse available to a payee with such warrant is to essentially sue the state agency and obtain a judgment against the issuing agency, which will enable the issuing agency to consider it as a current obligation. The issuing agency can then submit a new voucher against current year class fundings using expenditure account code 553150, Indemnities, Restitution, Settlements.

NOTE: For warrants canceled by statute the cash is transferred to the Canceled Warrant Fund class funding. For warrants canceled by agency request, the cash and available budget are returned to the issuing agency. Therefore, we recommend that agencies do not issue warrants unless you are ready to release them. Avoid holding warrants and allowing them to cancel by statute since the agency will lose the money (except “700 Class Funding” transactions).

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[62 O.S. § 89.6](#), directs the Office of the State Treasurer to charge and collect a \$15.00 fee for handling a stop payment item. This fee includes electronic warrant cancellations (payroll excluded) up to the maximum fee of \$325.00 per day. If you have any questions or concerns prior to the implementation of this fee please contact Katie Keller at (405) 522-4225.

50.50.02 Warrants Lost or Destroyed

A replacement warrant may be issued to replace a warrant that has been lost or destroyed prior to canceling by statute. For a replacement warrant to be issued, the payee or holder in due course, after discovering that the warrant has been lost or destroyed, must contact the paying agency. The paying agency must notify the Office of the State Treasurer (OST) to get a stop payment placed on the warrant by completing an OST Stop Payment and Hard Cancel Form. The OST Stop Payment Request also includes the Warrant Replacement Request information. ([62 O.S. § 34.81](#))

If the warrant is marked to be reissued and the reissue notary section is completed on the form, the replacement warrant will be made. The replacement warrant will be included in the agency's regular warrants coming from OST. If the notary section is not completed on the form, the warrant will be canceled. If a reissue is not done through this process, the only replacement would be done by the agency creating a new voucher for processing.

Miscellaneous Warrant - When a request is made to cancel or replace a lost or destroyed miscellaneous warrant prior to canceling by statute, the *OST Stop Payment and Hard Cancel Form* must be completed. The form, along with a reference guide and instructions are available on OMES's website under the [State Comptroller's web page](#) and by selecting the [DCAR Forms](#) link.

NOTE: If the original warrant is only mutilated, although still available and identifiable, it can be sent to the OST as a Hard Cancel request (see below [50.50.03](#)). Alternatively, it can be handled as a replacement, except Section 2, Block "B" - *Stop Payment Reissue – Lost or Destroyed Warrants* is not required. Attach the warrant to the completed form and submit. However, if the warrant is not identifiable, then it is considered to be destroyed and the form must be completed in its entirety.

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For a lost or destroyed payroll warrant it is not canceled in the system and is only a “stop payment” action. For W-2 purposes the payroll warrant record remains in the system and a replacement warrant is issued from the *Canceled Warrant Fund Class Funding*. In this case, OMES will send the replacement warrant to the original agency for release to the employee making the request.

Payroll Warrant - When a request is made to replace a lost or destroyed payroll warrant prior to canceling by statute, the *OST Stop Payment/Hard Cancel Form* must be completed. The form, along with a reference guide and instructions are available on OMES’s website under the [State Comptroller’s web page](#) and by selecting the [DCAR Forms](#) link.

NOTE: If the original warrant is only mutilated, although still available and identifiable, it can be handled as a replacement, except Section 2, Block “B” – *Stop Payment Reissue – Lost or Destroyed Warrants* is not required. Attach the warrant to the completed form and submit. However, if the warrant is not identifiable, then it is considered to be destroyed and the form must be completed in its entirety.

50.50.03 Warrants Issued in Error

If for any reason a state agency receives a warrant issued in error, the warrant should be returned as soon as possible for cancellation. *Miscellaneous warrants* must be accompanied by an [OST Stop Payment and Hard Cancel Form](#) and submitted to the Office of the State Treasurer (OST). If the miscellaneous warrant is lost and not available to be processed as a hard cancel, the OST Stop Payment option should be completed on the form to keep it from being redeemed in error, but it will not be considered canceled. The *Electronic Warrant Cancellation Form* ([OMES Form EWC](#)) must be used for canceling direct deposit (EFT) payments no later than the fifth banking day. *Payroll warrants* must be accompanied by an [OMES Form PWC](#) and be submitted to OMES no later than the fifth banking day (See [50.50.03.B.](#)). The current version of the *PWC* form is available on the Comptroller’s website and the [OST Stop Payment and Hard Cancel Form](#) is available on the OST’s website.

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A. Miscellaneous Warrants

A miscellaneous warrant issued in error should be marked canceled and submitted with a completed [OST Stop Payment and Hard Cancel Form](#) to the OST. The OST will notify OMES of cancellation actions still needed to be done in connection with the cancellation. The normal transaction for a canceled miscellaneous warrant is to decrease the expenditure account, increase cash and increase available budget (or encumbrance). When canceling a warrant against an encumbered voucher document, the agency should indicate if the amounts are to be added back to the original encumbrance. If the warrant error was the wrong amount or payee vendor location/address only (or authorized payee assignment), OMES can issue a corrected warrant from the same voucher record. The form provides a place to list the corrected amount or corrected payee vendor location, along with the corrected location number. OMES will process a reissue by adding a new payee record to the original voucher. OMES processes the voucher and a new warrant will be included in the agency's regular warrants coming from OST.

Paper Warrant Issued

OMES will process cancellation-reissues under the following conditions:

- The warrant was paid to the correct payee but to the incorrect location and address
- The warrant was paid to the correct payee but for the incorrect amount
- The warrant is paid to the incorrect payee but the multiple vendor ID #0000001104 is the vendor ID on the Invoice Information page of the voucher
- The warrant should have been assigned to a payee and the supporting documentation for the assignment was attached to the original voucher (*must to be noted on the form*), otherwise the agency must process a new voucher with the proper documentation.

When a request is made to cancel a warrant (and request a replacement warrant if needed), the [OST Stop Payment and Hard Cancel Form](#) must be completed. The form, along with a reference guide and instructions are available on OMES's website under the [State Comptroller's web page](#) and by selecting the [DCAR Forms link](#).

NOTE: If only a stop payment due to a lost warrant, complete only Section 1 – *General Information*.

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Electronic Deposit Issued

For canceling electronic direct deposit (EFT) payments, the *Electronic Warrant Cancellation Form (OMES Form EWC)* will be used and it includes Class Funding information identifying the return of monies to the correct class fundings. This includes miscellaneous voucher payments for travel direct deposits and vendor 'EFT' payments. The form should also be used to "cancel" electronic payments of "7XX Class Funding" transactions.

There are now two versions of the form: 1) print and manually complete or 2) complete on-line and print. The form, along with a reference guide and instructions are available on OMES's website under the [State Comptroller's web page](#) and by selecting the [DCAR Forms](#) link. The form should be faxed to OMES at 405/521-3383, then mail the original [OMES Form EWC](#) to OMES Transaction Processing.

This form is similar to the PWC cancellation form used for payroll direct deposits. A 'Stop Payment/Deletions, Reversal and Reclaim Request Reference Guide' is provided as the second page of the form for your information. Submit only the first page to OMES when requesting the cancellation.

If an electronic deposit (payment) is identified for cancellation before the warrant's effective date, it may be stopped through the Stop Payment/Deletion process where the Office of the State Treasurer (OST) works with the current servicing bank to stop the credit transaction before it is released to the ACH network. Thereafter, the request must be handled as a Reversal within an overall time of five (5) business days past the effective date of the EFT. If the EWC requested is after the five (5) business days, the agency can seek a letter from the payee granting the OST authority to process the recall. Any request for cancellation of electronic payments processed under the reversal or recall procedures are subject to denial by the payee's bank. If the monies are returned to the State, OST and OMES will process a cancellation in the State Accounting System which returns the amounts to the agency. If the monies cannot be recovered from the bank, then the agency must follow existing overpayment procedures.

B. Payroll Warrants

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A payroll warrant issued in error and subsequently canceled *cannot* be reissued against the original voucher regardless of the circumstances which led to the cancellation. The transaction *must* be submitted on a completely new (and correct) payroll voucher. When a payroll warrant is canceled, the expenditure account is credited, while cash and available budget are debited to the Payroll Fund for Higher Education payroll users. For other State system payroll users, the monies are returned to the appropriate class funding. Cancellation of Payroll warrants and direct deposits must be requested via the [OMES Form PWC](#). The revised form now accommodates either a warrant or a direct deposit.

1. Warrant Cancellations: The original warrant should be marked canceled, attached to the completed [PWC form](#), and then sent to OMES Transaction Processing. These requests cannot be faxed.
2. Direct Deposit Cancellations: Request for cancellation of direct deposits must be made by completing the [PWC form](#) and faxing it to OMES to initiate the cancellation procedures. To ensure that direct deposit amounts are returned, the PWC request must be received by 2:00 p.m., three business days prior to the effective pay date. Any request for cancellation of direct deposit after that cutoff will be subject to recall or reversal procedures which are subject to denial by the employee's bank.

Fax the most current [OMES Form PWC](#) to OMES Accounting at 405-521-3902.

Once the monies have been returned to the State, OMES will process a cancellation in the payroll system which returns the amounts to the agency. If the monies cannot be recovered from the bank, then the agency must follow the existing agency overpayment procedures.

Questions on completing the PWC form should be directed to Accounting at 405/522-6300 or Transaction Processing at 405/521-6178.

50.50.04 Warrants Paid or Outstanding

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Inquiries for information regarding the status of an issued warrant can be accessed through the *Payment Inquiry* link from the Voucher screen, or through the \$ icon under Payment Information in the Voucher Inquiry screen in the State Accounting System. Refer to the [COR118 Manual](#), AP Inquiry and Reporting, on the State Accounting System website for additional information. The OCP_AP0336_BU_WARRANT_INQ, query also provides warrant information, including the payment status.

When an agency finds it necessary to request information from the Office of the State Treasurer (OST) regarding the status of a warrant which has been issued, such request may be made by telephone (405/521-3191) to the OST. A photocopy of a paid warrant is also available by contacting the OST.

OST also has a Treasurer's Warrant Images View Site accessible via the Internet. Information on access and procedures are available at <http://www.treasurer.ok.gov>.

50.90 Special Disbursement Issues

50.90.01 Motor Fuel Excise Tax

State Agencies are exempt from the federal excise tax on motor fuels (i.e., gasoline, diesel, aviation fuel). In some cases the tax is excluded at the time of purchase and in other cases it requires a filing.

The State of Oklahoma now contracts for a single fleet fueling card system for its motor fuel purchases (currently Comdata). Using this provider ensures tax-free purchases of fuel as well as significant savings at the pump. State agencies should be participating in this program.

However, in the event agencies make purchases of fuel where the tax is applied, agencies must summarize the purchases and report to OMES Transaction Processing no later than 15 days after the close of each fiscal year. The summary data must also contain the number of gallons, type of fuel, and the purchase date. If the refund amount exceeds the minimum amount set by the IRS by quarter, OMES will file a voucher with the IRS. Otherwise, OMES will include these purchases in a yearly

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voucher filed with the IRS. Each agency is responsible for maintaining the detailed records to support these purchases. OMES serves as the coordinator since the IRS will only accept one refund request per employer identification number.

If a supplier (i.e., refiner, wholesaler, and retailer) is registered with the IRS for tax free-sales to exempt entities, an agency can make tax-free purchases and the suppliers seek any refunds due from the IRS.

50.90.02 Postage

The Notarized Voucher and Disbursements of Payroll Withholdings Form, [OMES Form 3](#) used as an attachment to a Miscellaneous Voucher Jacket, [OMES Form 15A](#), with pro forma invoice, may be used for payment for the purchase of postage, payment of post office box rent, and other services provided by the U.S. Postal Service. This is a special exception to the normal use of the Notarized Voucher Form since it normally requires the signature of the vendor. Postage vouchers shall be made payable to the United States Post Office (or United States Postmaster). [74 O.S. § 90.1](#) restricts the purchase of postage stamps to less than \$2,000.⁰⁰. See Section [40.90.01](#) for Postage options and specific instructions on the purchase of postage. There is certain information required to be shown on the voucher when paying postage. It is as follows:

- A. Any agency authorized by the Director of the Office of Management and Enterprise Services to purchase postage stamps in addition to a postage meter (the total approved will be that amount authorized by the Director not to exceed \$1,999.99 for any single location for any one fiscal year). - must attach a copy of the Director of the Office of Management and Enterprise Services (or designated staff) approval and must have a completed statement as below.

Statement of Postage Stamps Purchased

<i>Total approved for the year</i>	\$ _____
<i>Amount of previous purchases</i>	_____
<i>Amount of this voucher</i>	_____

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Balance remaining for the year _____

If your agency's procedure is to purchase the stamps for all sites and disburse as needed to each site, you should include with each postage stamp voucher a list of the sites and the individual amounts you have already disbursed to said sites. This list will serve in the place of the statement identified above.

- B. Postage meter - voucher must state that said purchase is for postage meter and the meter registration must be shown.

The voucher shall be signed by one or more Agency Approving Officials as claimant and approving officer.

- C. For the purpose of account expenditure through the Office of Management and Enterprise Services, postage purchase shall be treated as a current expense and not allowed to be charged to a previous year's account. For example, postage purchased during July 20x3 must be charged to an FY-x4 funding. This is based on the fact that postage purchased from the U.S. Post Office, be it metered or postage stamps, unlike regular purchases of merchandise, materials, etc. is ordered, paid and received for consumption at the point of purchase. Notwithstanding, the current supply may be used to replenish previously used postage.

50.90.03 Interest on Late Payments

Agencies should have internal procedures to ensure that they will make payment to vendors (including employee vendors), for goods or services, and payments to state employees for reimbursement of expense vouchers pursuant to the State Travel Reimbursement Act, within forty-five days of receipt of proper invoice or proper voucher.

Point of Emphasis: If an agency fails to make payment within the forty-five days, the vendor or employee shall be entitled to claim interest. See [62 O.S. § 34.71 through 34.74](#); [74 O.S. § 500.16A](#);

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and Office of Management and Enterprise Services Rules Regulations pertaining to Prompt Payment to Vendors and State Employees.

General guidelines for this procedure are as follows:

A. Definitions:

1. "Agency" means any department, office, board, commission or institution of the State.
2. "Vendor" means any supplier of goods or services to the State except:
 - a. employees of the State for payroll, travel, or other reimbursement purposes;
 - b. recipients of entitlement or benefit payments;
 - c. recipients of grant amounts from agencies who are acting as the administrative vehicle by which the grant amounts are passed through to the grantee; and
 - d. vendors providing goods or services in conjunction with public construction contracts are specifically excluded from these procedures.
3. "Employee" means any individual whose reimbursement for travel expense is computed and subject to the State Travel Reimbursement Act, except:
 - a. those individuals due compensation for travel or other services subject to the Central Purchasing Act. (This refers to contractors, who are expected to include travel expenses in the contracted amount.)
 - b. Individuals providing services to the state for which compensation is not paid on a payroll including volunteers and/or recipients of public assistance programs.
4. "Proper Invoice" means any invoice which is complete in all requirements for processing for payment in accordance with the terms of appropriate contracts or purchase orders and applicable state or federal statutes, including but not limited to such documentation as may be required. This definition shall include properly documented, standard, notarized voucher forms, commonly known as "Form 3 Vouchers."
5. "Proper voucher" means a notarized voucher for reimbursement of incurred expenses for travel supported by all requisite documentation and complete in all respects for processing for payment, in accordance with the State Travel Reimbursement Act.
6. "Receipt of a proper invoice" means actual receipt of the proper invoice by the payment office designated by the agency in appropriate contracts or purchase orders.
7. "Make payment" means to mail, transmit, or deliver settlement to a vendor.

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8. "Director" means the Director of the Office of Management and Enterprise Services.
 9. "Receipt of a proper voucher" means actual receipt of the proper voucher by the first office or official in an agency where the employee is required to submit the voucher, by agency procedures, to obtain reimbursement for travel expenses.
- B. The clock shall begin to run thirty (30) days after the later of the date of the proper invoice, the receipt of a proper invoice by the agency, or the receipt of the goods or services in an acceptable condition specified by the contract or purchase order, or in the case of employee travel vouchers, the clock shall begin to run thirty (30) days after the date of receipt of a proper voucher by the authorized office or official of the agency.
- C. The clock shall end when the agency makes payment.
- D. The rate of interest is annualized and computed on a 360-day calendar, per \$100 per day. The rate of interest may change on July 1st of each year depending on the average interest rate for thirty day time deposits of the state during the last calendar quarter of the last preceding fiscal year. The Office of the State Treasurer reports to the Director on July 1st of each year what the average interest rate was for the previous calendar quarter and agencies will be notified of changes to the interest rate in the DCAR Newsletter and on the OMES website at http://www.ok.gov/OSF/Comptroller/Prompt_Payment.html.
- E. A vendor or employee must claim interest within ninety (90) days of receiving payment by transmitting a proper invoice to the agency which shall itemize all calculations for interest claimed. The agency must make payment to the vendor or employee within forty-five days.

For further information on this procedure, see the Office of Management and Enterprise Services Rules/Regulations pertaining to Prompt Payment to Vendors and State Employees. A copy can be obtained on the OMES website http://www.ok.gov/OSF/Comptroller/Prompt_Payment.html Prompt Payment Information link.

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50.90.04 OTC Tax Warrant Program (Vendor Snag Program)

The Oklahoma Tax Commission (OTC) may attach liens against payments owed to vendors whenever taxes to the state become delinquent. An Attachment Order and letter of notification are sent to the vendor and a copy sent to OMES advising that a Tax Warrant is outstanding against the vendor and that payment of the sums so attached are to be withheld until the vendor arranges a release from the OTC. In addition, the notification package identifies the vendor by federal identification number (FEI), amount of attachment warrant, purchase order/contract number(s) that the vendor holds with the state and date the attachment order was issued. In addition, the OTC notifies OMES-Central Purchasing Division and the vendor is suspended from the bidders list; whereas, no bid notifications will be sent to the vendor, neither will bids be accepted until there is a release from OTC. ([68 O.S. § 263](#))

Upon receipt of the Attachment Order from OTC, OMES places a hold on the payment function through the Vendor File. The snag is applied to the Vendor Location(s) based on each outstanding purchase order/contract as identified in the Attachment Order. Any vouchers already prepared but not processed will be stopped from processing and the vouchers returned to the paying agency notifying them of the snag. In addition, agencies will not be able to prepare any purchase orders/contracts nor any voucher as long as the vendor locations are snagged. The agency is responsible for notifying the vendor that payment cannot be made until the vendor settles with OTC and they release the Attachment Order. Under no circumstances will OMES lift a snag against a vendor without a written release notification from OTC.

Should there be no settlement between the vendor and OTC the agency will be instructed by OTC to make the payment to them. The entire voucher payment may be assigned to OTC (Business Tax Division will provide payment instructions and where the warrant should be sent), or the agency will add a payee to the voucher, one assigned to OTC for the amount due them and the other for the remaining amount paid to the vendor. The assigned voucher will show the vendor as the payee, however, the 'Assignment' section will be listed as the "Oklahoma Tax Commission" and a copy of

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OTC letter or Tax Warrant attached as justification for the assignment. The vendor will not be required to sign the assignment section.

50.90.05 Forged Endorsements

Notice of an apparent forged endorsement on a warrant must be made to the Office of the State Treasurer (OST). When OST recovers the money from a forged warrant, it is placed in the agency's clearing account class funding (e.g., 1090, 1467, etc.) and the agency issues a replacement to the payee as a 'refund' expense from the clearing account. This is whether it is before or after the 90 days statutory cancellation period. Another payment to the payee by the agency should **not** be made, since it would represent a duplicate payment. There is always the possibility that it was not a case of forged endorsement, whereby, the payee had properly received the original payment.

50.90.06 Voucher Imaging Program

OMES has a mission to streamline many processes involving the exchange of paper documents between OMES and the agencies, particularly in the area of vouchers. Therefore, OMES implemented a process for scanning images of such documents and maintaining them in the state system. This enables the appropriate users to instantly view documents related to the information stored in the system. This will lead to reduced paper documents being stored by OMES and at the agencies.

As agencies are converted to the imaging process, the following procedures will apply for processing vouchers through OMES.

- A. Scan voucher records into the system utilizing one of the following methods:
 1. Agency purchases approved scanning equipment and use an internet connection to the OMES imaging system.
 2. Agency uses other imaging system with file (approved layout) passed to OMES.
 3. Low volume agencies may be considered for limited scanning services by OMES.

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- B. Consolidated General Records Disposition Schedule: (state procedure). OMES has confirmed that the imaged voucher document will serve as the required agency copy under the 'Consolidated General Records Disposition Schedule' (under the 'Records Format and Retention Period') issued by the State Archives & Records Commission.
- C. Submit Batch Slip only (AFTER STARTUP PERIOD AND WITH OMES APPROVAL):
1. Agencies will be required to submit (hardcopy or fax) [the Form 25B 'Voucher Register Batch Slip Notice'](#) listing **only** the vouchers to be processed. Please write across the top of the form "SCAN" to assist the OMES Auditors in identifying the approved agencies.
 2. Agencies will no longer be required to fold the voucher forms nor make agency copies of the vouchers.
 3. Agencies will maintain the original voucher and attachments for administrative purposes and shall not destroy it without OMES approval (based on imaging quality audits performed by OMES) and the normal State Archives & Records Commission destruction notice approval.
- D. Types of Supporting Documents (The scanned images will become the official records of the state.)
1. Only the documents required to support the amounts claimed should be scanned.
 2. Normally only the summary page invoice is required for payments, however, since the voucher image will also serve as the agency's record, the detail pages of a billing invoice (i.e., phone bills, electric bills, etc.) would be scanned.
 3. Extraneous materials should not be scanned; however, documents pertinent to the payment may be appropriate. For example:
 - a. Copies of purchase orders may be appropriate to scan as support in clearly identifying the product or service provided, but only when the invoice does not clearly identify the expense.
- E. Quality of Images: (state procedure)
1. OMES will perform on-going audits on the quality of the scanned documents.

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2. If through the audit of the documents there are continued examples of poor quality scanned images, then OMES may revoke the agency's participation in the voucher imaging project and they would have to return to copying, folding, and sending the vouchers to OMES.
- F. Voucher Pre-Audit Rejections: (state procedure)
1. Agencies under the Voucher Imagine Program will be sent an email notification to the agency when there is a voucher rejection. There is a hyperlink to access the voucher and open the attachment to see the rejection reason. (See Chapter [50.10.07.C](#))
 2. If the agency's correction changes the voucher or documentation that was scanned, agency must contact the OMES Helpdesk to request Content Management (provider group) delete the scanned Form 15A and documents before the agency rescans the corrected voucher. The agency then adds a pay group to the voucher and submits the batch slip to OMES for the final audit.

50.90.07 Purchase Card Payments

The State of Oklahoma purchase card (P-card) program establishes the use, by designated State employees, of commercial purchase cards to facilitate the acquisition of select goods and services needed for conducting official State business. State entities are encouraged to use the P-card in lieu of vendor purchase orders and authority orders. It is intended that P-cards be issued to selected State employees when the use of the P-card will enhance agency effectiveness or economy of operation. Cards are issued in the name of the State but also bear the name of the cardholder and the cardholder's unique account number. Liability for payment to the P-card provider rests with the State. Employees involved in the program are subject to State ethics laws and directives.

For information on implementation or use, contact the State P-card Administrator, OMES Central Purchasing Division.

A. Encumbering Amounts for Purchase Cards

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State entities shall establish encumbrances as “authority order” purchase orders in the State Purchasing System. Agencies are required to create a minimum of one authority order for the P-card in use. Change orders to amend these encumbrances may be processed as necessary. Prior encumbrance (sufficient balance implied) is required to be in compliance with the encumbrance law. The administrative head of an agency shall be personally liable for obligations incurred in excess of the authorization (amounts encumbered). Accordingly, the Director of the Office of Management and Enterprise Services shall never authorize payment of vouchers for purchases not supported by an encumbrance, and any invoice or voucher dated prior to the date of the encumbrance shall be rejected. ([62 O.S. § 34.62](#))

The appropriate vendor is:

Vendor ID 0000001101 – Authority Order-P-card

B. Expenditure Account codes

As with any purchase, state entities shall establish internal procedures to ensure each payment voucher uses valid expenditure account codes. A generic account code shall not be used with any accounts payable voucher.

Default account codes are assigned based on the MCC codes for each merchant. However, these default codes may not be appropriate in some circumstances and the correct account codes should be assigned on-line by the purchaser or other agency personnel. On-line review and correction of account codes should be done using the bank’s website at least weekly or possibly daily to permit quick processing during the short payment window at the end of the billing cycle.

C. Funding Lines

Each P-card will be coded with default funding line information. These default codes may not be appropriate in every circumstance and the correct funding should be assigned on-line by the purchaser or other agency personnel. On-line review and correction of funding lines should be done using the bank’s website at least weekly or possibly daily to permit quick processing during the short payment window at the end of the billing cycle.

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D. P-card Payment

Each state entity shall normally make **one**, single monthly payment to the appropriate P-card vendor to satisfy all transactions listed for the billing cycle, in the time and manner agreed to by the State and the servicing bank regardless of the number of purchase orders utilized. The “Remit To” payee will be automatically populated on the voucher payment page with the current servicing bank.

POINT OF EMPHASIS: Late payment or non-payment of P-card purchases will result in an entity’s cards being frozen or canceled, and may include additional action to obtain the payment and/or any interest accrued.

E. Payment Procedures

Agencies will create the accounts payable voucher for the full amount of the invoice from the current servicing bank’s transaction file using the State Accounting System voucher-build program, and process it for payment. Also, each State Entity P-card Administrator will be provided access to a separate memo statement by the current servicing bank reflecting the amount due from said entity that should balance to the voucher. When building the voucher do not mark as “Separate Payment” under Payment Options.

NOTE: Higher education institutions with more than one corporate account with the bank should use “Separate Payment” so the bank can apply payments to the correct corporate account numbers.

F. Processing Timing

The P-card closing period is the last day of the month, unless on a holiday, weekend, or other non-banking day; then closing is the previous banking day. Office of Management and Enterprise Services (OMES) must receive agency vouchers according to a schedule prepared by OMES and released annually. This is to allow OMES appropriate time to process the voucher and for the EFT payment to reach the servicing bank by the 14th calendar day. The dates of action associated with each P-card billing cycle is reported annually for each calendar year in the DCAR Newsletter and is also reported on the OMES Central Purchasing website at

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http://www.ok.gov/DCS/Central_Purchasing/P-CardInformation/Purchase_Card_Billing_Cycles/.

G. Payment in Full

Agency payments shall be made in full, even though memo statements may contain transactions which are disputed by the state entity. A dispute must be filed through the proper channels provided for resolutions. Once resolution of the dispute is made, an adjustment will appear on a subsequent memo statement from the bank and an appropriate offset against the current transactions may be taken at that time. State entities shall assume full responsibility for reconciling and documenting all P-card transactions.

Payments will not be processed for an agency with a cumulative credit balance. The agency should retain the vouchers until there are sufficient charges to recoup the credit. The batch slip listing the unpaid vouchers from prior and current billing cycles should accompany the vouchers with the required P-card invoice documentation.

H. Voucher Documentation

Vouchers for P-card transactions shall have the banking transaction system's invoice attached when submitted to OMES. These vouchers are subject to post-audit for all state entities participating in the P-card program. Therefore, detail documentation (i.e., purchase receipts, receiving documents, return receipts, dispute(s)) supporting P-card transactions shall be retained by the state entity and made available upon request.

I. Cycle Dates

The P-card monthly purchasing cycle for the State account begins on the 1st day of each calendar month and will continue through the last (banking) day of the calendar month (or as otherwise established with the servicing bank).

J. Records Retention

Entity P-card procedures shall designate where the State Entity shall securely retain reconciled statements and supporting documents, and will make such available upon request by OMES

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and/or OMES Central Purchasing Division for review and audit purposes. Accounting records shall be maintained in the appropriate state entity accounting office. Entities are responsible for achieving a status as the state entity of record for said documents through the State Archives and Records Commission. Records shall be maintained for seven (7) fiscal years. If audit, litigation, or other action is started before the end of the seven year period, the records are required to be retained for two years from the date all issues arising out of the action are resolved or until the end of the seven year retention period, whichever is longer.

State agencies may be requested, at any time or for any period of time, to submit copies of travel P-card transactions and reconciliation documentation to the OMES for review to ensure compliance with the State Travel Reimbursement Act and the OMES state travel procedures. The OMES shall notify the State Purchasing Director of any agencies found not to be in compliance, and the agency may have their P-card frozen or canceled and may be required to obtain additional travel related training.

K. 1099 Reporting

1099 reporting information is currently being reported to the IRS and suppliers by the P-card provider.

L. Revenue Sharing

The contract with the servicing bank requires revenue sharing with contract users. Revenue will be calculated annually (calendar year) for each entity by the servicing bank and it is based on the total dollar value of entity transactions and average entity transaction value. Payment by the servicing bank can be expected in the first quarter of the following year and will be paid as described below.

1. Participating Entities - The servicing bank will send OMES an annual check for the State's revenue sharing rebate. OMES will disburse each agency's share.
2. Other Organizations - Generally, other organizations may participate in the State's agreement with the servicing bank. This group will include institutions of higher education and political subdivisions. The servicing bank will send an annual check directly to these organizations.

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M. Implementation Notice

The State P-card Administrator shall provide written notice to the State Comptroller (with a copy to the OMES Transaction Processing Department) in advance of any state entity beginning use of P-cards. The notice shall include whether the entity will be issued the small dollar cards and/or the statewide contract cards.

N. Advance (pre-) Payments

P-card purchases are subject to Office of Management and Enterprise Services Procedures Manual, Section [50.10.06](#), Special Vouchers Procedures, covering restrictions on advance payments.

50.90.08 Voucher Encumbrance Adjustment Request/Reversal Request (OMES Form 77)

[OMES Form 77](#), Voucher Encumbrance Adjustment Request/Voucher Reversal Request, has been revised (and renamed) and is included with the OMES forms at <http://www.ok.gov/OSF/Forms/Division of Central Accounting and Reporting Forms/>. It should be submitted to OMES Transaction Processing for the following expenditure corrections (See Section 50.90.09 below):

A. Voucher Encumbrance Adjustment Request – When a posted and paid voucher was processed with an incorrect PO, PO line, and/or PO distribution line, and the incorrectly liquidated encumbrance is needed for future vendor payments, [OMES Form 77](#) should be submitted to request an expenditure correction. This form is also used if a voucher was paid with an incorrect quantity. A Voucher Encumbrance Adjustment Request should be requested for each voucher and completed as follows:

1. Enter the current date of the request.
2. Enter Agency Name and Number (business unit).
3. Enter the Voucher No. of the Voucher to be corrected.
4. Enter “Y” in the Encumbrance Correction box in the Voucher Correction Type box.
5. Enter the Invoice No., the Invoice Date, the Vendor ID, and Payee to whom the Voucher

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was paid.

6. Enter only the voucher line(s) and voucher distribution line(s) to which the correction should be made in the Paid As section.
 - a. Enter the account, class funding, department, and bud ref recorded on the voucher distribution line(s).
 - b. Enter the CFDA number, if applicable.
 - c. Enter the PO No., PO line(s) and PO distribution line(s) linked to the voucher distribution line(s).
 - d. Enter the total dollar amount recorded on the voucher distribution line(s).
 - e. Enter the incorrect quantity(s) if the request is to correct the quantity.
7. Enter the PO No., PO line(s), and PO distribution line(s) to which the expenditure(s) will be moved to in the Change To section.
 - a. Enter the account, class funding, department, and bud ref for only the funding line(s) to which the expenditure should be charged.
 - b. Enter the CFDA number, if applicable.
 - c. Enter the total dollar amount of the funding change.
 - d. Enter the correct quantity(s) if the request is to correct the quantity.
8. Total Amount of Expenditure Change should equal zero.
9. Indicate the reason for the expenditure correction.
10. Obtain the signature and enter the title of the agency approving officer. Electronic signatures are not currently accepted.
11. Enter the contact person and phone number.

Requests for OMES to make voucher encumbrance adjustments should not be confused with expenditure corrections that agencies can make using Journal Vouchers. Journal Vouchers adjust the accounting entries for vouchers that have posted and paid, but they do not adjust any PO information. They can be used to correct a direct voucher or a PO voucher that liquidated properly but the funding on the voucher was incorrect. Detail procedures for preparing Journal Vouchers are presented in the P112 and P113 Voucher Training Manuals, available at the State Accounting System website:

[http://www.ok.gov/cio/Custom Portal/Business Application Services Essentials/Financials/](http://www.ok.gov/cio/Custom%20Portal/Business%20Application%20Services%20Essentials/Financials/)

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- B. Voucher Reversal Request** – When a voucher has been posted against an encumbrance and it will not be paid, the voucher should be closed. See the COR112 Manual, *Purchase Order Vouchers*, on the State Accounting System website for additional information.

50.90.09 Expenditure Corrections and Reversals

A. Applicability

Limited corrections to previously paid Vouchers are authorized under certain conditions. Examples are: correcting an entry error where the object of expenditure account code was miscoded, improper purchase order used, or where an incorrect funding source was used (See Section [50.90.08](#) above).

1. *Authorized* Corrections

- a. Funding (i.e., fund type, class funding, department, sub-activity, and bud ref)
- b. Expenditure Account Code
- c. CFDA Number
- e. Purchase Order

2. *Disallowed* Corrections

- a. Agency Number
- b. Vendor Name
- c. Amount
- d. If order is in "Canceled" status, the encumbrance will not be reinstated

3. Every attempt should be made to make expenditure corrections in the same fiscal year that the original expenditure was recorded. There may be occasions when expenditure will need to be made in a subsequent fiscal year; however, it must be done before the lapse dates of the funding lines used on the voucher.

B. Agency Access to Process Expenditure Correction

State agencies can make expenditure corrections in the State Accounting System using a Journal voucher to adjust the accounting entries for vouchers that have posted and paid. **Journal**

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vouchers do not adjust any PO information. Detail procedures for preparing Journal Vouchers are presented in the COR112 Manual, *Purchase Order Vouchers* and COR113 Manual, *AP Regular Vouchers*, available on the State Accounting System website: http://www.ok.gov/cio/Customer_Portal/Business_Application_Services_Essentials/Financials/

The primary points to remember when preparing journal vouchers are:

1. Use the voucher style of journal voucher.
2. Add the suffix of JV to the invoice number.
3. Use the invoice date on the original voucher.
4. Enter the related voucher number.
5. The total must be zero.
6. Enter the information from the original voucher as a negative amount in the first voucher distribution line before adding a second distribution line. The information entered in the first distribution line will copy into the second distribution line and the necessary changes can be made.
7. The journal vouchers or supporting documents do not need to be submitted to OMES. Agencies are required to retain the vouchers for a period of seven (7) years to correspond with the time OMES retains all vouchers representing expenditures of the State.

50.90.10 “700 Class Funding” Expenditure Corrections

A. Applicability

The “700 Class Funding” Transactions (i.e., 700, 701, etc.) are often handled differently from other treasury class funding expenditures. This includes certain conditions relating to cancellations, replacements, and expenditure corrections.

B. Warrant Cancellations

Procedures for canceling “700 Class Funding” warrants are generally the same as the procedures for canceling other warrants (see Section [50.50](#)). The warrant is required to be submitted with the [OST Stop Payment and Hard Cancel Form](#). However, if an erroneous “700 Class Funding” warrant file is transmitted and no warrant was actually issued, then OMES and OST will handle the cancellation per a statement from the agency that no warrant was printed.

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C. Warrant Replacements

The replacement of a “700 Class Funding” warrant depends on the bank ‘Account’ from which the warrant was issued. If the bank Account on the Payments page of the voucher is populated with 7REG, the agency will do the replacement and report the new voucher record to OMES as usual. If the bank Account is ‘OST’, then OMES issues the replacement (See Section [50.50.02](#)).

NOTE: For lost “700 Class Funding” warrants on 7REG bank accounts, the monies will be returned to the agency when the amounts cancel by statute. When OMES processes “700 Class Funding” warrant transactions canceled by statute, the monies are returned to the agency’s class funding and the expenditures are reversed.

D. Agency Access to Process “700 Class Funding” Expenditure Corrections

State agencies can make expenditure corrections to previously paid “700 Class Funding” transaction vouchers in the State Accounting System using a journal voucher when the correction is meant to correct the accounting entries and the available budget. ([See B above](#))

E. “700 Class Funding” Warrant Transmission Corrections

Agencies should review the Edit Vouchers from Remote Agencies after transmitting the “700 Class Funding” vouchers prior to 4:00 p.m. on the day of transmission. (See Section [50.10.02.G](#)) If a “700 Class Funding” warrant issued by the agency is correct, but the expenditure Voucher transmitted to OMES does not have the correct amount or correct warrant number, **do not retransmit the Voucher or submit the warrant for cancellation**. The amount and warrant number can be corrected in the State Accounting System voucher by calling the Office of Management and Enterprise Services at (405) 521-6187 or 522-6855 prior to 3:00 p.m. on the day of transmission. If the error is detected after 3:00 p.m., Form 78 should be sent to OMES, Transactions Processing, for the correction to be made.

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60.00 Overview: Reconciling and Reporting

Reconciling is defined as the process of comparing two different sets of records, usually from two different sources, to make sure they are in agreement. For the agency's purposes, the agency's records should be reconciled with the records of the Office of the State Treasure (OST) (the state's bank) and the records of the OMES (the State Accounting System). Reconciliations should be performed on a monthly basis to ensure the accuracy of the information received by the OST and the information entered into the State Accounting System by the agency agree to the information of the agency. Reconciliations to perform include but are not limited to:

- The agency's Agency Clearing Account (ACA) class funding,
- The agency's Agency Special Account (ASA) class funding,

Financial reporting at the agency level is broken down into two components, internal and external. Numerous internal financial reports are needed for reconciliations, data aggregation and budgetary control. These types of reports are generally informal, and often act as supporting documentation needed to meet agency external financial reporting requirements. Some of these reports can be generated from the State Accounting System while others are developed and produced by systems within each agency.

Agencies must meet various external reporting demands. External reporting is primarily needed for grant administration as required by Federal grantors, reconciliations with the Office of the State Treasurer and submissions to the Office of Management and Enterprise Services (OMES) for budgetary and financial reporting. Other state agencies may also require occasional reporting as dictated by state statute. External financial reporting will vary significantly by agency since reporting requirements are typically correlated to services performed and the number of external clients served.

The OMES prepares a Comprehensive Annual Financial Report (CAFR) for all agencies that are part of the State of Oklahoma (See http://www.ok.gov/OSF/Comptroller/Financial_Reporting.html). This report is prepared on an annual basis, and it must be completed six months after the State's June 30 fiscal year end. All agencies have reporting requirements related to the State CAFR, and these

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requirements vary by agency. The OMES-Financial Reporting Unit (OMES-FRU) mails out a reporting package with changes and revisions annually, usually in June or July of each year. These packages and instructions are the foundation for recording agency specific adjustments in conformity with Generally Accepted Accounting Principles (GAAP). These reporting packages are referred to as GAAP conversion packages or financial reporting packages (for audited agencies). These forms have several due dates, depending on the complexity of the form and the availability of the information that it collects.

In addition to the CAFR, the OMES-FRU also prepares the Schedule of Expenditures of Federal Awards (SEFA) which is also known as the Single Audit Report. This report is also prepared annually with assistance from the Office of the State Auditor and Inspector (SA&I). The SEFA must be completed and submitted to the Federal Audit Clearinghouse no later than nine months after the State fiscal year end of June 30. Any agency that receives federal grant award amounts, either directly from the federal government or from another state agency, will have reporting requirements related to this document. As with the CAFR, GAAP conversion packages are used to collect the necessary information from state agencies.

According to [62 O.S. § 34.10](#),

The Director of the Office of Management and Enterprise Services shall cause to be prepared a comprehensive annual financial report, in accordance with generally accepted accounting principles for governments, and shall further have the general purpose financial statements included in the comprehensive annual financial report audited in accordance with generally accepted auditing standards. The Director of Management and Enterprise Services is hereby authorized to establish procedures and guidelines which are consistent with those issued by the Governmental Accounting Standards Board, and which shall be followed by state agencies, colleges and universities and other entities which are included in the report, for purposes of establishing consistent application of accounting principles and to ensure the timeliness of the report.

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[62 O.S. § 34.11](#) establishes the Division of Central Accounting and Reporting (DCAR) within the Office of Management and Enterprise Services. This statute mandates that the DCAR prescribe the state accounting policy. In accordance with this charge, the DCAR has established the following standards for the State of Oklahoma:

1. Agencies are required to reconcile cash balances with both OST's records and the State's books of record (State Accounting System) on a monthly basis.
2. Agencies must transfer Agency Clearing Account (ACA) class fundings monthly.
([62 O.S. § 34.57.E](#))
3. Agencies must provide timely accrual information using GAAP Conversion Packages or a timely independent audit (with related Financial Reporting Packages) in accordance with GAAP.

60.10 Balancing the Agency's Agency Clearing Account (ACA) Class Funding and/or Agency Special Account (ASA) Class Funding

60.10.00 Overview and Subtopics Listing

A. Overview

The monthly reports shall be submitted on OMES Forms [Number 11 and Number 11A](#) (Appendix). [Form 11](#) is for Agency Clearing Account class funding reports and [Form 11A](#) is for Agency Special Account class funding reports. These reports are designed with four parts:

- (A) summarize the receipts and disbursements of the accounts by receipt and expenditure codes;
- (B) confirm the ending cash and investment balances; and
- (C) reconcile the agency's records to the Office of the State Treasurer records, explaining any discrepancies.
- (D) reconcile the agency's records to the State Accounting System.

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POINT OF EMPHASIS: All reconciling items should be documented. Plug numbers are not acceptable. If there is a remaining unreconciled amount, it should be listed as such, not plugged to force balancing.

The reports are to be submitted during the month, signed by the chief fiscal officer of the reporting agency and filed with the Division of Central Accounting and Reporting not later than the 20th day of the following month.

B. Subtopics Listing

- 01 [Agency Clearing Account \(ACA\) Class Funding \(Form 11\)](#)
- 02 [Agency Special Account \(ASA\) Class Funding \(Form 11A\)](#)

60.10.01 Agency Clearing Account (ACA) Class Funding (Form 11)

The purpose of [OMES Form 11](#) is to provide to OMES summary information of the Agency Clearing Account (ACA) class funding activity of each ACA and to ensure agency information reconciles to the information per OST and OMES. This report is to be completed each month by agency personnel and remitted to OMES on the 20th of each month following the reporting month regardless of the amount of activity.

The agency should first reconcile its records with the records of OMES before performing its reconciliation with OST. The reason for the first reconciliation is to ensure balances and entries made into the agencies records reconcile to the balances and entries made by the agency into the State's Accounting System. Sometimes human error or system errors can occur so therefore ensure these two sets of records match before reconciling to OST will ensure these errors, if any, are corrected.

Agencies are requested to provide the following information:

- A. **Agency Name**
- B. **Agency Number (business unit)**

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C. **For the Month of _____ 20__** Enter the month and year that is being reported. Generally this will be the just completed month. The year entered should be the calendar year, not the fiscal year.

D. **Clearing Account Number**

E. **State Accounting System Class Funding** – This will begin with a “799”.

F. **Section A: Total Receipts and Summary of Vouchers Written**

1. **Adjusted - Total Agency Receipts - Summary:** Enter total deposits for the reporting month. Include charge backs (returned checks) as a negative receipt.

2. **Adjusted - Vouchers Written - Summary:** Authorized disbursements from clearing accounts are:

Code Description

- a. 539110 Payments for fees charged by the Treasurer .
- b. 553190 Refund of overpayment of taxes, licenses, fees, unspent balance and other charges.
- c. 561210 Taxes remitted to the Oklahoma Tax Commission.
- d. 562150 Transfers to Treasury class fundings (the General Revenue and other Special and Continuing Funds) or outside accounts using vouchers
- e. 562120 Transfers to operating class fundings (the General Revenue and Other Special and Continuing Funds.)
- f. 562130 Transfers to depository class fundings (Agency Special Accounts).

3. **Net Disbursements:** Enter the total of the authorized expenditures listed above. Vouchers which have been statutorily cancelled should be netted against the appropriate expenditure code.

G. **Section B: Balance Verification per Agency Records**

1. **Beginning Cash Balance:** Enter the amount of the prior month's Ending Cash Balance.
2. **Add: Net Receipts:** Enter the total amount recorded in Section A: Total Agency Receipts - Summary.
3. **Less: Net Disbursements:** Enter the total amount recorded in Section A: Vouchers Written - Summary.
4. **Ending Cash Balance:** Enter the sum of:

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- + Beginning Cash Balance
- + Net Receipts
- Net Disbursements
- = Ending Cash Balance

Note: The Ending Cash Balance must equal Section C Adjusted Treasurer's Cash Balance.

H. Section C: Reconciliation - Treasurer's Statement - Agency Records

1. **Account Balance Per Treasurer:** Enter the account balance provided by the Office of the State Treasurer from the *Treasurer's Activity Statement*.
 2. **Add: Deposits in Transit:** Enter the amount of deposits recorded on agency books that have not been recorded by the Office of the State Treasurer.
 3. **Less: Outstanding Vouchers:** Enter the amount of vouchers written but not redeemed by the Office of the State Treasurer.
 4. **Add (Less) Adjustments:** List necessary adjustments. If additional space is required to explain adjustments, please attach documentation.
 5. **Adjusted Treasurer's Cash Balance:** Enter the sum of:
 - + Account Balance per Treasurer
 - + Deposits in Transit
 - Outstanding Vouchers
 - +/- Adjustments
 - = Adjusted Treasurer's Cash Balance
- Note:** The Adjusted Treasurer's Cash Balance must equal Section B Ending Cash Balance.

I. Section D: Reconciliation of Agency Records to the State Accounting System

1. **PeopleSoft Cash Balance from *Summary of Receipts and Disbursements*:**
Enter the ending cash balance for the month being reconciled from the SRD Report class funding 79901 (include a copy of the SRD Report with the Form 11)
2. **Reconciling Items:**
 - a. Enter any reconciling items not posted in the PeopleSoft system.

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- b. Subtract the monthly vouchers from section A vouchers written summary.
 - c. Add any outstanding deposits, A/P core wires.
 - d. Subtract any outstanding deposit corrections or outstanding onus transfers.
 - e. Provide documentation for reconciling items. Reconciling items should clear within one month.
3. The reconciled cash balance must equal section B line 4 and section C line 5.

J. Signature and Title - Chief Fiscal Officer: The agency Chief Fiscal Officer must sign and date this report verifying correctness and accuracy.

60.10.02 Agency Special Account (ASA) Class Funding (Form 11A)

The purpose of [OMES Form 11A](#) is to provide to OMES summary information of the Agency Special Account (ASA) class funding activity of each ASA.

This report is to be completed each month by agency personnel and remitted to OMES on the 20th of each month following the reporting month regardless of the amount of activity.

A. Agency Name

B. Agency Number (business unit)

C. For the Month of _____ 20__: Enter the month and year that is being reported. Generally this will be the just completed month.

D. Agency Special Account Number

E. State Accounting System Class Funding – This should begin with an “8”.

F. Section A: Total Receipts and Summary of Vouchers Written

1. **Adjusted - Agency Receipts - Summary:** Enter total deposits summarized by receipt code for the period being reported as authorized by OMES, including:

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- a. **Receipt Code:** Enter each Agency Special Account Board authorized receipt code applicable to the reporting period.
- b. **CFDA Number:** Enter the Catalog of Federal Domestic Assistance number given for identification of Federal program monies received.
- c. **Amount:** Enter the total amount deposited to each authorized receipt code applicable to the reporting period.
- d. **Net Receipts:** Enter the total of all deposits for the reporting month.

Note: Include in this section any adjustments. Adjustments may include “insufficient amount” checks, incorrect coding of receipt codes and backing out of deposits made to incorrect accounts in the current or prior months. If investments are held by OST, do not record investment maturities/sales as receipts.

2. **Adjusted Vouchers Written - Summary:** Enter total expenditures summarized by expenditure code for the period, including:

Vouchers & EFT Payments:

- a. **Expenditure Code:** Enter each Agency Special Account Board authorized expenditure code applicable to the reporting period.
- b. **Journal:** ID for entry recording the expenditure in to State Accounting System.
- c. **CFDA Number :** Enter the Catalog of Federal Domestic Assistance number given for identification Federal monies.
- d. **Amount:** Enter the total amount expended for each authorized expenditure code applicable to the reporting period.

Transfers: Enter transfers to Treasury class fundings or Agency Special Accounts class fundings within the Office of State Treasurer processed through the State Accounting System.

Net Disbursements: Enter the total of all disbursements for the reporting period.

Note: Include in this section any adjustments. Adjustments may include canceled vouchers, vouchers canceled by statute and incorrect coding of expenditures in the current or prior months. If investments are held by OST, do not record investment purchases as expenditures.

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G. Section B: Balance Verification per Agency Records

1. **Beginning Cash & Investment Balance:** Enter the amount of the prior month Available Cash & Investments Balance.
2. **Add: Net Receipts:** Enter the total amount recorded in Section A: Agency Receipts - Summary.
3. **Less: Net Disbursements:** Enter the total amount recorded in Section A: Vouchers Written - Summary.
4. **Available Cash & Investments:** Enter the sum of:
 - + Beginning Cash & Investment Balance
 - + Net Receipts
 - Net Disbursements
 - = Available Cash & Investments

The available cash & investments balance is the beginning cash & investments balance for the next reporting period.

5. **Less: OST held Investments:** Enter the current balance of investments through the Office of the State Treasurer. The balances should reflect the amounts recorded by the Office of the State Treasurer at month end.
6. **Ending Cash Balance:** Enter the sum of:
 - + Beginning Cash & Investment Balance
 - + Net Receipts
 - Net Disbursements
 - = Available Cash & Investments
 - Agency Investments
 - = Ending Cash Balance

The Ending Cash Balance must equal Section C Adjusted Treasurer's Cash Balance.

H. Section C: Reconciliation - Treasurer's Statement - Agency Records

1. **Account Balance per Treasurer:** Enter the account balance provided by the Office of the State Treasurer from the *Treasurer's Activity Statement*.
2. **Add: Deposits in Transit:** Enter the amount of deposits recorded on agency books that have not been recorded by the Office of the State Treasurer.

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3. **Less: Outstanding Vouchers:** Enter the amount of vouchers written but not redeemed by the Office of the State Treasurer.
4. **Add (Less) Adjustments:** List necessary adjustments. If additional space is required to explain adjustments, please attach documentation.
5. **Adjusted Treasurer's Cash Balance:** Enter the sum of:
 - + Account Balance per Treasurer
 - + Deposits in Transit
 - Outstanding Vouchers
 - +/- Adjustments
 - = Adjusted Treasurer's Balance

Note: The Adjusted Treasurer's Cash Balance must equal Section B Ending Cash Balance.

I. Section D: Reconciliation of Agency Records to the State Accounting System

1. **PeopleSoft Cash Balance from *Summary of Receipts and Disbursements*:**

Enter the ending cash balance for the month being reconciled from the SRD Report class funding 8xxxx (include a copy of the SRD Report with the Form 11)
2. **Reconciling Items:**
 - a. Enter any reconciling items not posted in the PeopleSoft system.
 - b. Subtract the monthly vouchers from section A vouchers written summary.
 - c. Add any outstanding deposits, A/P core wires.
 - d. Subtract any outstanding deposit corrections or outstanding onus transfers.
 - e. Provide documentation for reconciling items. Reconciling items should clear within one month.
3. The reconciled cash balance must equal section B line 4 and section C line 5.

- J. **Signature and Title - Chief Fiscal Officer:** The agency Chief Fiscal Officer must sign and date this report verifying correctness and accuracy.

60.20 Other Reconciling Issues

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60.20.00 Overview and Subtopics Listing

A. Overview

This section covers other reconciliations that are helpful to agencies. Some of these reconciliations are not required to be reported to OMES or any other agency. It would be good practice for the agencies to perform these reconciliations monthly to ensure financial information is free of error and properly reported in both the agency's records and the State Accounting System.

B. Subtopics Listing:

01 Payroll Withholding Account Reconciliation

60.20.01 Payroll Withholding Account Reconciliation

Each agency must reconcile the 99X Payroll Withholding Fund class fundings. Withholdings are deducted from employees on behalf of third party vendors that should be paid timely. Balances in the 99X class fundings that do not clear can represent underpayments, overpayments, or miscoded payments. Since the 994 Payroll Withholding Fund class funding has been used since January 2004, any other 99X class fundings should have a zero cash balance. If a balance or a deficit exists, then the details of the class funding should be reviewed and corrected. Any 994 class funding balance should represent timing differences for recently withheld payroll amounts that have not been paid to the vendors and should be supported by reconciliations.

Run the OCP_PR_WH_ACCT_BAL_DETAIL query through the current date to begin reconciling 99X class fundings with un-reconciled balances. The query lists the PY and AP journals that comprise the payroll withholding account balances for the 633XXX accounts, and the sum of these transactions should agree to the balance on the Allotment Budget and Available Cash report. (If it does not agree, rerun the query using the three-digit 99X class fundings to select vouchers that may have been incorrectly recorded with the three-digit rather than the five-digit class.) Run a pivot table on the query results summarizing the entries by year, period, and account number to identify

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differences. Double clicking the cells within the pivot table will provide the AP and PY journal entry detail for the summarized differences. The voucher detail for the AP journal IDs can be obtained using the navigation, Accounts Payable>Review Accounts Payable Info> Vouchers>Journal Drill Down (see COR118 manual, page 14 at:

<http://www.ok.gov/cio/Customer Portal/Business Application Services Essentials/Financials/>).

The payroll detail for the PY journal IDs can be obtained from State Accounting System PAY018 US Payroll Detail Report. The payroll department can rerun the latter report by PayRun ID.

60.30 Closing Processes

60.30.00 Overview and Subtopics Listing

A. Overview

This section discusses the closing of accounting records monthly and annually. The Annual Closing section includes the role OMES takes in making closing entries.

B. Subtopics Listing

- 01 Monthly Closing
- 02 Annual Closing

60.30.01 Monthly Closing

Expenditures are recorded in the month that vouchers post to an Accounts Payable journal. Vouchers that are transmitted or entered on or before the last day of the month and successfully pass all batch processes will be posted in that month. Vouchers that do not pass the batch processes by month end will be recorded in the month when the voucher posts to an Accounts Payable journal.

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Vouchers shown as disbursements for a given month will be those vouchers processed by OMES through the last day of that month. Vouchers received prior to, but not processed before the end of the month, will appear as disbursements in the next month. Normally, vouchers must be received by OMES at least two (2) days prior to month-end in order to be assured of being recorded as disbursements of that month.

60.30.02 Annual Closing

A. Vouchers

All vouchers and other financial documents, against current fiscal appropriations will be accepted and processed if received by OMES on or before June 30. If June 30 falls on the weekend, then the previous Friday will be considered the closing date for the fiscal year. OMES will not consider vouchers received after said date as having met this requirement.

Receipt by June 30 does not however, ensure all transactions will be reflected on the monthly reports for the month ending June 30. OMES will attempt to process all vouchers in-house which are received by the closing date, however, any vouchers OMES is unable to process due to volume and the need to close the fiscal year, or which are rejected, will be processed in the next fiscal year as next year's business.

B. Deposits, Other Closing Entries

As a part of fiscal year end closing, official treasury deposits will be accepted by OMES for prior year appropriated class fundings through the 15th of July, or the previous Friday if the 15th falls on a weekend. The deposits must be entered into the State Accounting System and edited in time to post at OMES by said deadline.

Other annual closing entries will be made by OMES to affect the transfer of residual cash balances from various agency class fundings to the General Revenue Fund or other appropriated class fundings, as required by law.

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60.40 Internal Reporting

60.40.00 Overview and Subtopics Listing

A. Overview

This section covers the internal reporting for each agency. When an agency uses the State's Accounting System, there is a variety of reports available to assist the agency in making financial decisions and reporting financial information to boards, commissions, or other parties that may report this information.

B. Subtopics Listing:

- 01 Financial Reports to State Agencies

60.40.01 Financial Reports to State Agencies

There are numerous reports available within the State Accounting System. These reports have been developed to assist with the completion of internal financial information as well as provide support for reports issued externally. See the appendix title *Reports Listing* for a list of common reports and their descriptions also throughout this section reports with descriptions are included.

The State's Accounting System offers several reports that provide transaction-based information on demand. Each agency should run certain reports daily, monthly, quarterly, and annually and reconcile its records with these reports. Following is a list of the most common financial reports with a suggested schedule of how frequently they should be run. Some agencies will run certain monthly reports more frequently, perhaps daily.

Daily Reports

1. Vouchers in Recycle Status
2. Budget Checking Error
3. Match Exceptions
4. Vouchers Not Posted
5. Vouchers on Hold Report

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6. Posted Voucher Listing
7. Voucher Register

Monthly Reports

Summary Data

1. Allotment Budget and Available Cash Balance by Agency (ABC)
2. Summary of Receipts and Disbursements (SRD) (NOTE: The SRD Report should be reconciled to the ABC Report on a monthly basis.)
2. 6-Digit Object of Expenditure Report
3. 6-Digit Expenditure by Class Funding Report
4. Miscellaneous Inter/Intra Agency

Payroll Vouchers Data

5. Payroll Fund Transfer Query
6. Statutory Cancellations by Agency (Payroll Warrants portion)

Miscellaneous Vouchers Data

7. 6-Digit Expenditure Detail by Journal Date Report
8. Statutory Cancellations by Agency (Miscellaneous Warrants portion)
9. Fiscal Authorization for Purchase (AFP) Report
10. Professional Services
11. Travel Expenditure Report
12. Successful Vouchers
13. Vouchers Not Journal Generated
14. 36 Month Statutory Cancellations
15. Miscellaneous Warrants
16. Reconciled Warrants
17. Warrant Cancellation Register
18. Month End Outstanding Warrants
19. Payment History by Bank (Agencies with Express Check access)

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Encumbrance Documents

20. Outstanding Orders Listing
21. PO Budget Checking Errors

Fund Activity Data

22. Deposits Reports (Detail by Class Funding/Agency)
23. Year -To-Date Deposit Report
24. SFFA Reports (CFDA Reporting) (by Revenue, Expenditure, and Transaction)
25. AP/GL Account Recon Request
26. AP/GL Journal Recon Request
27. Detail AP/GL Open Liability
28. Summary AP/GL Open Liability

Transfers and Adjustments

29. Journal Entries by Agency and Class Funding Report
30. Lapse Fund Advance Notice Report

Quarterly Reports

1. 1099 Misc Tax Information Report (Review *at least* quarterly)
2. Travel Expenditures
3. 36 Month Statutory Cancellations

Most of these reports can be run in CSV format or with Query Viewer in State Accounting System in order to obtain the data electronically. Additionally, there are also several public queries available so state agencies may obtain needed financial data by electronic means. Contact the OMES Help Desk at (405) 521-2444 for more information about these queries.

60.50 External Reporting

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60.50.00 Overview and Subtopics Listing

A. Overview

Financial reporting external to the agency takes on many forms, and can vary significantly from agency to agency. Agencies that receive federal dollars through grant awards may need to aggregate and provide statistical and performance measurements as well as related grant information. Several financial reports are required on a monthly basis for reporting to and reconciling with the Office of Management and Enterprise Services. Information may also need to be provided to the Office of the State Treasurer and the Division of Capital Assets Management. Although these agencies are also part of the State, they are deemed to be external reporting as related to your agency. Depending on your agency structure, you may also need to report to cities, counties and municipalities, as well as disclose statistical metrics from time to time.

The OMES prepares two reports that require significant input and effort by agencies, the Comprehensive Annual Financial Report (CAFR) and the Schedule of Expenditures of Federal Awards (SEFA). These reports are prepared by OMES annually. Each agency has unique external financial reporting circumstances related to these documents, and the preparation needed can vary significantly. OMES-FRU determines the information that will be needed from each agency, and will send the necessary forms as soon as they become available.

B. Subtopics Listing:

- 01 Comprehensive Annual Financial Report (CAFR)
- 02 CAFR Reporting by State Agencies
- 03 GAAP Conversion Packages
- 04 Financial Reporting Packages for Audited Agencies
- 05 Federal Reporting and Grant Reporting
- 06 CMIA Annual Report and Treasury State Agreement

60.50.01 Comprehensive Annual Financial Report (CAFR)

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As mandated by legislation, the state prepares a Comprehensive Annual Financial Report (CAFR). Generally Accepted Accounting Principles (GAAP) state that every governmental unit should prepare and publish a CAFR as a matter of public record. The Governmental Accounting Standards Board (GASB), an accounting and financial reporting standard-setting body for governmental entities, has stated that the CAFR is “the official annual report of a government”.

The goal of a CAFR is to provide the constituency and related users relevant financial performance information about the State through an established process that ensures accountability and credibility. The CAFR achieves this through:

1. Comparing actual financial results with legally adopted budgets;
2. Assessing financial condition and results of operations;
3. Assisting in determining compliance with finance related laws, rules and regulations; and
4. Assisting in evaluating efficiency and effectiveness.

The State CAFR must be completed by December 31 of each year, six months after the June 30 fiscal year end. Each state agency finance officer is an important element in the successful completion of the CAFR. This effort requires significant coordination with all state agencies and the State Auditor and Inspector (SA&I). Only through this confluence of data and effort by all state agencies can the CAFR be completed on a timely basis.

The State of Oklahoma CAFR has been recognized for excellence in financial reporting by the Government Finance Officers Association (GFOA). The GFOA is an independent, professional association of state/provincial and local finance officers of the United States and Canada dedicated to the sound management of government resources. The GFOA has over 16,800 members and has served the public finance profession since 1906. The GFOA sponsors a rigorous award program that provides a Certificate of Achievement for Excellence in Financial Reporting to those institutions that conform to the highest standards of financial reporting. The State CAFR has received this award every year since 1996, and will continue to strive to achieve this award each year.

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The largest component of the State CAFR is the General Fund. Most state agencies are part of the General Fund, a GAAP fund type classification.

60.50.02 CAFR Reporting by State Agencies

The OMES-FRU must submit a GAAP compliant set of financial statements for the General Fund to the State Auditor & Inspector (SA&I) around October 31 of each year.

POINT OF EMPHASIS: This October 31 date is critical because it is essential to provide the SA&I sufficient time to perform audit procedures in accordance with applicable professional audit standards. Consequently, any delay by agencies regarding their component of the State CAFR jeopardizes the timely completion of the entire audited financial statements of the State.

October 31 is also a significant due date for agencies that have external audits. All externally separately audited agencies including higher education institutions must have the final audit report to the OMES by this date. Although the audit of your agency may be completed by this date, a large number of audited agencies must be recorded, aggregated, summarized and reviewed by the SA&I within a short period of time in order to prepare the State CAFR in a timely manner. Consequently, meeting the October 31 due date with the final report (after audit committee approval if necessary), is critical for timely completion of the State CAFR.

Higher education institutions that borrow monies by the issuance of debt through the Oklahoma Capital Investment Authority (OCIA, State Agency 105) must meet a deadline as outlined in [70 O.S. § 3980.10](#). Their audited financial statements must be completed within 120 days after the close of the fiscal year, or approximately October 31, each year.

Every agency that is a part of the State financial reporting entity is included in the State CAFR. The size and complexity of each agency affects the magnitude of financial data that must be collected in order to meet Generally Accepted Accounting Principle (GAAP) requirements. Agencies involved in complex transactions such as bond issues, leases and federal grants will typically have greater

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financial reporting requirements. There are several types of agency reporting structures, and your agency will fit one of these classifications.

A. **General Fund Agency – Unaudited**

This type of agency is the most common classification. An unaudited general fund agency does not have a separate audit report issued or (this does not mean that the State Auditor & Inspector (SA&I) will not perform procedures), it may have an outside audit performed, but it is not completed by the required date of September 30 for inclusion in the State CAFR. Agencies that fit within this classification may also have other fund types, such as agency funds, but the general fund has the earliest deadline and represents the majority of state agencies. These agencies will typically receive one or more GAAP Conversion Packages to complete for inclusion in the State CAFR.

B. **General, Permanent or Proprietary Fund Agency – Audited**

Only a limited number of agencies fall within this classification. Certain agencies have audits performed by independent external auditors and have their audit completed by the September 30 due date for submission to the OMES and inclusion in the CAFR. Several agencies may also have independent audits, but these audits are not completed timely enough for inclusion in the CAFR. Agencies within this classification may also have other fund types, but the September 30 due date only relates to the general, permanent and proprietary fund types.

C. **Externally Audited Agency**

A number of agencies are considered component units of the state, where exclusion of their information from the State CAFR would be misleading. Almost all of these agencies, typically pensions, higher education institutions and authorities have independently audited financial statements prepared. These agencies are generally classified in a fund type other than the general fund, and have a due date of October 31 for submission to OMES. The financial statements prepared by this type of agency are already in conformity with GAAP, however, on occasion, additional financial information must be provided for inclusion in the State's CAFR. When this occurs, these agencies may also need to complete one or more Financial Reporting Conversion Packages.

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60.50.03 GAAP Conversion Packages

At this time, the State records most financial transactions on a cash basis, recording only the inflows and outflows within accounts. For financial reporting purposes, this information must be converted to a different basis of accounting, either modified accrual or full accrual. The GAAP conversion packages were created to accomplish this task. Each package has been designed to collect the information needed for converting the cash basis information in the system to the correct basis of accounting for financial reporting purposes. These packages have staggered due dates for submission to the OMES as noted in the table below. Agency size and transaction complexity usually determine the number of GAAP conversion packages that must be completed.

The annual GAAP conversion packages are normally distributed to each agency near the end of June or early July of each year. The instructions will also include any updated forms, the instructions and due dates for the current year. The OMES-FRU makes a yearly assessment of previously reported information from your agency in determining the packages that must be completed for the current year. Each GAAP conversion package attempts to deal with a specific set of accounting data. However, several forms, especially those including federal grants, are interdependent and must be completed together.

The following is a list of the GAAP Conversion Packages by general due date. The exact due dates vary slightly from year to year, but typically fall within the same week from one year to the next and are provided to agencies in the DCAR Newsletter. This list may change over time and new forms may be added as dictated by GAAP.

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Conversion Package	Form	Form Title	Due Dates			
			Due Last Week of July	Due Mid August	2nd Week of September	2nd Week of October
	A	Cash and Investment Summary	X			
	B	Deposit and Investment Summary	X			
	C	Accounts Receivable and Deferred Revenue Summary			X	
	D	Federal Grants/Entitlement Receivables and Deferred Revenue Summary			X	
	E	Taxes Receivable and Refunds Payable Summary			X	
	F	Due From Other Funds Summary			X	
	G	Inventory Summary	X			
	H	Capital Asset Summary	X			
	I	Accounts Payable and Encumbrance Summary			X	
	J	Accrued Payroll Summary			X	
	K	Insurance Claims Liability Summary		X		
	L	Lease Summary	X			
	M	Lessor Summary			X	
	N	Settled Litigation Gain/Loss Summary				X
	O	Long-Term Obligations Summary	X			
	P	Accrued Compensated Absences Summary	X			
	Q	Medicaid Summary				X
	R	Interagency Payments Summary		X		
	S	Agency Special and Clearing Summary	X			
	X	Miscellaneous Summary			X	
	Y	Infrastructure Assets Summary		X		
	Z	Schedule of Expenditures of Federal Awards			X	

The letter listed for each form represents the group for that GAAP Conversion Package. There may be one or more forms within each group; for example, form N includes N-1, N-2 and N-3. All forms within a group are due by the listed due date.

60.50.04 Financial Reporting Packages for Audited Agencies

Occasionally an agency audit report will not include all of the information needed for inclusion in the State CAFR. The agency report could be GAAP compliant, but the Office of Management and Enterprise Services may need additional information to present the State CAFR in conformity with GAAP. In these circumstances it is necessary for an audited agency to complete one or more financial reporting packages. These packages are similar the GAAP conversion packages, and are designed to collect information that is not included within the audited financial statements.

The financial reporting packages are normally distributed to agencies in July. The OMES-FRU reviews the forms submitted in prior years and makes an annual determination of the forms that must be

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completed by each agency in the coming year. These forms only apply to agencies that have a financial statement audit performed by independent auditors.

The list below provides the name and title of each financial reporting package. These packages should be completed as part of the audit process, and should be included with your audited financial statements when submitted to OMES.

Financial Reporting Package	Form Title
Aud. A	Deposit and Investment Summary
Aud. B	Due From Other Funds Summary
Aud. C	Changes in Capital Assets Summary
Aud. D	Lease Summary
Aud. E	Long-Term Obligations Summary
Aud. F	Accrued Compensated Absences Summary
Aud. G	Statement of Cash Flows Summary
Aud. H	Other Post Employment Benefits Summary

Like the GAAP conversion packages, there may be more than one form associated with each financial reporting package group.

60.50.05 Federal Reporting and Grant Reporting

The OMES must prepare a Schedule of Expenditures of Federal Awards (SEFA) or Single Audit Report. This report provides detailed expenditure information related to all federal programs and related federal grant program spending. This report is due annually, nine months after the State June 30 fiscal year end. This report presents all spending by primary recipients of federal dollars during the year. This report also discloses concerns by both the SA&I and any external auditors related to the effectiveness of internal controls. The OMES-FRU provides appropriate GAAP conversion packages annually to each agency that receives and spends federal dollars. These forms provide the foundation for completion of the SEFA. If your agency does not receive federal awards, then you will not receive GAAP conversion packages related to this disclosure. However, if your agency reports to OMES using an outside audit, and the agency's spending of federal dollars does not meet the disclosure threshold of \$500,000, you must still aggregate and present this information for inclusion in the State SEFA.

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This can be done either as part of your external audit, or you can contact the OMES-FRU to request the appropriate financial reporting packages.

The OMES also prepares a report called the State-Wide Cost Allocation Plan (SWCAP). This plan is for indirect services provided by the central services agencies of the State. The plan is based on actual expenditures for the fiscal year ended two years prior (for example, the FY-2013 SWCAP was based on FY-2011 expenditures). OMES uses an outside consultant to prepare this plan. The plan is required under the U.S. Office of Management and Budget (OMB) Circular A-87. OMB Circular A-87 defines allowable expenditures under Federal grants. It also establishes procedures for recovering both direct and indirect costs. States that wish to Voucher indirect costs as charges against Federal grants are required to prepare an annual SWCAP plan and submit it to the Federal government for review and approval.

60.50.06 CMIA Annual Report and Treasury State Agreement

Cash Management Improvement Act (CMIA) - Cash Management Improvement Act (CMIA)

State agencies which receive federal financial assistance monies are subject to the Cash Management Improvement Act. While all programs receiving federal financial assistance are subject to the Act, only those meeting certain thresholds are included in the Treasury State Agreement or the CMIA Annual Report.

The purpose of the Cash Management Improvement Act (Act) is to “ensure greater efficiency, effectiveness, and equity in the exchange of cash between the Federal Government and the States.” Prior to enactment, the timing of the State’s drawdowns for federal funding were shown to be causing the Treasury to lose money as the States were allowed to retain interest earned on any early drawdown of Federal financial assistance amounts. At the same time, some Federal Program agencies were frequently late in their payment of grant awards to the States resulting in States incurring losses. The Act attempts to mitigate, monitor, and report the results of these interest events.

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The Treasury State Agreement sets forth the programs which have been determined to be reportable programs. It contains agreed upon drawdown methods. Reportable programs are those programs whose federal expenditures exceed the threshold established in the Act. The threshold is calculated using a percentage of total federal financial assistance expenditures. OMES notifies agencies of their reportable programs and agencies are given an opportunity to review the drawdown method and clearance patterns to make any necessary changes. This agreement is usually completed around the end of June.

The CMIA Annual Report is due to the Department of the Treasury each year by December 31. Each agency is responsible for reporting their interest events for their reportable programs to OMES. Agencies included in the Treasury State Agreement will receive an e-mail from OMES requesting interest event reporting. The events are accumulated, and OMES calculates any interest receivable from or payable to the federal government based on the interest rate given by the Department of Treasury. If interest is payable to the federal government, agencies will be billed for the interest by OMES.

60.60 Tax and Other Regulatory Reporting

60.60.00 Overview and Subtopics Listing

A. Overview

This section discusses the tax forms required for state agencies. Each section will discuss who is responsible for completing and filing these forms and the rules and instructions for each form.

B. Subtopics Listing:

- 01 IRS Forms W-2
- 02 IRS Forms 1099

60.60.01 IRS Forms W-2

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A. W-2 Forms

OMES will prepare the W-2 Forms for the employees of all state agencies *paid through OMES on the prescribed state payroll form during the preceding calendar year.*

The W-2 Form will include four parts:

1. Copy B - To be filed with employee's Federal tax return.
2. Copy C - For employee's records.
3. Copy 2 (2 parts) - To be filed with employee's State or City income tax return.

Each agency will be provided a computer printout of the related W-2 information. This report will replace the employer copy of the W-2 form.

No state agency shall be authorized to report to the federal or state government the preceding calendar year wages paid to its employees through OMES on the prescribed state payroll form. This information will be filed electronically by OMES for all such employees of the various state agencies.

As soon as the W-2 Forms are prepared, they will be made available to the agency for distribution to employees.

Payroll warrants written during the taxable calendar year, but returned to OMES for cancellation, must be received by the published date in the DCAR newsletter in order for the adjustment to be reflected on the employee's W-2 Form. Any warrants received after that time will require a corrected W-2.

B. W-2 Corrections

If an agency determines that a W-2 is incorrect, the agency is to prepare a corrected W-2 with the word "CORRECTED" typed in the top right hand corner of the W-2. OMES will provide agencies with blank W-2 forms for this purpose.

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The agency should make a copy of the corrected W-2, attach the original W-2 and submit both to OMES with a written explanation of why the correction was necessary. OMES will make the necessary corrections with the Internal Revenue Service.

POINT OF EMPHASIS: W-2 form for prior years can only be changed for social security and Medicare wages and taxes when the agency receives a gross payback of a prior year overpayment. Federal and state taxable wages and income taxes withheld cannot be adjusted.

60.60.02 IRS Forms 1099

Even though, as a government, the State of Oklahoma is tax exempt, it must file IRS Form 1099 MISC. In general, the 1099 MISC form is an informational return required when payments for services have been made to individuals and partnerships and is *not* required for payments made to corporations or tax exempt organizations, such as other government agencies. Form 1099 MISC must be sent to the taxpayer by each agency by January 31 of the calendar year following the year in which the payment was made.

OMES will file 1099 Misc. reports with the IRS for individuals or partnerships for the following types of services:

1. At least \$10 in royalty payments
2. At least \$600 in
 - a. All types of rents
 - b. Prizes and awards
 - c. Payments to medical or health care providers, including veterinarians (includes payments to corporations that provide medical care)
 - d. Non-employee compensation, such as:
 - i. attorney and accountant fees
 - ii. payments for services including repair parts and labor (assuming the repair shop does not hold itself out as a parts dealer), or

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- iii. fees and travel reimbursement paid to a non-employee for which the non-employee did not account to the payer.
 3. Gross proceeds paid to an attorney

OMES will issue a memorandum each year notifying agencies of the specific procedures to be used to provide information to accommodate 1099 MISC processing with applicable IRS publications.

OMES will accept 1099 Misc. information in an electronic format for items not picked up in the normal 1099 process and will provide layouts to agencies upon request.

OMES is responsible for preparing and submitting to the Internal Revenue Service the 1099 information and summary form 1096, as required for non-payroll fees or other compensation payments made by the agency to persons who are not state employees.

Although a single state agency may have paid a vendor an amount less than \$600 in the past calendar year, other state agencies may also have made payments to the same vendor, resulting in total state payments of more than \$600 to that vendor. Each agency would need to send a 1099 MISC form to the vendor. OMES will assist agencies in identifying such cases via use of computerized programs. OMES will solicit information annually from state agencies regarding Agency Special Accounts (ASA), petty cash and P-card payments so as to incorporate these into the same data files.

CHAPTER 70: INTERNAL CONTROLS GUIDANCE

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CHAPTER 70: INTERNAL CONTROLS GUIDANCE

70.00 Overview: Internal Controls Guidance

The importance of an agency's internal controls for administrative, fiscal and program operations should never be overlooked. Internal controls that are properly utilized, documented, and updated will assist managers and finance officers in protecting the state's assets and maintaining the public trust. Agencies that are not in compliance with accepted internal control requirements are subject to potential problems.

The responsibility for the development and implementation of internal accounting and administrative control systems of an agency rests with the agency head, managers, and finance officers of each agency. The Office of Management and Enterprise Services and other central service agencies have internal controls for centralized functions at the statewide level. However, this does not reduce the importance of internal control systems related to centralized activities at the agency level.

This chapter and related appendices provide generally accepted guidance to agencies for the development and implementation of internal accounting and administrative control systems. The role of managers and finance officers in these processes is discussed. Specific guidance is included to assist in creating an agency wide internal control plan and conducting an agency-wide risk assessment. Guidance for documenting is also included. Each agency is unique. All will have different formats, and each agency's internal control plan should be considered an ongoing document, subject to changes and updates.

A large percentage of state dollars are from federal awards. Each year the Office of Management and Budget (OMB) (http://www.whitehouse.gov/omb/financial/fin_single_audit.html) publishes a guide to identify the compliance requirements that the federal government expects auditors to review as a part of a single audit. The emphasis by the federal government is always increasing. State agencies that accept federal awards are responsible for monitoring the use of those amounts, even when the grants are passed through to one or more non-profit providers or other government agencies (sub-recipients).

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In addition, the Office of the State Auditor and Inspector follows audit standards issued by the American Institute of Certified Public Accountants (AICPA) and the Government Accountability Office (GAO) of the federal government. AICPA Statement on Auditing Standard No. (SAS) 112 titled **Communicating Internal Control Related Matters Identified in an Audit** establishes standards and provides guidance to auditors on communicating matters related to an agency's internal controls over financial reporting identified in an audit of financial statements. While auditors are not required to search out or have procedures in place to identify deficiencies in internal control, auditors are required to evaluate identified control deficiencies and determine whether these deficiencies, individually or in combination, are significant deficiencies or material weaknesses. In other words, when an auditor "trips across" an internal control deficiency in the course of an audit, the auditor then must evaluate the control deficiency to determine whether it's a significant deficiency or material weakness. Auditors determine whether an internal control deficiency is a significant deficiency or a material weakness based on the factors of likelihood and magnitude. The standard has two unconditional requirements:

- The auditor must evaluate identified control deficiencies and then determine whether those deficiencies, individually or in combination, are significant deficiencies or material weaknesses.
- The auditor must communicate, in writing, significant deficiencies and material weaknesses to management and those charged with governance. This includes significant deficiencies and material weaknesses identified and communicated in prior audits but not yet corrected.

Agencies going through some type of transition face specific risks such as erroneous spending, operational failures, and violations of laws. There are increased risks of noncompliance with state finance laws, waste and fraud. Whenever a major reorganization occurs, agency internal controls must be evaluated and updated. The need for reviewing internal controls is especially urgent when a significant change occurs such as creation of new programs, additional agency duties, or budget cuts. Agencies must monitor the changes being made to make certain that these are handled correctly. A good starting point for management is to evaluate the existing internal controls within the agency or department.

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Minimum requirements for internal controls at the agency level are listed below:

- All functional areas of an agency must have written documentation of its policies and procedures.
- A person responsible to perform the duties of the Internal Control Officer (ICO), who reports directly to the agency head, should be designated by the agency head as responsible for the agency's internal controls. If the ICO does not report directly to the agency head then the "independence" of the ICO should be tested and validated. Some smaller agencies may wish to work with the Office of Management and Enterprise Services and/or the Office of the State Auditor and Inspector for help in developing an internal control policy.
- These duties cannot be performed by the internal auditor of the agency.
- Internal controls should be reviewed and updated on an annual basis at a minimum. Agencies must review changes to operations and incorporate these changes into a revised plan.
- Any unaccounted for variances, losses, shortages, or thefts of cash or property must be reported to the agency head and the Office of the State Auditor and Inspector.
- All agencies should develop a written internal control plan.

This chapter provides general information about the components of internal control; how agency and department heads and other managers can evaluate the internal controls within their areas of responsibility, modify when necessary, and then document them. A summarization of internal controls on a high level department-wide basis is referred to as an Internal Control Plan.

Internal control is the responsibility of every state agency manager. Managers should view this chapter as a starting point and make their own decisions about the internal controls necessary within the programs or activities that they manage. This chapter should assist state agency managers in fulfilling their responsibilities relating to internal controls.

This chapter is based upon the report titled **Internal Control – Integrated Framework**, prepared by the **Committee of Sponsoring Organizations (COSO) of the Treadway Commission**. (COSO consists of the following organizations: the American Institute of Certified Public Accountants, the American Accounting Association, the Institute of Internal Auditors, the Institute of Management Accountants, and the Financial Executives Institute.) The *COSO Report* defines internal control as a

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process designed to provide reasonable assurance that objectives are achieved. It assumes that the primary responsibility for internal controls belongs to the management of the organization and involves programmatic activities as well as financial management.

The COSO's current official definition of internal control is as follows:

“Internal control is a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations.
- Reliability of financial reporting.
- Compliance with applicable laws and regulations.

This definition reflects certain fundamental concepts:

- Internal control is a process. It is a means to an end, not an end in itself.
- Internal control is affected by people. It is not policy manuals and forms, but people at every level of an organization.
- Internal control can be expected to provide only reasonable assurance, not absolute assurance, to an entity's management and board.
- Internal control is geared to the achievement of objectives in one or more separate but overlapping categories.”

A less technical definition might state that:

Internal controls are tools that help managers be effective and efficient while avoiding serious problems such as overspending, operational failures, and violations of law.

Internal control has been further defined as consisting of five interrelated components. The *COSO Report* identifies these as control environment, risk assessment, control activities, information and communication, and monitoring. This chapter discusses these five components.

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The process of internal control also incorporates four *basic principles*. Because internal controls are a means to an end, they must help, rather than prevent or delay, an organization from reaching its objectives. Before designing and implementing internal controls, managers should consider the following:

1. Internal controls must benefit, rather than hinder, the organization.
2. Internal controls must make sense within each organization's unique operating environment.
3. Internal controls are not stand-alone practices. They are woven into the day-to-day responsibilities of managers and their staff.
4. Internal controls should be cost effective.

Consider internal controls as a continuous series of decisions affected by changing circumstances that will require periodic review and modification, rather than as a static system. When managers evaluate their internal controls, they must first determine whether they are functioning as designed and still applicable given current operations. Managers should then analyze potential risks. Based on the results of the review, managers determine what changes are necessary. Managers need to review internal controls and internal control plans regularly. This review should occur at least annually and more frequently if warranted.

70.10 Five Components of Internal Controls

70.10.00 Overview and Subtopics Listing

A. Overview

Each agency's internal controls and internal control plans will be unique. However, all internal control plans should include the five components. These components are interrelated, which means that each component affects and is affected by the other four. These five components, which are the necessary foundation for an effective internal control system, include:

- 01 Control Environment
- 02 Risk Assessment
- 03 Control Activities

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04 Information and Communication

05 Monitoring

70.10.01 Control Environment

The **control environment** of a state agency sets the tone of the organization and influences the effectiveness of internal controls within the agency. Control environment, an intangible factor and the first of the five components, is the foundation for all other components of internal control, providing discipline and structure and encompassing both technical competence and ethical commitment. Managers (including unit, division, department, and program managers) must evaluate the internal control environment in their own unit and department as the first step in the process of analyzing internal controls. Many factors determine the control environment, including those on the following list.

- **Management’s attitude, actions, and values** set the tone of an organization, influencing the control consciousness of its people. Internal controls are likely to function well if management believes that those controls are important and communicates that view to employees at all levels. If management views internal controls as unrelated to achieving its objectives, or even worse, as an obstacle, this attitude will also be communicated. Despite policies to the contrary, employees will then view internal controls as “red tape” to be “cut through” to get the job done. Management can show a positive attitude toward internal control by such actions as including internal control in performance evaluations, discussing internal controls at management and staff meetings, and by recognizing employees for good internal control practices.
- **Commitment to competence** includes a commitment to hire, train, and retain qualified staff. It encompasses both technical competence and ethical commitment. Management’s commitment to competence includes both hiring staff with the necessary skills and knowledge and ensuring that current staff receives adequate on-going training and supervision.
- **Advisory board participation.** The involvement of the agency’s advisory board, if one exists, in a review of internal controls and audit activities can be a positive influence on the agency’s control environment.

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70.10.02 Risk Assessment

Organizations and agencies exist to achieve some purpose or goal. Goals, because they tend to be broad, are usually divided into specific targets known as objectives. A **risk** is anything that endangers the achievement of an objective. **Risk assessment**, the second internal control component, is the process used to identify, analyze, and manage the potential risks that could hinder or prevent an agency from achieving its objectives. In attempting to identify risk, managers need to ask the following two questions:

“What could go wrong? What assets do we need to protect?”

Over the course of a day, a week, a month, or a year, situations occur which could hinder or prevent an agency, unit, or a department from fulfilling its responsibilities and meeting its goals. Because of this possibility, successful managers continually identify and analyze potential risks to their organizations. Performing risk assessments assists managers in prioritizing the activities where controls are most needed. Managers use risk assessments to determine the relative potential for loss in programs and functions and to design the most cost-effective and productive internal controls. When beginning a risk assessment, the manager can start by analyzing the two circumstances most likely to endanger unit objectives: **change** and **inherent risk**.

Review changes. The risk to reaching objectives increases dramatically during a time of change (turnover in personnel, rapid growth, or establishment of new services, for example). Because any type of change increases risk, managers should monitor and assess every significant or likely to be significant change. Some examples of circumstances that expose an agency to increased risk are the following:

- Changes in personnel, for example after a new administration,
- New or revamped information systems, for example the implementation of the new State Accounting System,
- Rapid growth,
- New programs or services,

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- Increased delegation of spending authority,
- Reorganizations within or between state agencies,
- Moving to a new location, for example agencies being relocated into a new building.

Identify inherent risk. The second type of potential problems is referred to as inherent risk. Examples of operations with high inherent risk include complex programs or activities, cash receipts, delegating services through sub-recipients (vendors), direct third party beneficiaries, and prior problems. Activities with inherent risk have a greater potential for loss from fraud, waste, unauthorized use, or misappropriation due to the nature of the activity or asset. Cash, for example, has a much higher inherent risk for theft than a stapler or road grader does. Other examples of situations that may involve inherent risk:

- Complexity increases the danger that a program or activity will not operate properly or comply fully with applicable regulations.
- Third party beneficiaries are more likely to fraudulently attempt to obtain benefits when those benefits are similar to cash (for example food stamps).
- Decentralization increases the likelihood that problems will occur. However, a problem in a centralized system may be more serious than a problem in a decentralized system because, if a problem does exist, it could occur on a larger scale.
- A prior record of control weaknesses will often indicate a higher level of risk because bad situations tend to repeat themselves.
- Unresponsiveness to identified control weaknesses by prior auditors often indicates that future weaknesses are likely to occur.

Evaluate identified risk. After identifying potential risks, analyze each risk to determine how best to manage it. Start with the following questions:

- *How important is this risk?*
- *How likely is it that this risk will occur?*
- *How can we best manage this risk?*

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Internal control systems should provide **reasonable assurance** that assets are safeguarded, resources are properly used, and objectives are achieved. Absolute assurance may not be an achievable goal, because it may be prohibitively expensive and impede productivity. One would not expend a substantial amount of dollars to protect a relatively inexpensive asset. *For example, it is not prudent to spend \$50 to safeguard a \$25 carton of pens. Spending \$50 to safeguard \$5,000 in laptop computers, however, may be very sensible.*

70.10.03 Control Activities

Once managers identify and assess risks, they need to evaluate and develop methods to minimize these risks. These methods are referred to as **control activities**, the third component of internal control. **Control activities are the structure, policies, and procedures**, which an organization establishes so that identified risks do not prevent the organization from reaching its objectives. Policies, procedures, and other management tools like job descriptions, organizational charts and supervisory standards do not exist only for internal control purposes. These activities are basic management practices.

At the same time that managers are evaluating and preparing internal controls, they need to be careful to avoid the other extreme. Excessive controls can be as harmful as excessive risk because they can result in increased bureaucracy and reduced productivity. Before implementing a new policy or procedure in response to a problem, managers should make sure that the new policy is necessary. *Often times, a relevant policy already exists; it just needs to be enforced.*

70.10.04 Information and Communication

Managers must be able to obtain reliable information to determine their risks and communicate policies and other information to those who need it. This is the fourth component of internal control, **information and communication**.

- Management acquires accurate information to report on agency or program activities to the Legislature, oversight agencies, and federal grantors.
- Supervisors must communicate duties and responsibilities to their staff.

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- Staff and middle management must be able to alert upper management to potential problems.
- Administrative and program staff must communicate requirements and expectations to each other.
- Audit findings and other breakdowns in internal control must be communicated along with documentation for planned corrective actions.

Information: Although a department or unit manager may have developed excellent policies and procedures, if these are not communicated to the staff that performs these duties, they may as well not exist. Well-designed internal controls outline the specific authority and responsibility of individual employees. They can also serve as a reference for employees seeking guidance on handling unusual situations.

Communication: An internal control plan should provide for information to be communicated both within the organization (up as well as down) and externally - *for example, vendors, recipients, and other departments*. Management should distribute copies of the department's internal control plan to all staff whose jobs are affected in any way by the information in the plan. Sending information electronically allows management to immediately distribute new procedures and other information to a large staff; however, this format does not always allow for a "sign-off" documenting that the recipient has accepted the communication. Departments should conduct in-house training sessions upon releasing new or extensively revised internal control plans to explain the meaning of the plan and the importance of internal controls. This training should also be part of the orientation of new employees.

70.10.05 Monitoring

Internal controls must be adaptable to change. Satisfactory internal controls can become obsolete through changes in external circumstances. Therefore, after risks are identified, policies and procedures put into place, and information on control activities communicated to staff, managers must then implement the fifth component of internal control, **monitoring**. This component can be the most challenging. Managers must continually monitor the effectiveness of their controls. Monitoring assesses the quality of internal controls over time. Like the other four components, monitoring is a

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basic management responsibility included in activities like performance evaluations, ongoing supervision, and status reports. Proper monitoring ensures that controls continue to be adequate and continue to function properly.

Even the best internal control plan will be unsuccessful if it is not followed. Monitoring allows the manager to identify whether controls are being followed before problems occur. *For example, an agency's internal control plan may identify cross-trained staff to perform certain duties if the assigned individual is not available. However, if the manager does not monitor this arrangement by requiring back-up staff to occasionally perform the back-up duties, the manager may discover too late that substantial changes have occurred since the individual was cross-trained and that he or she does not have the knowledge or skills to perform the duties.*

Managers must also monitor previously identified problems to ensure that they are promptly corrected. In the same way, managers must review weaknesses identified by audits to determine whether related internal controls need revision. *Budgets must be set and monitored at a level low enough that will identify expenditure problems when they exist.*

70.20 Internal Control Activities

70.20.00 Overview and Subtopics Listing

A. Overview

This section will describe how managers must establish internal control activities that support the above internal control components. Also agencies must provide qualified and continuous supervision. To fulfill this responsibility, managers must establish clear lines of authority and responsibility. The effectiveness of any internal control plan depends directly on management's thoroughness, consistency, and the timeliness of supervision.

Supervisors should:

- Assign tasks and establish written procedures for completing assignments;
- Systematically review each staff member's work;

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- Approve work at critical points to ensure quality and accuracy;
- Provide guidance and training when necessary;
- Provide documentation of supervision and review (for example, initialing and dating examined work)

Adequate and timely supervision is especially important in small agencies, where limited personnel may inhibit a thorough segregation of duties.

There are two main types of control activities. Controls can be either **preventive** (for example, requiring supervisory sign-off before an item is purchased) or **detective** (for example, reconciling bank statements to ensure that all payments are appropriate). The existence of detective controls, however, can also serve to prevent irregularities. An individual tempted to use state assets inappropriately may be deterred by the knowledge that the bank account is regularly reconciled.

B. Subtopics Listing

- 01 Segregation of Duties
- 02 Authorize Transactions
- 03 Control Access to Assets and Resources
- 04 Document Internal Controls

70.20.01 Segregation of Duties

Segregation of duties is a primary principle in any internal control plan. The principle of segregation of duties is especially important when using computers and other information technology, because it ensures the separation of different functions such as data compilation, input, and review. It also defines authority and responsibility over transactions and use of the state resources.

The fundamental premise of segregated duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. These are

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called **incompatible duties** when performed by the same individual. The list below offers some examples of incompatible duties.

- Managing operations of an activity and record keeping for the same activity;
- Custody of assets and recording receipt of those assets;
- Authorization of transactions and custody or disposal of the related assets or records.

Different personnel should perform the different functions of data entry, authorization, custody, and report review. If this control activity is properly planned, implemented, and adhered to, agencies can safeguard state assets against a single individual's "irregularity".

Maintaining segregation of duties is especially challenging for units with small numbers of employees. Managers of such departments must consider this principle when designing and defining job duties; they must implement control procedures to assure segregation of duties exists. In an environment with limited numbers of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations.

Documentation should exist that identifies what duties are authorized by position, what paper trails or other documentation is used, and if incompatible roles are handled by a single person, how mitigating controls are used to monitor and remind individuals of the incompatible roles.

Many managers exercise programmatic responsibilities and have limited administrative authority; a centralized unit may handle those responsibilities. Program managers should prepare internal controls relating to their own responsibilities. However, an agency's internal controls should ensure that all of the following activities, at a minimum, are properly segregated.

Personnel & Payroll Activities

- Individuals responsible for hiring, terminating, and approving promotions should not prepare payroll or personnel transactions or input data.
- Managers should review and approve payroll deductions and time sheets before data entry, but should not be involved in preparing payroll transactions.

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- Individuals involved in payroll data entry should not have payroll approval authority.

Other Expenditure Activities

- Individuals responsible for data entry of encumbrances and payment vouchers should not be responsible for preparing or approving these documents.
- An agency should not delegate expenditure transaction approval to the immediate supervisor of data entry staff or to data entry personnel. Individuals responsible for acknowledging the receipt of goods or services should not also be responsible for purchasing or payment activities.

Inventories

- Individuals responsible for monitoring inventories should not have the authority to authorize withdrawals of items maintained in inventory.
- Individuals performing physical inventory counts should not be involved in maintaining inventory records.

Check Writing Activities

- Persons preparing checks should not be signing the checks.
- Persons signing the checks should not be reconciling the checking account.
- Persons who create vouchers should not have access to checks or warrants that have been created.

Revenue Activities

- Individuals receiving cash into the office should not be involved in authorizing bank deposits.
- Individuals receiving revenue or making deposits should not be involved in reconciling the bank accounts.
- Individuals handling cash should not be able to record reductions to receivables.

70.20.02 Authorize Transactions

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To maintain control over expenditures and revenue collection, persons acting within the scope of their authority must approve any financial transactions **before** the transactions are processed. Requisitions should be approved before acquisitions are made. Except as otherwise provided, state statutes require that whenever any agency enters into an agreement for the purchase of goods, wares, merchandise, contractual services, or construction projects for which labor and material must be furnished by outside vendors, such agreement (purchases) shall be evidenced by written contracts or purchase orders encumbered by the agency within a reasonable time as determined by the Director of the Office of Management and Enterprise Services against the proper class fundings and accounts of the agency. See [62 O.S. § 34.62.a](#) for details. Agencies should document exactly which persons have the authority to approve each type of transaction. Chief Financial Officers of each agency must monitor these authorizations.

70.20.03 Control Access to Assets and Resources

Internal control systems should involve procedures to restrict access to and enhance control over resources. *Resources include money, equipment, supplies, inventory, and the records that account for these assets.* Maintaining accountability for the use and custody of resources involves assigning specific responsibilities to specific individuals. Managers should monitor expenditures, revenue collection, and physical assets to ensure that these resources are used only to achieve specific and identified purposes. *For example, passwords and identification codes limit access to computer data. Require that passwords and identification codes be kept confidential. Monitor and control access to cash, equipment, and supplies.*

70.20.04 Document Internal Controls

Documenting policies and procedures is especially important because changes happen constantly. *A written document will, for example, tell staff what to do in case of unexpected turnover.* Preparing written internal controls will clearly communicate specific responsibilities to individual staff, facilitate training new staff, and enable management and finance officers to review and monitor the agency's internal control system.

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Generally accepted internal controls require that each agency document its internal controls. These controls must be summarized into a high-level agency-wide **internal control plan**. The agency head must formally approve the plan. The agency's plan must be readily available upon request to auditors and representatives of the Office Management and Enterprise Services. Written internal control plans should be reviewed and updated at least annually.

As part of the statewide single audit, auditors review the internal control plans of a significant percentage of Oklahoma state agencies. An agency's internal control plan will also likely be examined during a review by oversight agencies and federal grantors.

70.30 Evaluating Internal Controls and Preparing an Internal Control Plan

70.30.00 Overview

A. Overview

Evaluating current internal controls is the first step toward preparing an internal control plan. An internal control evaluation is a detailed examination of an agency or unit's functions undertaken to determine whether adequate internal controls exist and function as intended and to make necessary improvements. Evaluating internal controls is a core management responsibility and is a part of a manager's regular duties.

A Common Five-Step Approach to Evaluating Internal Controls

Below is a common five-step approach to evaluating internal controls to correspond with the five components of internal control (control environment, risk assessment, control activities, information and communication, and monitoring). Managers should review and evaluate each major responsibility according to these steps. Before beginning the five steps:

1. Review the agency unit, division, department, or program's goals and objectives.
2. Identify specific risks to meeting these objectives.
3. Determine which objectives are most important and most vulnerable.

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4. Prioritize these by first evaluating activities with an unfavorable control environment or a high degree of inherent risk.
5. Start to apply the five steps listed below for each of the most important objectives.

70.30.01 Step 1: Analyze the Control Environment

A. Management Attitude:

Review the agency's control environment including your manager's and any subordinate managers' attitudes and actions. If a specific procedure requires constant exceptions, you are better off changing or eliminating the procedure than establishing an attitude of "rules are made to be broken". Whether they realize it or not, managers set an example by their behavior. If managers make exceptions to their own procedures whenever they find themselves inconvenienced, staff and contractors will feel they too can make exceptions whenever they want.

B. Supervision:

Agencies with the best control environment attempt to hire qualified individuals while making an effort to retain skilled employees. Their managers train new and current staff to excel at their jobs and to use appropriate internal controls in all areas. They assist their staff by furnishing tools such as job descriptions and policy and procedure manuals that clearly communicate responsibilities and duties. They provide sufficient but not excessive supervision, reviewing to the extent necessary. While they allow as much autonomy as possible to competent experienced staff, they continue to approve work at critical points to ensure that work flows as intended.

C. Structure:

Managers should develop an organizational structure that clearly defines supervisory responsibilities and chains of command. The structure should also take into account the need to segregate certain duties. Document this structure through organizational charts and make these available to all staff. Typically, these charts are created and updated each year as a part of the annual submission of budget information to OMES.

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70.30.02 Step 2: Assess Risk

Because evaluating internal controls can be a lengthy process, and because every risk to an organization's objectives is not equally significant, managers must prioritize their efforts before analyzing specific actions. The risk assessment process contains two major steps: (1) identify and prioritize activities that are most likely to have problems, and then (2) analyze those specific activities to determine their components.

A. Identify Potential Problems:

Begin by reviewing both the unit's goals and objectives and the agency's control environment. Next, determine potential problems. Examples of circumstances with potential for problems includes programs that have undergone recent changes in staff or structure, functions that receive complaints or have had problems in the past, and complex activities. Keep in mind that a moderate loss that is likely to occur presents as much danger as a more serious loss that is less likely to occur. Rank the identified risks by asking the following questions: "Where do we face the greatest possible harm?" and, "Which types of losses are most likely to occur?" Use this evaluation to prioritize the risks. *For example, the director of a human services program has determined that the greatest risk to the program's goal of providing services to all eligible individuals is from recently passed legislation. This legislation may result in the program losing its financial support if it provides services to ineligible individuals.*

B. Identify and Analyze Control Cycles of Potential High Risk Activities: It is easy to become overwhelmed by the volume and complexity of controls within even a single program or administrative function. To simplify this task, start by grouping activities of the program or function into control cycles. A control cycle is a group of actions used to initiate and perform related activities. A single program or administrative function usually contains several control cycles. Control cycles provide the focal point for evaluating internal controls. To begin evaluating controls, list the control cycles in the program or administrative function being reviewed.

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The control cycles for an administrative function could be payroll, employee benefits, space planning, telephone systems, and procurement of supplies and materials.

The human services program mentioned above might include the following five cycles: outreach, eligibility determination, service delivery, monitoring, and reporting. Within the program, the eligibility determination cycle might include the following six steps: interview, completing application form, verification, approval or denial, supervisory review, and initiate services or send denial explanation to outreach unit.

After listing the control cycles, use the following process to document them:

- 1) Interview the personnel involved in the cycle and observe the activity.
- 2) Prepare either a narrative explanation or a flow chart. The documentation should contain sufficient detail to permit an analysis of the internal controls.
- 3) Review the completed documentation with the persons providing the information.
- 4) Use the documentation to track one or two transactions through the process.

Performing all four of the above actions will help to ensure that the documentation and your understanding of the cycle are accurate and complete. After documenting the control cycle, use the following steps to analyze it:

- 1) Prepare a written narrative or flow chart explaining how the cycle is supposed to be handled by describing each activity or transaction within the cycle. In the narrative, describe;
 - a) Who is performing each step?
 - b) What is involved in the step?
 - c) Any resulting documentation, for example, reports.
- 2) Review the information available in policy and procedure manuals. Use written materials such as organizational charts, job descriptions, reviews, checklists, department records, and reports.
- 3) Supplement written sources through conversations and observations.
- 4) Finally, “walk through” the process to be sure you understand every item.

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After performing the above steps, the manager of the human service program, in the example cited above, might determine that the most significant internal control weakness within the eligibility determination cycle is at the point of information verification.

70.30.03 Step 3: Implement Management Control Activities

A. Effectiveness of Control Activities

Evaluate the control cycle to decide whether the system, as defined, sufficiently safeguards the department's resources, assures the accuracy of its information, and promotes effectiveness and efficiency. Define **objectives** and risks for each control cycle. Objectives express the reasons we use policies and procedures to control specific identified risks. We establish objectives because control activities (policies and procedures) minimize the likelihood that an identified risk will occur.

In the example of the human services program described above, we could identify the following as an appropriate control objective: Services are approved only for eligible applicants. We would then define the related risk to be as follows: Ineligible persons receive services, jeopardizing the entire program.

B. Review Documented Policies and Procedures

Examine the **documentation** of the cycle (prepared in Step 2) to determine whether sufficient policies and procedures already exist for the control objectives to be met. Remember to identify any outside policies and procedures that can offset potential risks. *Through documenting the cycle, the manager may discover that only one individual was responsible for verifying information. When this individual was on vacation, other staff members who were not familiar with the requirements performed the verification step. This deficiency could have resulted in the program being terminated due to providing services to ineligible applicants.*

C. Additional Documentation and Compliance with Policies and Procedures

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If appropriate policies and procedures do not exist, develop them and communicate to all staff in the unit. If the procedures do exist, determine whether they are being followed. *To continue with the example, assume that eligibility for the human services program is limited to low-income Oklahoma residents. Program policy might require that staff examine pay slips and tax returns to document income eligibility and driver's licenses or rent receipts to document residence. If the manager determines that these policies are not always followed correctly, new procedures might require that photocopies of these items be attached to the application for supervisory review.*

D. Review and Update Controls

Identify any controls that are excessive or unnecessary and modify or eliminate them. Appropriate controls include external as well as internal controls. Excessive control is inefficient. Identify outside policies or procedures that can offset potential risks. *In the example, the program might accept a current Medicaid membership card as sufficient eligibility verification and not require other items to confirm Oklahoma residence or income level, thereby speeding up the eligibility determination cycle.*

70.30.04 Step 4: Communicate Information

A. Notification and Acknowledgment

Prepare and distribute the results of the evaluation and any related changes. Consider requesting that recipients sign an acknowledgement of having received the distributions.

In the example, the director of the human services program would communicate the above changes in policies and procedures to all staff in that unit through discussions at meetings, training sessions, and/or written communications. This communication would convey the importance of these changes to facilitate cooperation (positive control environment). The director would also make sure that this information was communicated to staff in the outreach unit, other referral sources, and potential applicants.

B. Notification of Changes

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When changes are made to internal controls these changes must be discussed with all affected managers and staff along with the agency's internal control officer. In evaluating possible alternatives, consider the costs and expected benefits of implementing control objectives in a cost-effective manner.

70.30.05 Step 5: Monitoring

A. **Schedule Monitoring and Testing:**

At a minimum, evaluate your internal controls on an annual basis. When reviewing, consider internal and external changes, personnel turnover, new programs, administrative activities, and priorities. Schedule monitoring on a regular basis or it is likely to be by-passed by the emergencies of day-to-day work. Testing controls at least annually allows you to determine whether the controls continue to be adequate.

B. **Effectiveness, Follow up, and Corrective Action:**

The final step in an internal control evaluation is testing the controls to determine whether they function as intended. Program monitors, auditors, and other reviewers can be a resource in monitoring internal controls. Always follow up to insure that any identified problems are corrected. Monitoring activities must be documented to ensure compliance, completeness, continuity, and timeliness.

In the example, the director would test the new controls after completing the process to be sure they are working as designed. Back up staff might be temporarily assigned to verify eligibility under close supervisory review, for example, while the monitoring unit might review a sample number of cases to determine whether approved recipients appear eligible for services.

70.40 Preparing an Internal Control Plan

An internal control plan is a description of how an agency expects to meet its various goals and objectives by using policies and procedures to minimize risk. In preparing the plan, refer to the five components. Use the information acquired throughout the evaluation. Internal control plans can

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take many different forms, depending on the organizational structure and business practices of the organization.

The Appendix to this chapter includes INTERNAL CONTROL CHECKLISTS for specific areas for evaluation of financial accounting internal controls. Although this is an extensive listing of financial accounting areas frequently requiring specific internal controls, the listing is not represented as being all-inclusive. In general, however, the internal control plan would

- discuss the goals and objectives of the unit (for example, a state agency),
- briefly state the integrity and ethical values expected of all staff and, especially, the ethical values top management expects of itself (control environment),
- describe the risks to meeting goals and objectives, and
- explain how the structure, policies, and procedures of the organization act to control the risks (control activities).

In a small agency, the plan might include all of the agency's policies and procedures. In a large agency, the plan might incorporate various policy and procedure documents by reference but these policies and procedures would also need to be reviewed and updated at least annually. Finally, the internal control plan would also include a description of to whom the plan is being distributed and another to describe how the plan is to be monitored.

The internal control plan of the program in the example above might, after the evaluation was complete, include all the actions discussed in the above steps. This would include affirming the goal of providing services to all who were eligible, discussing possible risks to that goal, referring to or describing policies and procedures established to manage the risks, explaining how this information is communicated, and indicating how it is monitored.

State managers (and finance officers) have an obligation to administer and safeguard the resources that are entrusted to their care. State managers are accountable, not only to their immediate supervisor, but also to the legislature who appropriated the financial support, program constituents,

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fellow state employees, as well as to the taxpayers who provide the resources that the state uses. An internal control plan helps managers meet this vital responsibility.

70.50 Internal Control Checklists

70.50.00 Specific Areas for Evaluation of Financial Accounting Internal Controls

A. Overview

Although this is an extensive listing of financial accounting areas frequently requiring specific internal controls, the listing is not represented as being all-inclusive. Agencies should also recognize there is little likelihood procedures in all these areas would be desirable in any one-state agency.

The internal controls contained in the following checklists were compiled from various sources, including the 1986 revision of "Audits of State and Local Governmental Units", by the State and Local Government Committee of the American Institute of Certified Public Accountants (AICPA), as well as a multi-state consortium on internal control organized by the National Association of State Auditors, Comptrollers and Treasurers (NASACT). Therefore, the control procedures listed approximate control procedures external and internal auditors should expect to find in applicable situations.

B. Subtopic Listings

- 01 Budgets and Planning
- 02 Cash (Petty Cash, Change Drawers and Credit Cards are Included)
- 03 Investments
- 04 Revenues and Receivables
- 05 Grant and Entitlement Monitoring
- 06 Capital Assets
- 07 Procurement and Payables/Disbursements
- 08 Personnel/Payroll

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- 09 Electronic Data Processing
- 10 Financial Reporting

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70.50.01 Budgets and Planning

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BUDGETS AND PLANNING CHECKLIST	N/A	YES	NO	COMMENTS/REF
A) SEGREGATION OF DUTIES				
1) Are responsibilities for budget preparation, adoption, execution, and reporting each assigned to different staff members?				
B) PROCEDURAL CONTROLS				
1) Do personnel responsible for budget preparation:				
(a) Have an awareness of budgets and budgetary procedures required by law?				
(b) Prepare budgets for all significant activities regardless of whether mandated by law?				
(c) Prepare a budget calendar to provide orderly submission and to obtain approval of the budget?				
(d) Develop and prepare initial budget submissions by major departments and activity centers?				
(e) Obtain review of departmental budgets by the finance or budget officer, make corrections of oversights by departments, and integrate budgets with agency executive's goals and objectives?				
(f) Prepare the budget in sufficient detail to provide a meaningful tool with which to monitor subsequent performance (as established by the Strategic Plan)?				
(g) Budget inter-class funding and inter-departmental transfers, if appropriate?				
2) Do personnel responsible for budget adoption:				
(a) Hold budget hearings to obtain citizen input, if appropriate?				
(b) Submit the budget through the proper channels to the applicable legislative body for approval?				
(c) Clearly communicate to operating departments the effects of legislative budget modification mandates (increases or decreases)?				
(d) Coincident with adoption of the budget, make sure action is taken by the legislature, as appropriate, to:				
(i) Adopt legislation to implement the raising of budgeted revenues?				

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(ii) Initiate expenditure appropriations?				
(e) Record in the accounting system estimated revenues and appropriations, for later comparison to actual amounts realized or incurred?				
(f) Record in the accounting system budgets approved by grantors in connection with grant activity?				
(g) Publish finalized budgets, when required by law?				
3) Do the personnel responsible for budget execution:				
(a) Formally adopt and communicate procedures establishing authority and responsibility for transfers between budget categories?				
(b) Use an allotment system to control the flow of expenditures or commitments?				
(c) Obtain approval from the accounting department as to the availability of monies, before issuing a purchase order or making an expenditure commitment?				
(d) Process and obtain approval of requests for supplemental appropriations for budget changes the same way the original budget is processed and approved (or as required by law)?				
(e) Establish controls to ensure knowledge of outstanding commitments when liabilities and expenditures are recorded on an encumbrance or obligation basis?				
4) Do personnel responsible for budget reporting:				
(a) Compare actual expenditures to budget with reasonable frequency (monthly) and on a timely basis?				
(b) Discuss budget reports with departmental personnel, obtaining explanations for significant variations from budget?				
(c) Provide timely notification, to both the executive and the legislative branches, of expenditures in excess of appropriations or budget?				
(d) Publish comparisons of actual results of operations against the budget?				

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70.50.02 Cash (Petty Cash, Change Drawers and Credit Cards are included)

Cash

As public servants, it is our responsibility to safeguard taxpayer's dollars while adhering to laws and regulations governing processes over cash handling. Internal controls over cash are necessary to prevent mishandling of monies and to safeguard against loss. Strong internal controls also protect employees from inappropriate charges of mishandling monies by defining responsibilities in the cash handling process. "Cash" includes coin, currency, checks, money orders and credit card transactions.

There are many reasons for placing controls in various points in these processes that may appear bureaucratic, but are necessary to ensure internal control guidelines are followed and there is accountability to the taxpayers. This document does not address all possible circumstances that need to be considered when establishing internal controls or assessing risk. Each entity is responsible for reviewing their business practices and processes to determine where risks exist and where and how controls can be established to mitigate them. Examples of the results of cash controls are to support that:

- ✓ Cash receipts rules and regulations are complied with.
- ✓ Initial control over cash is established.
- ✓ All cash receipts are recorded and deposited promptly.
- ✓ Appropriate custody is maintained to protect assets from theft or misappropriation.
- ✓ Disbursements are properly supported.
- ✓ Segregation of duties is properly maintained.

Control Objectives:

1. Controls are in place in the process to ensure accountability is established as early as possible at all points along the accountability chain.
2. Assets are safeguarded from loss through watchful and responsible care and reconciliation functions.
3. Segregation of duties, or mitigating controls, exists within transaction processes, custody, and recording functions.
4. Transactions and events are properly recorded.

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5. Staff understands their duties, responsibilities, and accountabilities.
6. Cash handling practices are documented and in compliance with State laws and regulations and, for credit cards, in compliance with Payment Card Industry Standards.
7. Transaction activities are properly authorized.
8. Cash records for authorization and transactions are maintained in accordance with established requirements.
9. Transactions are properly verified before disbursement and records are maintained in accordance with established requirements.
10. Accountability for refunds and credits are maintained.
11. Accounting records are protected from theft, obsolescence, or destruction.
12. There is an accurate statement of cash on hand and in the bank.

Segregation of Duties:

Segregation of duties is one of the most important features of an internal control plan. The fundamental premise of segregated duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. These are called incompatible duties when performed by the same individual. Examples of incompatible duties include situations where the same individual (or small group of people) is responsible for:

- Managing both the operation of and record keeping for the same activity.
- Managing custodial activities and record keeping for the same assets.
- Authorizing transactions and managing the custody or disposal of the related assets or records.

Stated differently, there are four kinds of functional responsibilities that should be performed by different work units, or at a minimum, by different persons within the same unit:

1. Custody of assets involved: This duty refers to the actual physical possession or effective physical control/safekeeping of property.
2. Recording transactions: This duty refers to the accounting or record keeping function, which in most organizations, is accomplished by entering data into a computer system.
3. Authorization to execute transactions: This duty belongs to persons with authority and responsibility to initiate and execute transactions.

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4. Periodic reviews and reconciliation of existing assets to recorded amounts: This duty refers to making comparisons at regular intervals and taking action to resolve differences.

The advantage derived from proper segregation of duties is twofold:

- Fraud is more difficult to commit because it would require collusion of two or more persons, and most people hesitate to seek the help of others to conduct wrongful acts.
- By handling different aspects of the transaction, innocent errors are more likely to be found and flagged for correction.

Cash-related segregation of duties:

Individuals responsible for data entry of cash deposits should not be responsible for approving these documents.

- Individuals who prepare/record checks should not sign the checks.
- Individuals who prepare/record checks should not reconcile the checking account.
- Individuals responsible for cash receipts functions should be separate from those responsible for cash disbursements.

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II) CASH	N/A	YES	NO	COMMENTS/REF
A) SEGREGATION OF DUTIES				
1) Are responsibilities for collection and deposit preparation functions adequately segregated from those for recording cash receipts and general ledger entries?				
2) Are responsibilities for cash receipts functions adequately segregated from those for cash disbursements?				
3) Are responsibilities for disbursement preparation and disbursement approval functions adequately segregated from those for recording or entering cash disbursements information on the general ledger?				
4) Are responsibilities for the disbursement approval function adequately segregated from those for the disbursement, voucher preparation, and purchasing functions?				
5) Are responsibilities for entries in the cash receipt and disbursement records adequately segregated from those for general ledger entries?				
6) Are responsibilities for preparing and approving bank account reconciliations adequately segregated from those for other cash receipt or disbursement functions?				
7) If EDP is used, is the segregation of duties principle maintained within processing activities?				
B) PROCEDURAL CONTROLS				
1) Do collections procedures provide for the following?				
(a) Timely deposits of all receipts (at least daily for amounts of \$100 or more)?				
(b) Controls at each collection location, to assure timely deposit and accurate recording of collections?				
(i) Mail opened by two people?				
(ii) Remittances by mail listed in duplicate at the time the mail is opened?				
(a) Listing prepared by a person other than the one opening the mail?				
(b) One copy of the listing forwarded, with the money, to the cashier?				

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(c) Other copy attached as supporting documentation to the accounting transaction?				
(d) A third person periodically comparing the list with the deposit record?				
(iii) Amounts of currency contained in each item of mail verified by a second person?				
(iv) Documents enclosed with currency machine date stamped or dated and initialed by the employee opening the mail?				
(v) A secure area provided for processing and safeguarding incoming cash receipts?				
(a) Access to the secured area restricted to authorized personnel, only?				
(b) The secured area locked, when not occupied?				
(vi) Cash protected by using registers, safes, or locks and kept in areas of limited access?				
(c) Timely notice of cash receipts at separate collection locations given to a central accounting department?				
(i) Cash received at branch locations transmitted to the central office or to the Office of the State Treasurer through the banking system?				
(ii) Branch personnel restricted to making cash deposits, only?				
(d) Daily reported receipts at separate collection locations compared to records of a general accounting department?				
(e) Restrictive endorsements placed on incoming checks as soon as received?				
(f) "Not sufficient amounts" checks delivered to someone independent of those processing and recording cash receipts?				
(g) Established procedures for follow-up of "not sufficient" checks?				

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(h) If checks received are forwarded to be used as posting media to customers' accounts, controls to ensure checks are returned promptly for deposit?				
(i) If payments are made in person, receipts controlled by cash register, pre-numbered receipts, or other equivalent means?				
(j) Receipts accounted for and balanced to collections records daily?				
(k) Pre-numbered forms accounted for, including a record of voided forms?				
(l) Facilities for protecting un-deposited cash receipts?				
(m) Adequate records maintained to assure correct handling and final disposition of items held in suspense?				
(i) Suspense accounting eliminated by direct deposit of money to the correct class funding, as much as possible?				
(ii) Delay of deposits avoided by making sure amount distribution is immediately determinable?				
2) Do disbursements procedures provide for the following?				
(a) Control over warrant, sight draft, or check-signing machines and stamps as to signature plates and stamps and their usage?				
(b) Procedures providing for immediate notification, as applicable, to banks, Office of the State Treasurer, and State Controller, when warrant, sight draft, or check signers leave the unit or are otherwise no longer authorized to sign?				
(c) Furnishing invoices and supporting documents to the signer prior to signing the warrant, sight-draft, or check, to help assure amounts are disbursed only for authorized purposes; and to help assure laws, rules, and regulations are followed?				
(d) Setting reasonable limits on amounts payable by facsimile signature?				
(e) Requiring two signatures on warrants, sight drafts, or checks over a stated amount?				

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(f) Maintaining signature plates in the custody of the person whose facsimile signature is on the plate, when the plate is not in use?				
(g) Using plates only under the signer's control and recording of machine reading by the signer or an appropriate designee, to ascertain all signed warrants, sight drafts, or checks are properly accounted for by comparison to document control totals?				
(h) Direct delivery to the mail room of signed warrants, sight drafts, or checks, making them inaccessible to persons who requested, prepared, or recorded them?				
(i) Prohibiting the drawing of warrants, sight drafts, or checks to "cash" or "bearer"?				
(j) Controls to ensure all payments are made on a timely basis and in accordance with all purchase orders and contracts?				
(k) Controls to ensure duplicate payments are not made?				
(i) Are original invoices (no copies) totaling the amount of the disbursement attached to each voucher before payment?				
(l) Controls to ensure each cash disbursement is properly vouchered and approved by the proper authorities before the disbursement occurs?				
3) Do custody procedures provide for the following?				
(a) Maintenance of controls over the supply of unused and voided warrants, sight drafts, or checks?				
(i) Are monthly physical inventories taken of blank stock by the custodian and a responsible supervisor?				
(b) Proper authorization of bank accounts or rotary accounts?				
(c) Periodic reviews of and formal reauthorization of depositories?				
(d) Controls and physical safeguards surrounding Petty Cash Funds?				
(e) Maintenance of adequate fidelity insurance coverage?				

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(f) Maintenance of separate bank accounts for each class funding, or if not adequate, adequate balance control over pooled cash?				
4) Do detail accounting procedures include the following?				
(a) Procedures ensuring collections and disbursements are recorded accurately and promptly in the correct class funding or account?				
(b) Procedures for authorizing and recording inter-bank and inter-fund transfers and providing for proper accounting for those transactions?				
5) Do general ledger procedures provide for the following?				
(a) Delivery of bank statements and paid warrants, sight drafts, or checks in unopened envelopes directly to the employee preparing the reconciliation?				
(b) Procedures for steps essential to an effective reconciliation, particularly considering the following?				
(i) Comparison of warrants, sight drafts, or checks in appropriate detail with disbursement records?				
(ii) Examination of signature and endorsements, at least on a test basis?				
(iii) Accounting for numerical sequence of warrants, sight drafts, or checks used?				
(iv) Comparison of book balances used in reconciliations with balances in general ledger accounts?				
(v) Comparison of deposit amounts and dates with cash receipt entries?				
(vi) Footing of cash books?				
(c) Review and approval of all reconciliations and investigation of unusual reconciling items by an official not responsible for receipts and disbursements, including recording evidence of the review and approval, by signing the reconciliation?				
(d) Periodic investigation of checks outstanding for a considerable time?				

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70.50.03 Investments

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III) INVESTMENTS	N/A	YES	NO	COMMENTS/REF
A) SEGREGATION OF DUTIES				
1) Are responsibilities for initiating, evaluating, and approving transactions adequately segregated from those for detail accounting, general ledger, and other related functions?				
2) Are responsibilities for initiating transactions adequately segregated from those for final approvals committing state resources?				
3) Are responsibilities for monitoring investment market values and performance adequately segregated from those for investment acquisition?				
4) Are responsibilities for maintaining detail accounting records adequately segregated from those for general ledger entries?				
5) Are custodial responsibilities for securities or other documents evidencing ownership or other rights assigned to an official with no accounting duties?				
6) If EDP is used, is the principle of segregation of duties maintained within processing activities?				
B) PROCEDURAL CONTROLS				
1) Do approval procedures include the following?				
(a) If applicable, procedures adequate to ensure only investments permitted by law are acquired?				
(b) Formal establishment and periodic review of investment policy guidelines?				
(c) Integration of the investment program with the cash management program and with expenditure requirements?				
(d) Established authority and responsibility for investment-opportunity evaluation and purchase?				
(e) Periodic evaluation of the performance of the investment portfolio by persons independent of investment portfolio management activities?				
(i) Also verification all income due from investments has been received?				
(f) Formal procedures governing the level and nature of approvals required to purchase or sell an investment?				

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(g) Competitive bidding for certificate-of-deposit purchases?				
2) Do custody procedures include the following?				
(a) Adequate physical safeguards and custodial procedures over the following?				
(i) Negotiable and nonnegotiable securities owned?				
(ii) Legal documents or agreements evidencing ownership or other rights?				
(b) Dual signatures or authorizations to obtain release of securities from safekeeping or to obtain access to the governmental unit's safe deposit box?				
(c) Authorization, by the legislative body, of persons with access to securities?				
(d) Registering all securities in the name of the governmental unit?				
(e) Periodic inspection or confirmation of securities from safekeeping agents?				
(f) Bonding of individuals with access to securities?				
3) Do detail accounting procedures include the following?				
(a) Maintenance of detail accounting records for investments				
(i) by the investment department?				
(ii) by the accounting department?				
(b) Procedures to ensure transactions arising from investments are properly processed, including income and amortization entries?				
(c) Controls to ensure investment earnings are credited to the class funding from which resources for the investment were provided?				
(d) A periodic comparison between income received and the amount specified by the terms of the security, or from publicly available investment information?				
(e) Controls to ensure transactions are recorded on a timely basis?				
4) Do general ledger procedures include the following?				
(a) Reconciling the detail accounting records with the general ledger control?				

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(b) Periodic review of the nature of investments included in general ledger balances?				
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70.50.04 Revenues and Receivables

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IV) REVENUES AND RECEIVABLES CHECKLIST	N/A	YES	NO	COMMENTS/REF
A) SEGREGATION OF DUTIES				
1) Are responsibilities for billing for services and fees adequately segregated from those for collection and accounting?				
2) Are responsibilities for maintaining detail accounts receivable records adequately segregated from those for collection and general ledger posting?				
3) Are responsibilities for collection, control, credit issuance, and deposit of monies activities adequately segregated from those for maintaining accounting records?				
4) Are tax assessment rolls, etc., maintained by individuals not engaged in any accounting or collection function?				
5) Are responsibilities for entries in the cash receipts records adequately segregated from those for general ledger entries?				
6) If EDP is used, is the principle of segregation of duties maintained within processing activities?				
B) PROCEDURAL CONTROLS				
1) Do procedures for Sales, Income, and Other Taxes include the following?				
(a) Cross-referencing returns filed against a database of previous taxpayers?				
(b) Organization and integration of the records in such a fashion that probable taxpayers are identified as a result of reporting of other governmental activities, such as licensing?				
2) Do procedures for License, Fees, and Permits include the following?				
(a) If annual payments are involved, procedures to ensure previous year's records are properly updated for new registrants and withdrawals?				
(b) Use of the updated records as the basis for billing persons subject to payment?				
3) Do procedures for Fines, Forfeitures, and Court Fees include the following?				
(a) Maintaining and using court and other records of payments due as a basis for collections?				

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(b) Control of issuance and disposition of fee notices, to ensure amounts due are assessed and collected?				
4) Do procedures for Enterprise and Other Service Revenues include the following?				
(a) Controls to provide assurance customer database and, where appropriate, usage records are accurately maintained to ensure amounts due are billed?				
C) BILLING/REMITTANCE VERIFICATION				
1) Do procedures for Sales, Income, and Other Taxes include the following?				
(a) Reviewing returns for mathematical accuracy?				
(b) Correlating current year's taxpayer returns with prior year's returns and accounting for and reviewing differences?				
(c) Separately reviewing and approving vouchers for refund?				
(d) Auditing returns filed, to provide reasonable assurance taxable income is properly recorded?				
2) Do procedures for Licenses, Fees, and Permits include the following?				
(a) Comparing current year receipts to those for prior years and having senior officials review explanations of variation?				
3) Do procedures for Fines, Forfeitures, and Court Fees include the following?				
(a) Correlating amounts collected with records of court proceedings?				
(b) Sequentially numbering and satisfactorily accounting for all fine/fee-assessment document?				
4) Do procedures for Enterprise and Other Service Revenues include the following?				
(a) Service readings performed in a timely fashion, if billing is based on usage?				
(b) Periodically rotating service-measurement readers?				
(c) Billing procedures providing for identification and investigation of unusual patterns of use?				
5) Do general procedures include the following?				
(a) Prompt billing of service fees, taxes, etc.?				

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(i) Providing for an independent verification of quantities, prices, and clerical accuracy of billing invoices?				
(b) Procedures designed for other revenue areas ensuring timely payment of amounts due?				
(c) Periodic review and approval by the legislative body of the rates of taxes, fines, fees, and services?				
(d) Periodic review and approval by the legislative body of programs of tax exemption or relief?				
(e) Authorization by the legislative body of utility rate schedules, as applicable?				
(f) Procedures providing for timely notification to the accounting department at the time billings or vouchers are prepared and rendered?				
(g) Numerical batch-processing controls over billings?				
(h) Controls over the billing of miscellaneous revenues?				
(i) Procedures to prevent interception or alteration by unauthorized persons of billings or statements after preparation, but before mailing?				
(j) Prompt investigation of disputes with billing amounts, reported by taxpayers or service recipients, by an individual independent of receivables record keeping?				
(k) Controls providing reasonable assurances restricted revenues are expended only for restricted purposes?				
(l) Protecting records of receivables from destruction and unauthorized access?				
(m) Monthly balancing of control accounts with detailed ledgers?				
(n) Providing and accounting for pre-numbered credit memorandum forms?				
6) Do collection procedures include the following?				
(a) Placing a restrictive endorsement on incoming checks as soon as received?				

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(c) Controls providing reasonable assurances interest and penalties are properly charged on delinquent taxes, fees, or charges for service?				
(d) Controls surrounding the collection, timely deposit, and recording of collections in the accounting records at each collection location?				
(e) Timely notice of cash receipts from separate collection centers to general accounting department?				
(f) If payments are made in person, use of pre-numbered receipts for payment; and accounting for and balancing such receipts to collections?				
(g) Segregation and timely remittance of amounts collected on behalf of other governments or other governmental units?				
(h) Monitoring taxes and fees collected by another governmental unit to assure timely receipt and reviewing amounts received for reasonableness?				
(i) Are receivable amounts aged monthly and reviewed by authorized personnel?				
(i) Do you review delinquent accounts and take prompt action to collect or consider them for charge-off on a timely basis?				
(ii) Are write-offs or other reductions of receivables formally approved by senior officials not involved in the collection function?				
(iii) Are procedures provided for executing all possible legal remedies to collect charged-off or uncollectible accounts, including tax-sale of property, liens, etc.?				
7) Do accounts receivable record keeping procedures include the following?				
(a) Controls in system to ensure individual receivable records are posted only from authorized source documents?				
(b) Reconciling the aggregate collections on accounts receivable against postings to individual receivable accounts?				

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(c) Where appropriate (for example, in proprietary funds), are statements of account balance mailed on a timely basis?				
(d) Periodical review of receivable accounts for credit balances?				
8) Do general ledger procedures include the following?				
(a) Regular preparation of trial balances of individual receivable accounts?				
(b) Reconciliation of trial balances with general ledger control accounts and investigation of reconciling items by other than accounts receivable clerks?				
(c) Periodic review of aged accounts receivable balances by supervisory personnel?				
(d) Timely and direct notification to the accounting department of billings and collection activity?				

70.50.05 Grant and Entitlement Monitoring

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V) GRANT AND ENTITLEMENT MONITORING	N/A	YES	NO	COMMENTS/REF
A) GRANTS				
1) Has the agency properly fixed responsibility for monitoring grant activities?				
2) Does the agency have a central grants-monitoring activity?				
3) Does the agency have procedures to monitor compliance with the following?				
(a) Financial reporting requirements?				
(b) Use of amounts and other conditions in accordance with grant terms?				
(c) Timely billing of amounts due under grants?				
4) Is accounting for grant activity separated from accounting for locally financed activities?				
5) Does the agency have a system for obtaining grantor approval before incurring expenditures in excess of budgeted amounts or for unbudgeted expenditures?				
6) Are processing of grant revenues and disbursements subject to the same degree of controls applicable to the organization's other transactions (budget, purchasing, etc.)?				
7) Does standard sub-grantee agreement require the sub-grantee to comply with primary grant agreement conditions as well as grantee's standards?				
8) Are reasonable procedures and controls in place to provide assurances of compliance with recipient eligibility requirements established by grants?				
9) Has the agency established an indirect cost allocation plan?				
(a) Is the plan approved by all grantor agencies and the DFM?				
(b) Has the agency established audit cognizance for rates generated by the plan?				
B) Do ENTITLEMENT controls include the following?				
1) Comparison of the amount received with the amount anticipated, by a responsible official, and investigation of unusual variances?				

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2) Procedures to ensure amounts received are spent in accordance with legal requirements and spending restrictions?				
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70.50.06 Capital Assets

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VI) CAPITAL ASSETS	N/A	YES	NO	COMMENTS/REF
A) SEGREGATION OF DUTIES				
1) Are responsibilities for initiating, evaluating, and approving capital expenditures, leases, and maintenance or repair projects adequately segregated from those for project accounting, property records, and general ledger functions?				
2) Are responsibilities for initiating capital asset transactions adequately segregated from those for final approval, committing government resources?				
3) Are responsibilities for the project accounting and property records functions adequately segregated from those for the general ledger function?				
4) Are responsibilities for the project accounting and property records functions adequately segregated from those for the custodial function?				
5) Are responsibilities for the periodic physical inventories of capital assets assigned to responsible officials having no custodial or record keeping responsibilities?				
6) If EDP is used, is the principle of segregation of duties maintained within processing activities?				
B) PROCEDURAL CONTROLS				
1) Do authorization procedures and controls include the following?				
(a) Identification of those individuals authorized to initiate capital asset transactions and clear definition of their authority?				
(b) Guidelines with respect to key consideration, such as prices to be paid, acceptable vendors and terms, asset quality standards, and the provision of grants or bonds (if any) finance the expenditures?				
(c) Preparation of a separate capital projects budget?				
2) Do executive- or legislative-approval procedures include the following?				

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(a) Required written executive or legislative approval for all significant capital asset projects or acquisitions?				
(b) Procedures for authorizing, approving, and documenting sales or other dispositions of capital assets?				
(c) Procedures for approving decisions regarding financing alternatives and accounting principles, practices, and methods?				
(d) Procedures for obtaining grantor approval, if required, for the use of grant dollars for capital asset acquisitions?				
(e) Subjecting grant-funded acquisitions to the same controls as internally funded acquisitions?				
(f) Requiring supplemental authorizations, including, if appropriate, those of the grantor agency, for expenditures in excess of originally approved amounts?				
3) Do project accounting procedures and controls include the following?				
(a) Engaging a qualified employee or independent firm to inspect and monitor technically complex projects?				
(b) Establishing and maintaining project cost records for capital expenditure and repair projects?				
(c) Reporting procedures for in-progress and completed projects?				
(d) Procedures to identify completed projects, so timely transfers to the appropriate account can be made?				
(e) Review of the accounting distribution to ensure proper allocation of charges to fixed asset and expenditure projects?				
(f) If construction work is performed by contractors, procedures to provide for and maintain control over construction projects and progress billings?				
(g) Exercising the right to audit contractor records during project performance?				
(h) Audits of contractor compliance with Equal Employment Opportunity (EEO), Davis-Bacon (Act), and other regulations and contract terms, in addition to costs?				

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4) Do asset accountability procedures and controls include the following?				
(a) Detail property records for all significant self-constructed, donated, purchased, or leased assets?				
(b) Accountability for each asset?				
(c) Periodic inventory of documents evidencing property rights (ie; deeds, leases, etc.)?				
(d) Physical safeguards over assets?				
(e) Ensuring purchased materials and services for capital expenditure and repair projects are subjected to the same levels of controls as exist for all other purchases (receiving, approval, checking, etc.)?				
(f) Periodically comparing detail property records with existing assets?				
(g) Investigating differences between records and physical counts and adjusting the records to reflect shortages?				
(h) Ensuring capital assets are adequately insured?				
(i) Subjecting lease transactions to control procedures similar to those required for other capital expenditures?				
(j) Properly identifying equipment by numbered tags or other means of positive identification?				
(k) Carrying fully depreciated assets in the accounting records as a means of providing accounting control?				
(l) Monitoring the appropriate disposition of property acquired with grant dollars?				
5) Do general ledger procedures include the following?				
(a) Periodic reconciliation of the detail property records with the general ledger control accounts?				
(b) Accounting records, controls, and procedures to:				
(c) Distinguish between capital-projects fund expenditures and operating budget expenditures?				
(d) Identify operating budget expenditures to be capitalized as a fixed asset?				

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(e) Distinguish between capital and operating leases?				
(f) Govern depreciation methods and practices?				
(g) When costs are charged against federal grants, depreciation policies or methods of computing allowances in accordance with standards outlined in OMB circulars or grantor agency regulations?				
(h) When costs are not charged against federal grants, depreciation charged to grants should be adjusted accordingly?				
(i) Are the accounting records adjusted promptly (both the asset and related allowance for depreciation) when items of plant and equipment are retired, sold, or transferred?				

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70.50.07 Procurement and Payables/Disbursements

As public servants, it is our responsibility to utilize the taxpayer's dollars in the most effective and efficient way possible while adhering to laws and regulations governing those processes. There are many reasons for placing controls in various points in these processes that may appear bureaucratic, but are necessary to ensure guidelines are followed and there is accountability to the taxpayers. This document does not address all possible circumstances that need to be considered when establishing internal controls or assessing risk. Each entity is responsible for reviewing their business practices and processes to determine where risks exist and where and how controls can be established to mitigate them. Examples of the results of payables controls are to support that:

- Procurement rules and regulations are complied with.
- Competitive bidding and contracting procedures are followed.
- Purchases are authorized and approved by the appropriate individuals.
- There is sufficient budget to meet the commitment.
- Goods or services are actually received and they meet quality standards.
- All expenditures are lawful, properly authorized, and represent a responsible and appropriate use of State dollars.
- All expenditures are for goods or services where the full value of such goods and services was actually received.
- All expenditures are sufficiently documented, accurately and completely recorded, charged to the proper accounting period (fiscal year) and properly classified as to category of expense.
- Obligations for goods and services are paid in a timely manner as required by law or contractual terms, in sufficient time to take advantage of early payment discounts.
- Accounts payable are properly classified by type (due to other funds, due to other governmental agencies, etc.). If year-end accrual entries involve accounting estimates, the estimates are reasonable and sufficiently documented.

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Control Objectives:

1. Controls are in place in the process to ensure accountability is established as early as possible at all points along the accountability chain.
2. Assets are safeguarded from loss through watchful and responsible care and reconciliation functions.
3. Segregation of duties, or mitigating controls, exists within transaction processing authorization, custody, and recording functions.
4. Separation of duties exists between the various types of transaction processing, e.g. procurement, accounts payable, disbursements.
5. Transactions are properly verified before disbursement.
6. Transactions and events are properly recorded.
7. Staff understands their duties, responsibilities, and accountabilities.
8. Procurement practices and procedures are documented, and in compliance with State, Federal, and other requirements such as contract terms and conditions.
9. Applicable laws and regulations are complied with.
10. Transactions and activities are properly authorized.
11. Procurement records for authorizations and transactions are maintained in accordance with established requirements.
12. The quantity and quality of goods and services received is documented and agrees with the requisition and performance expectations such as service level agreements, contract terms, and vendor performance.
13. Accountability for refunds and credits are maintained.
14. Accounting records are protected from theft, obsolescence, or destruction.
15. There is an accurate statement of cash on hand and in the bank.

Segregation of Duties:

Segregation of duties is one of the most important features of an internal control plan. The fundamental premise of segregated duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. These are called

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incompatible duties when performed by the same individual. Examples of incompatible duties include situations where the same individual (or small group of people) is responsible for:

- Managing both the operation of and record keeping for the same activity.
- Managing custodial activities and record keeping for the same assets.
- Authorizing transactions and managing the custody or disposal of the related assets or records.

Stated differently, there are four kinds of functional responsibilities that should be performed by different work units, or at a minimum, by different persons within the same unit:

1. Authorization to execute transactions: This duty belongs to persons with authority and responsibility to initiate and execute transactions.
2. Recording transactions: This duty refers to the accounting or record keeping function, which in most organizations, is accomplished by entering data into a computer system.
3. Custody of assets involved in the transactions: This duty refers to the actual physical possession or effective physical control/safekeeping of property.
4. Periodic reviews and reconciliation of existing assets to recorded amounts: This duty refers to making comparisons at regular intervals and taking action to resolve differences.

The advantage derived from proper segregation of duties is twofold:

- Fraud is more difficult to commit because it would require collusion of two or more persons, and most people hesitate to seek the help of others to conduct wrongful acts.
- By handling different aspects of the transaction, innocent errors are more likely to be found and flagged for correction.

At a minimum, the following activities should be segregated:

- Individuals responsible for data entry of encumbrances and payment vouchers should not be responsible for approving these documents.

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- A department should not delegate expenditure transaction approval to the immediate supervisor of data entry staff or to data entry personnel. Individuals approving expenditure transactions should not supervise data entry staff.
- Delegated expenditure authority must be in writing and approved by the appointing authority.
- Individuals responsible for acknowledging the receipt of goods or services should not be responsible for purchasing or accounts payable activities.
- Individuals who prepare/record checks should not sign the checks.
- Individuals who prepare/record checks should not reconcile the checking account.
- Individuals responsible for cash receipts functions should be separate from those responsible for cash disbursements.

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VII) PROCUREMENT AND PAYABLES	N/A	YES	NO	COMMENTS/REF
A) SEGREGATION OF DUTIES				
1) Are responsibilities for the requisitioning, purchasing, and receiving functions adequately segregated from those for the invoice processing, accounts payable, and general ledger functions?				
2) Are responsibilities for the purchasing function adequately segregated from those for the requisitioning and receiving functions?				
3) Are responsibilities for the invoice processing and accounts payable functions adequately segregated from those for the general ledger functions?				
4) Are responsibilities for the disbursement preparation and disbursement approval functions adequately segregated from those for recording cash disbursements and general ledger entries?				
5) Are responsibilities for the disbursement approval function adequately segregated from those for the disbursement preparation function?				
6) Are responsibilities for entries in the cash disbursement records adequately segregated from those for general ledger entries?				
7) If EDP is used, is the principle of segregation of duties maintained within processing activities?				
B) PROCEDURAL CONTROLS				
1) Do requisitioning procedures and controls include the following?				
(a) Initiation of purchases of goods and services by properly authorized requisitions bearing the approval of officials designated to authorize requisitions?				
(b) Using and accounting for pre-numbered requisition forms?				
(c) Indicating the appropriation to be charged on the purchase requisition by the person requesting the purchase?				

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(d) Before commitment and verification by the accounting and budget department sufficient unobligated balances remain under the appropriation to meet the proposed expenditure?				
(e) Having technical specifications accompanying requests for special purpose (non-stock items) materials or personal services?				
2) Do purchasing procedures and controls include the following?				
(a) Structuring purchase authorizations to give appropriate recognition to the nature and size of purchases and to the experience of purchasing personnel?				
(b) Purchase order, contract issuance, and contract approval procedures?				
(c) Periodic review of purchase prices by a responsible employee independent of the purchasing department?				
(d) Use of competitive bidding procedures?				
(e) If practical, rotation on a regular basis of contract or purchasing officer's areas of responsibility?				
(f) In contracts for materials, services, or facilities acquired on other than a fixed-price basis, requirements for an audit of contractor's costs prior to approving for payment?				
(g) Procedures for public advertisement of non-stock item procurement in accordance with legal requirements?				
(h) Periodic review of recurring purchases and documentation of the justification for informal, rather than competitive, bids?				
(i) Established, documented, and distributed policies regarding conflicts of interest and acceptable business practices?				
(j) Issuing purchase orders and contracts under numerical or some other suitable control?				
(k) Obtaining an adequate number of price quotations before placing orders not subject to competitive bidding?				
(l) Prohibiting split orders to avoid higher levels of approval?				

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(m) Maintenance, by the purchasing department, of price lists and other appropriate records of price quotations?				
(n) Maintenance of a record, by the purchasing department, of suppliers who have not met quality or other performance standards?				
(o) Modification of procedures for disbursement of dollars under grant or loan agreements and related regulations imposing requirements differing from the organization's normal policies?				
(p) Controls to identify, before order entry, costs and expenditures not allowable under grant programs?				
(q) Maintenance of an adequate record of open purchase orders and agreements?				
(r) Prohibiting or adequately controlling purchases made for the accommodation of employees?				
(s) Considering bid and performance bonds if construction contracts are to be awarded?				
(t) Predetermining selection criteria for awarding personal service or construction contracts and requiring adequate documentation of the award process?				
(u) Subjecting changes to contracts or purchase orders to the same controls and approvals as the original agreement?				
3) Do receiving procedures and controls include the following?				
(a) Preparation of receiving reports for all purchased goods?				
(b) Procedures for filing claims against carriers or vendors for shortages or damaged materials?				
(c) Taking steps to ensure goods received are accurately counted and examined, to ensure they meet quality standards?				
(d) Maintaining a permanent record of material received by the receiving department?				

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(e) Numerically accounting for or otherwise controlling receiving reports, to ensure all receipts are reported to the accounting department?				
(f) Sending copies of receiving reports directly to purchasing, accounting, and (if appropriate) inventory record keeping?				
(g) With respect to procurements of special-purpose materials, services, or facilities, assigning a government technical representative to monitor and evaluate contractor performance and to approve receipt of services?				
(h) If a receiving department is not used, adequate procedures to ensure goods for which payment is made have been received; verification, by someone other than the individual approving payment, goods have been received and they meet quality standards?				
4) Does invoice processing include the following?				
(a) Procedures and controls requiring:				
(i) Copies of purchase orders and receiving reports to be obtained directly from issuing departments?				
(ii) Invoice quantities, prices, and terms to be compared with those on the purchase order?				
(iii) Invoice quantities to be compared with those on the receiving report?				
(iv) Accuracy of calculations to be checked, as appropriate?				
(v) Timely payment of invoices, to avail the entity of available discounts?				
(b) Receiving all invoices from vendors in a central location, such as the accounting department?				
(c) Procedures ensuring the State Accounting System's accounts payable module is properly accounting for unmatched receiving reports and invoices?				
(d) Review and comparison of contractors' requests for progress payments under long-term contracts to contractors' efforts and results?				

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(e) Procedures for processing invoices not involving materials or supplies (for example, lease or rental payments, utility bills, etc.)?				
(f) Procedures to ensure accurate account distribution of all entries resulting from invoice processing, including the following?				
(i) Comparison of monthly statements with accounts payable balances?				
(ii) Reconciliation of subsidiary ledgers with control accounts monthly?				
(g) Access to EDP master vendor file, if applicable, limited to employees authorized to make changes?				
(h) Maintenance by accounting department of a current list of those authorized to approve expenditures?				
(i) Procedures for submission and approval of reimbursement to employees for travel and other expenses?				
(j) Establishment of control by the accounting department over invoices received, before releasing them for departmental approval and other processing?				
(k) Review of the distribution of charges in the accounting department by a person competent to pass on the propriety of the distribution?				
(l) Review and approval of invoices (vouchers) for completeness of supporting documents and required clerical checking by a senior employee?				
(m) If an invoice is received from a supplier not previously dealt with, taking steps to ascertain the supplier actually exists?				
(n) Making payments only on the basis of original invoices?				
(o) Fixing responsibility for ensuring all cash discounts are taken and, if applicable, exemptions from sales, federal excise, and other taxes are claimed?				

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(p) Referring differences in invoice and purchase order price, terms, shipping arrangements, or quantities to the purchasing department for review and approval?				
(q) Recording and following up on partial deliveries by the accounting department?				
(r) Promptly notifying the accounting and purchasing departments of returned purchases and correlating such purchases with vendor credit advices?				
(s) Reviewing the program and expenditure account to be charged for propriety and budget conformity?				
(t) Having check signers or other responsible officials determine restricted revenues are expended only for restricted purposes?				
(u) If applicable, procedures to ensure adjustment of the reserve for encumbrances, when invoices are prepared for payment?				
5) Do disbursements procedures and controls include the following?				
(a) Warrants, sight drafts, and checks to be signed after disbursement has had final approval?				
(b) Control of warrant, sight draft, and check-signing machine signature plates or stamps and usage?				
(c) Immediate notification, as applicable, to banks, Office of the State Treasurer, and State Controller, of newly authorized warrant, sight draft, and check signers?				
(d) Immediate notification, as applicable, when authorized signers leave the unit or are otherwise no longer authorized to sign?				
(e) Invoices and supporting documents furnished to the signer prior to signing the warrant, sight-draft, or check?				
(f) Reasonable limits set on amounts payable by facsimile signature?				
(g) Two signatures required on warrants, sight drafts, or checks over a stated amount?				

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(h) Signature plates or stamps kept in the custody of the person whose facsimile signature is on the plate or stamp, when the plate or stamp is not in use and plates or stamps used only by that person?				
(i) Readings of signing machine controlled and recorded by the signer, or an appropriate designee, to ascertain all signed warrants, sight drafts, or checks are properly accounted for, by comparing to document control totals?				
(j) Invoices and supporting documents cancelled by, or in the presence of, the signer at time of signing?				
(k) Signed warrants, sight drafts, or checks delivered directly to the mail room, making them inaccessible to persons who requested, prepared, or recorded them?				
(l) Warrants, sight drafts, and checks cross-referenced to vouchers?				
(m) Warrants, sight drafts, and checks controlled and accounted for, with safeguards over those unused and voided?				
(n) Drawing warrants, sight drafts, or checks to "cash" or "bearer" prohibited?				
(o) Prompt recording of signed and issued warrants, sight drafts, and checks?				
6) Do procedures for accounts payable encumbrances or obligations include the following?				
(a) Regular comparison of statements from vendors with recorded amounts payable?				
(b) Monthly reconciliation of outstanding purchase orders to the reserve for encumbrances?				
(c) Recording encumbrance entries based only on approved purchase orders?				
(d) Procedures ensuring accounts payable and encumbrances are applied against the appropriate account?				
(e) Procedures ensuring department heads are notified of payments made against accounts payable and encumbrances?				
7) Do general ledger procedures include the following?				

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(a) Regular preparation of trial balances of reserve for encumbrances and accounts payable?				
(b) Checking the footing and testing the trial balances to the individual items, as well as comparing the total to the general ledger balance, by an employee other than the accounts payable clerk?				
(c) Posting transactions between class fundings in all affected class fundings, in the same accounting period, and on a timely basis?				
8) Do grant- and entitlement-monitoring procedures and controls include the following?				
(a) Disbursing grants only on the basis of approved applications?				
(b) Defining (for example, in regulations) and communicating to grantees their reporting and compliance requirements?				
(c) Procedures to monitor grantee compliance with grant terms?				
(d) Subjecting financial operations of grantee to periodic and timely audit?				
(e) Sufficiently timely monitoring of recipients to permit curtailment of any abuse before completing actual disbursement?				
(f) Disbursing amounts to grantees only on an as-needed basis?				
(g) An appropriate level of grant approval authority?				
(h) Investigation of failure by grantees to meet financial reporting requirements on a timely basis?				
(i) Requiring grantees to evidence correction of previously detected deficiencies before approval of an extension or renewal of a grant?				
(j) Entitlement procedures ensuring statistics or data used to allocate amounts are accurately accumulated (for example, census bureau forms)?				

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(k) Requiring statements of recipient compliance with entitlement conditions (for example, statement of assurances) to be filed and having a responsible official review them?				
(l) Review of audited financial statements or other compliance requirements of entitlement recipients on a timely basis and investigation of unusual items?				

70.50.08 Personnel/Payroll

As public servants, it is our responsibility to safeguard taxpayer’s dollars in the most effective and efficient way possible while adhering to laws and regulations governing those processes. Internal controls are placed at various points in these processes to ensure that guidelines are followed and that there is accountability to the taxpayers.

This document does not address all possible circumstances that need to be considered when establishing internal controls or assessing risk. Each entity is responsible for reviewing their business practices and processes to determine where risks exist and where and how controls can be established to mitigate them. Examples of the results of those controls are to support that:

The agency’s policies and procedures for recruiting, training, evaluation, discipline and payroll are in accordance with applicable state and federal laws, rules and collective bargaining agreements.

Appropriate standards of conduct are communicated and enforced throughout the agency.

Time worked is accurately recorded and approved.

Overtime is authorized.

Payroll is processed timely and accurately.

The payroll system is updated with changes in federal/state/local laws and taxes.

Employees are paid on time.

Disbursements have adequate budget and cash amounts available.

941s, W-2s and 1099s are produced timely and accurately – and are reconciled to the system/s.

Segregation of duties is properly maintained.

Control Objectives:

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1. Controls are in place in the process to ensure accountability is established as early as possible at all points along the accountability chain.
2. Segregation of duties exists between those responsible for the preparation and processing of payroll, and those responsible for the recruiting, disciplining and removal of personnel.
3. Segregation of duties exists within the payroll approval, data entry, and disbursement functions.
4. Transactions and events are properly recorded.
5. Staff understands their duties, responsibilities, and accountabilities.
6. Payroll practices are documented and in compliance with Federal and State laws and regulations.
7. Transaction activities are properly authorized.
8. Payroll amounts are properly verified before disbursement.
9. Accountability for refunds and credits is maintained.
10. Payroll records are protected from unauthorized access, theft, obsolescence, or destruction.
11. Personnel records are safeguarded to prevent unauthorized access and/or the preparation of fictitious records.
12. Payroll records are maintained in accordance with established requirements.

Segregation of Duties:

Segregation of duties is one of the most important features of an internal control plan. The fundamental premise of segregated duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. These are called incompatible duties when performed by the same individual. Examples of incompatible duties include situations where the same individual (or small group of people) is responsible for:

- Managing both the operation of and record keeping for the same activity.
- Managing custodial activities and record keeping for the same assets.
- Authorizing transactions and managing the custody or disposal of the related assets or records.

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Stated differently, there are four kinds of functional responsibilities that should be performed by different work units, or at a minimum, by different persons within the same unit:

1. Custody of assets involved: This duty refers to the actual physical possession or effective physical control/safekeeping of property.
2. Recording transactions: This duty refers to the accounting or record keeping function, which in most organizations, is accomplished by entering data into a computer system.
3. Authorization to execute transactions: This duty belongs to persons with authority and responsibility to initiate and execute transactions.
4. Periodic reviews and reconciliation of existing assets to recorded amounts: This duty refers to making comparisons at regular intervals and taking action to resolve differences.

The advantage derived from proper segregation of duties is twofold:

- Fraud is more difficult to commit because it would require collusion of two or more persons, and most people hesitate to seek the help of others to conduct wrongful acts.
- By handling different aspects of the transaction, innocent errors are more likely to be found and flagged for correction.

At a minimum, the following activities should be segregated:

- Responsibility for time-keeping and supervision functions should be segregated from personnel, payroll processing, disbursement and general ledger functions.
- Individuals responsible for hiring, terminating and approving promotions should not be directly involved in preparing payroll transactions or inputting data.
- Individuals approving time sheets should not be involved in preparing payroll transactions or inputting data.
- Individuals involved in payroll data entry should not have payroll approval authority.
- Payroll data entry staff should not enter changes to their own records.

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VIII) EMPLOYEE COMPENSATION	N/A	YES	NO	COMMENTS/REF
A) SEGREGATION OF DUTIES				
1) Are responsibilities for supervision and time-keeping functions adequately segregated from personnel, payroll processing, disbursement, and general ledger functions?				
2) Are responsibilities for the payroll processing function adequately segregated from the general ledger function?				
3) Is payroll distribution supervised by employees, as follows:				
(a) Who are not responsible for hiring or firing employees?				
(b) Who do not approve time reports?				
(c) Who take no part in payroll preparation?				
4) Are responsibilities for initiating payments under employee benefit plans adequately segregated from accounting and general ledger functions?				
5) Is reconciliation of the Payroll Fund or bank account done regularly by employees independent of all other payroll transaction processing activities?				
6) If EDP is used, is the principle of segregation of duties maintained in processing activities?				
B) PROCEDURAL CONTROLS				
1) Do personnel procedures and controls include the following?				
(a) Properly authorizing, approving, and documenting all changes in employment (additions and terminations), salary and wage rates, and payroll deductions?				
(b) Promptly reporting notices of additions, separations, and changes in salaries, wages, and deductions to the payroll processing function?				
(c) Maintaining appropriate payroll records for accumulated employee benefits (vacation, pension data, sick leave, etc.)?				
(d) Interviewing, by the personnel department, of terminating employees, as a check on departure and as a final review of any termination settlement?				
(e) Written personnel policies?				

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(f) Establishing controls to ensure payroll costs charged to grants are in compliance with grant agreements?				
(g) Ensuring payroll and personnel policies governing compensation are in accordance with the requirements of grant agreements?				
(h) Determining wages are at or above the federal minimum wage?				
2) Do supervision/time-keeping procedures and controls include the following?				
(a) Review and approval, by the employee's supervisor, of hours worked, overtime hours, and other special benefits?				
(b) Procedures for time keeping and attendance records?				
(c) Review for completeness and for the employee's supervisor's approval of time cards or other time reports?				
(d) Punching of time cards, if used, only by the employees to whom they are issued?				
(e) Placing the time clock in a position where it can be observed by a supervisor?				
(f) Procedures for authorizing, approving, and recording vacations, holidays, and sick leave and for approving and controlling compensatory time?				
3) Do payroll processing procedures and controls include the following?				
(a) Controls over payroll preparation?				
(b) Approval and documentation of changes to the EDP master payroll file?				
(c) Limiting access to the EDP master payroll file to employees who are authorized to make changes?				
(d) Review and approval of completed payroll registers before disbursements are made?				
(e) Review of documents supporting employee benefit payments (such as accumulated vacation or sick leave) before disbursements are made?				

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(f) Review for reasonableness of comparisons (reconciliations) of gross pay for current to prior period payrolls by a knowledgeable person not otherwise involved in payroll processing?				
(g) Review of the payroll (examination of authorizations for changes noted on reconciliations) by an employee not involved in its preparation?				
(h) Balancing the distribution of dollars and hours of gross pay with payroll registers and review by someone independent, but knowledgeable of this area?				
(i) Including in the review a comparison to amounts appropriated and budgeted?				
(j) Prohibiting payroll advances to officials and employees, or subjecting them to appropriate review?				
4) Do payroll disbursement procedures and controls include the following?				
(a) Strong encouragement for all employees to receive payroll disbursement through "direct deposit" to their bank account?				
(b) Keeping the signature plates or stamps and use of the payroll check-signing machines or stamps under control of the official whose name appears on the signature plate or stamp, or under control of an employee to whom that responsibility has been delegated?				
(c) Maintaining a log to reconcile the counter on the check-signing machine with the number of checks issued in each payroll disbursement?				
(d) Maintaining a separate Payroll Fund, or an imprest-basis payroll bank account?				
(e) Regularly reconciling the Payroll Fund or bank account?				
(f) Comparing, by someone independent of the payroll department, payroll check endorsements, on a test basis, with signatures on file?				

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(g) If payment is made in cash, requiring signed receipts; and having someone independent of the payroll department compare the signed receipts, on a test basis, with signatures on file?				
(h) Controlling the supply of unused payroll checks?				
(i) Requiring an employee to provide identification before being given checks or pay envelopes?				
(j) Prohibiting employees from accepting another's pay?				
(k) Returning unclaimed wages to a custodian independent of the payroll department?				
(l) Having employees who distribute checks or pay envelopes make a report of unclaimed wages directly to the accounting department?				
(m) Making payments of unclaimed wages at a later date, only upon presentation of appropriate evidence of employment and with approval by an officer or employee who is not responsible for payroll preparation or time reporting?				
(n) Comparing W-2 forms to payroll records and mail by employees not otherwise involved in the payroll process?				
(o) Procedures for investigating returned W-2 forms?				
(p) Periodic distribution of payroll checks by the internal auditors, to ascertain employees exist for all checks prepared?				
5) Do general ledger procedures and controls include the following?				
(a) Adequate account coding procedures for classification of employee compensation and benefit costs, so such costs are recorded in the proper general ledger account?				
(b) Proper recording or disclosure of accrued liabilities for unpaid employee compensation and benefit costs?				

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70.50.09 Electronic Data Processing

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IX) ELECTRONIC DATA PROCESSING	N/A	YES	NO	COMMENTS/REF
A) SEGREGATION OF DUTIES				
1) Is the EDP department independent from the accounting and operating departments for which it processes data?				
2) Are duties within the data-processing function adequately segregated as follows:				
(a) Systems development (design and programming)?				
(b) Technical support (maintenance of systems software)?				
(c) Operations?				
3) In smaller and mini-computer installations with limited opportunities for segregation of duties, do procedures for user departments provide the following controls:				
(a) Utilization of batch or other input controls?				
(b) Control of master file changes?				
(c) Balance master files between processing cycles?				
4) Do personnel policies of the EDP function include such procedures as reference checks, security statements, rotation of duties, and terminated-employee security measures?				
B) PROCEDURAL CONTROLS				
1) Do EDP user controls include the following?				
(a) Controls over preparation and approval of input transactions outside the EDP department and controls prohibiting the EDP department from initiating transactions?				
(b) Having the user exercise control procedures over input to ensure all approved input is processed correctly (and only once) through the system?				
(c) Having controls over entry of data in on-line systems to restrict access to terminals and to restrict data entry to authorized employees?				
(d) On-line systems controls to prevent documents from being keyed into the system more than once and to permit tracing from the computer output to data source and vice versa?				

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(e) Controls over changes to master files, such as requiring preparation of specific forms indicating data to be changed, approval by a supervisor in the user department, and verifying against a printout of changes?				
(f) User controls over rejected transactions through the use of a computerized suspense file of rejected transactions or an auxiliary manual system?				
(g) User department management reconciliation of output totals to input totals for all data submitted, reconciliation of the overall file balances, and review of outputs for reasonableness?				
2) Do application controls include the following?				
(a) Procedures within the data processing control function, providing proper control of data between the user and the EDP department?				
(b) Controls over data entry; for example, to include adequate supervision, up-to-date instructions, key verification of important fields, and self-checking digits?				
(c) Program controls over entry of data into on-line systems?				
(d) Editing and validation of input data?				
(e) Data processing controls over rejected transactions?				
(f) Controls for balancing transaction and master files?				
(g) Procedures within the data processing control function concerning review and distribution of output?				
3) Do general controls include the following?				
(a) Controls over changes to system software?				
(b) Controls over use and retention of tape and disk files, including provision for retention of adequate records to provide backup capabilities?				
(c) Controls to limit to authorized employees, access to data processing equipment, tapes, disks, system documentation, and application program documentation?				

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(d) Use of a job accounting system (or console logs) to ensure scheduled programs are processed, proper procedures are followed, and supervisory personnel know only required programs have been processed?				
(h) Supervision of EDP department employees for all shifts?				
(i) Documentation of procedures to be followed by computer operators?				
(j) Documentation of the data processing system to provide for continuation of the organization, even if important data processing employees leave?				
(k) Procedures to protect against a loss of important files, programs, or equipment				
(l) Insurance to cover equipment, programs, and data files?				
(m) User-approved written specifications for new systems and modifications to existing application systems?				
(n) Procedures to test and implement new systems and to test modifications to existing application systems?				

70.50.10 Financial Reporting

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X) FINANCIAL REPORTING	N/A	YES	NO	COMMENTS/REF
A) SEGREGATION OF DUTIES				
1) Are responsibilities for the final review and approval of financial reports adequately segregated from those for the preparation of the reports?				
2) Are responsibilities for maintaining the general ledger adequately segregated from those for maintaining subsidiary ledgers?				
3) Are responsibilities for maintaining the general ledger adequately segregated from those for the custody of assets?				
4) Are the responsibilities for preparation and approval functions adequately segregated from those for journal entries?				
5) Are responsibilities for principal accounting, for the treasury, and for custody functions adequately segregated?				
6) If EDP is used, is the principle of segregation of duties maintained within processing activities?				
B) PROCEDURAL CONTROLS				
1) Do general ledger procedures and controls include the following?				
(a) A formal plan of organization for the unit of government under which reporting responsibilities are clearly defined and reasonably aligned?				
(b) Supervision of a principal accounting officer over accounting records and accounting employees at all locations?				
(c) General ledger control over all assets and transactions for all departments of the organization?				
(d) Bonding employees in positions of trust in amounts required by statutes or organizational policy?				
(e) Written accounting policy and procedural manuals distributed to appropriate personnel?				
(f) Updating the accounting policy and procedural manuals, as necessary?				
(g) Procedures to ensure only authorized persons can alter or establish a new accounting principle, policy, or procedure to be used by the organization?				

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(h) Security for accounting records?				
(i) A formal policy regarding conflicts of interest?				
(j) Requiring written representations from appropriate personnel as to compliance with accounting policies and procedures and with ethics policies?				
(k) Prohibiting loans to officials or employees?				
(l) Periodically evaluating the adequacy and effectiveness of the internal accounting controls related to the organization's transaction systems (procurement, revenues, receivables, etc.)?				
(m) Implementing measures to correct weaknesses?				
2) Do closing procedures and controls include the following?				
(a) Procedures and policies for closing the accounts for a reporting period, sufficient to ensure accounts are closed, adjusted, and reviewed on a timely basis?				
(b) Procedures to ensure all accounting systems have included all transactions applicable to the reporting period?				
(c) Review and approval of valuation reserves or other account balances based on estimates?				
(d) Having all journal entries reviewed, approved, and supported by adequate descriptions or documentation?				
(e) Controls to ensure only authorized individuals can initiate entries?				
3) Do combining procedures and controls include the following?				
(a) Procedures to ensure orderly and effective accumulation of financial data?				
(b) Procedures for orderly processing of financial data received from departments and other accounting units?				
(c) Procedures to permit recording and review of special entries generated in the combining process?				
4) Do preparation, review, and approval procedures and controls include the following?				

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(a) Procedures to ensure financial reports are supported by either underlying account records or other documentation?				
(b) Procedures providing reasonable assurances that all data required to be included in legal, as well as public reports, are properly disclosed?				
(c) Procedures to ensure financial reports are prepared on a consistent basis?				
(d) Review and approval of financial reports at appropriate levels of management and, if appropriate, the legislature before public release?				
(e) Procedures to ensure all requirements for filing of financial reports are met (bonds, public, etc.)?				

APPENDIX 1: MASTER GLOSSARY

Agency: means any department, office, board, commission or institution statutorily created as an agency of the State.

Appropriation Lapse Dates - Appropriations are classified as "non-fiscal" or "fiscal." Non-fiscal appropriations have a maximum life of 30 months from their effective date. Fiscal appropriations generally lapse on November 15th, following the related fiscal year end, although some other time period may be specified by legislation. No payment against any appropriation will be made by OMES after the lapse date. Continuing class funding appropriations generally lapse on November 15th, following the related fiscal year end; however, the continuing class funding cash balance is usually retained in that class funding.

Available Budget: as used, was formerly identified as the allotment balance and is used interchangeably throughout this manual. The amount of dollars the agency is authorized to encumber and expend monies from during the specified time period.

- b. Individuals providing services to the state for which compensation is not paid on a payroll including volunteers and/or recipients of public assistance programs.
- b. recipients of entitlement or benefit payments;
- c. recipients of grant award amounts from agencies who are acting as the administrative vehicle by which the grant awards are passed through to the grantee; and

Cash Allocations to Satisfy Appropriations: Cash allocations are generally made each month for 1/12 of the appropriation amount, on or about the Tuesday following the second Monday following the close of the calendar month. OMES will notify each agency of the amount of its cash allocation at the time such allocation is made.

Class Funding -

Closing Period - Monthly, Annual: Monthly - In order to be recorded as an expenditure or encumbrance in a given month, Vouchers must be posted to an Accounts Payable journal and purchase orders must be budget checked in that month. Vouchers that are transmitted or entered on or before the last day of the month and successfully pass all batch processes will be posted in that month. Vouchers that do not pass the batch processes by month end will be recorded in the month when the voucher posts to an Accounts Payable journal.

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APPENDIX 1: MASTER GLOSSARY

Component: One of five elements of internal control. The internal control components are the control environment, risk assessment, control activities, information and communication, and monitoring.

Control activities: The third component of internal controls; the structure, policies, and procedures, which an organization establishes so that identified risks do not prevent the organization from reaching its objectives.

Control cycle: A group of actions used to initiate and perform related activities.

Control environment: The first component of internal controls; it sets the tone of the organization influencing the effectiveness of internal controls and is the foundation for all other components of internal control, providing discipline and structure and encompassing both technical competence and ethical commitment.

COSO Report: A report prepared by COSO entitled *Internal Control - Integrated Framework*; it defines internal control as a process designed to provide reasonable assurance that organizational objectives are achieved.

COSO: The Committee of Sponsoring Organizations of the Treadway Commission. It consists of the following organizations: the American Institute of Certified Public Accountants, the American Accounting Association, the Institute of Internal Auditors, the Institute of Management Accountants, and the Financial Executives Institute.

- d. vendors providing goods or services in conjunction with public construction contracts are specifically excluded from these procedures.

Director: means the Director of Management and Enterprise Services.

Effectiveness: Programs and functions achieve their intended result.

Efficiency: Resource use is consistent with an organization's goals and objectives.

Employee: means any individual whose reimbursement for travel expense is computed and subject to the State Travel Reimbursement Act, except:

Expenditure Corrections and Reversals: If for any reason, a state agency determines a paid Voucher was charged incorrectly, the agency should take action based on whether or not the correction includes an encumbrance correction. Errors not affecting an encumbrance can be corrected by the agency, but errors affecting an encumbrance must be sent to OMES for correction.

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Financial Reports to State Agencies: The State Accounting System offers several reports that provide transaction-based information on demand. Each agency should run certain reports daily, monthly, quarterly, and annually and reconcile its records to these reports, notifying DCAR at the earliest possible date of any discrepancies.

Forged Endorsements: When the Office of the State Treasurer recovers the money from a forged warrant, it is placed in the agency's Agency Clearing Account (ACA) and a replacement warrant is issued to the payee as a refund. If the agency has no clearing account, the OST will place the monies in a special OMES Agency Clearing Account class funding (1467) and OMES will issue a refund payment.

"700 Class Funding" Cancellations, Replacements, & Expenditure Corrections - Instructions for making warrant cancellations, replacement warrants, and expenditure corrections to "700 Class Funding" transactions (including when an incorrect warrant number, amount, or vendor ID is reported) are included.

- a. employees of the State for payroll, travel, or other reimbursement purposes;
- a. those individuals due compensation for travel or other services subject to the Central Purchasing Act. (This refers to contractors, who are expected to include travel expenses in the contracted amount.)

Imprest Cash (Petty Cash Fund): No agency shall maintain a Petty Cash Fund except when authorized by state statute. The Director of Management and Enterprise Services and the Director of the authorized agency may determine the necessary account balance or the account balance will be specified in enabling legislation. Expenditures from "change" or "cash drawers" are restricted to expenditures specifically authorized by statute or by agreement between the agency and OMES. Each agency with a Petty Cash Fund shall prepare formal rules governing its operation and use in accordance with OMES requirements. A current copy of these rules shall be filed with OMES by the respective agency.

Information and communication: The fourth component of internal control that affects all aspects of the internal control framework.

Internal control: A process created by an entity's board of directors, management and other personnel that is designed to provide reasonable assurance regarding the achievement of objectives in relation to effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. A less technical definition

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APPENDIX 1: MASTER GLOSSARY

might define internal controls as tools that help managers be effective and efficient while avoiding serious problems such as overspending, operational failures, and violations of law.

IRS Forms 1099: The State of Oklahoma must file IRS Form 1099 Misc. annually. This form reports payments for services made to individuals and partnerships. 1099s are due to the vendor by January 31 and to the IRS by March 31.

IRS Forms W-2: Form provided to employees to report earnings, taxes withheld and other reportable data.

IRS Forms W-4: Form used to report to employer the withholding exemptions and additional withholdings.

Make payment: means to mail, transmit, or deliver settlement to a vendor.

Management control: Controls performed by one or more managers at any level in an organization.

Manager: Any person, other than the finance officer, who is responsible for oversight of a unit, division, department, program, or other personnel within the agency.

Monitoring: The fifth component of internal control intended to ensure controls are adequate and function properly.

Officers and Employees: State officers and employees shall be paid only upon an authorized payroll Voucher or travel Voucher form.

Official Depository and Deposit Corrections: Instructions and forms for making deposits to the State Treasury and for making corrections to deposits are included.

Proper Invoice: means any invoice which is complete in all requirements for processing for payment in accordance with the terms of appropriate contracts or purchase orders and applicable state or federal statutes, including but not limited to such documentation as may be required. This definition shall include properly documented, standard, notarized voucher forms, commonly known as "Form 3 Vouchers."

Reasonable assurance: A principle that the goal of an audit or review of financial statements or systems is to ensure that those statements or systems are free of *material* misstatements or inadequacies (based upon the assumption that it is not cost beneficial to attempt to ensure against *immaterial* misstatements or inadequacies).

Receipt of a proper invoice: means actual receipt of the proper invoice by the payment office designated by the agency in appropriate contracts or purchase orders.

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Receipt of a proper travel voucher: means actual receipt of the proper voucher by the first office or official in an agency where the employee is required to submit the voucher, by agency procedures, to obtain reimbursement for travel expenses.

Risk assessment: The second internal control component; the process used to identify, analyze, and manage the potential risks that could hinder or prevent an agency from achieving its objectives.

Risk: Anything that endangers the achievement of an objective.

Segregation of duties: An internal control activity that requires different personnel perform the functions of initiation, authorization, record keeping, and custody.

Senior official: An assistant or deputy to the agency head.

Travel Status: for the purpose of meals and lodging expenses reimbursement is defined as absence from the employees or officer's home area or official station area while performing official state business.

Travel voucher: means a notarized voucher for reimbursement of incurred expenses for travel supported by all requisite documentation and complete in all respects for processing for payment, in accordance with the State Travel Reimbursement Act.

Unit: Refers to the staff and activities supervised by a manager and includes agency, department, division, program, and other administrative units. The term unit can also include any subdivisions of the above.

Vendor: means any supplier of goods or services to the State.

Voucher: The document used to process payments from treasury class fundings for state expenses. They are segregated into two (2) major classifications: encumbered and non-encumbered. These payments are processed by the submission of "vouchers" to the Office of Management and Enterprise Services (OMES) from the paying agencies. There are several different types of voucher forms used for settlement of these payments depending on the nature of the expense.

Warrant: An instrument drawn on the treasury of a government. From the standpoint of a receiver of a check or warrant, there is no difference between the two.

Warrants Canceled by Statute: Warrants issued by the Office of the State Treasurer which remain outstanding or unpaid for a period of ninety (90) days shall be revoked and canceled. However, a request for replacement, accompanied by said warrant or affidavit of missing

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warrant can be submitted to the Office of Management and Enterprise Services within thirty-six months following the month in which the warrant was canceled. Replacement warrants will be issued to the payee or holder in due course and returned to the agency for release.

Warrants Issued in Error: If for any reason a state agency receives a warrant issued in error, it should be returned as soon as possible to OMES stamped "VOID" and processed as a cancellation. A miscellaneous warrant issued in error may be reissued against the original Voucher if the error was made by OMES. A copy of the Voucher must be submitted to OMES with a new Voucher number assigned by the agency.

Warrants Lost or Destroyed: A replacement warrant may be issued through execution of an affidavit form submitted to the Office of Management and Enterprise Services.

Warrants Paid or Outstanding: Inquiries for information regarding the status of an issued warrant can be accessed in Payment Inquiry in the State Accounting System. Requests to stop pay on an unpaid warrant should be directed to the Office of the State Treasurer.

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APPENDIX 2: AGENCY LISTING AND CODES

Agencies which disburse amounts through OMES:

Agency Code	Name of Agency
010	Oklahoma State University - Stillwater
011	Oklahoma State University - Experiment Station
012	Oklahoma State University-Extension Division
013	OSU School of Technical Training - Okmulgee
014	OSU College of Veterinary Medicine - Stillwater
015	OSU Technical Institute of Oklahoma City
016	OSU Tulsa
020	State Board of Public Accountancy
022	Oklahoma Abstractors Board
025	Oklahoma Military Department
030	Alcoholic Beverage Laws Enforcement Commission
038	Oklahoma Sorghum Commission
039	Boll Weevil Eradication Organization
040	Agriculture Department
041	Western Oklahoma State College - Altus
044	Anatomical Board
045	Board of Governors of Licensed Architects & Landscape Architects
047	Indigent Defense System
049	Attorney General
055	State Arts Council

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Agency Code	Name of Agency
065	State Banking Department
090	Office of Management and Enterprise Services
091	Building Bonds Commission
100	Cameron University - Lawton
105	Oklahoma Capitol Improvement Authority
108	Carl Albert State College - Poteau
111	Multiple Injury Trust Fund
120	Central State University - Edmond
125	Department of Mines
127	Commission on Children and Youth
131	Department of Corrections
140	State Board of Podiatric Medical Examiners
145	Board of Chiropractic Examiners
148	State Board of Behavioral Health Licensure
150	University of Science & Arts of Oklahoma - Chickasha
160	Department of Commerce
165	Connors State College - Warner
185	Corporation Commission
190	Cosmetology Board
199	Court of Criminal Appeals
204	JM Davis Memorial Commission

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Agency Code	Name of Agency
215	State Board of Dentistry
219	District Courts
220	District Attorneys Council
230	East Central University - Ada
240	Eastern Oklahoma State College - Wilburton
241	Redlands Community College - El Reno
265	Department of Education
266	Oklahoma Educational Television Authority
269	Oklahoma Commission for Teachers Preparation
270	Election Board
275	Office of Education Quality and Assurance
285	Embalmers and Funeral Directors Board
290	Employment Security Commission
292	Department of Environmental Quality
296	Oklahoma Ethics Commission
298	Oklahoma Merit Protection Commission
300	State Auditor and Inspector
305	Governor
306	Pardon and Parole Board
307	Interstate Oil Compact Commission
308	State Bureau of Investigation

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APPENDIX 2: AGENCY LISTING AND CODES

Agency Code	Name of Agency
309	Department of Civil Emergency Management
310	State Fire Marshal
315	Firefighters Pension and Retirement System
320	Department of Wildlife Conservation
325	University of Oklahoma Geological Survey - Norman
326	Office of Disability Concerns
340	Department of Health
342	Board of Medicolegal Investigations
345	Transportation Department
346	Oklahoma Space Industry Development Authority
350	Historical Society
353	Oklahoma Horse Racing Commission
355	Human Rights Commission
359	Energy Resources Board
360	Indian Affairs Commission
369	Workers Compensation Court of Existing Claims
370	Oklahoma Industrial Finance Authority
385	Insurance Department
390	CompSource Oklahoma
391	Multiply Injury Trust Fund
400	Office of Juvenile Affairs

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Agency Code	Name of Agency
405	Department of Labor
410	Commissioners of the Land Office
415	Council on Law Enforcement Education & Training
416	Law Enforcement Retirement System
420	Langston University - Langston
421	Senate-State of Oklahoma
422	House of Representatives-State of Oklahoma
423	Legislative Service Bureau
430	Department of Libraries
440	Lieutenant Governor
444	LP Gag Research, Marketing, and Safety
445	Liquefied Petroleum Gas Board
450	State Board of Medical Licensure and Supervision
452	Department of Mental Health and Substance Abuse
461	Rogers State University - Claremore
467	Office of Management and Enterprise Services (for Special Payments)
470	Murray State College - Tishomingo
475	Oklahoma Motor Vehicle Commission
477	Bureau of Narcotics and Dangerous Drugs Control
480	Northeastern Oklahoma A&M College - Miami
485	Northeastern State University - Tahlequah

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Agency Code	Name of Agency
490	Northern Oklahoma College - Tonkawa
505	Northwestern Oklahoma State University - Alva
509	Board of Examiners for Nursing Homes
510	Oklahoma Board of Nursing
515	Oklahoma Public Employees Retirement System
520	Optometry Board
525	State Board of Osteopathic Examiners
530	Oklahoma Panhandle State University - Goodwell
531	Rose State College - Midwest City
535	Oklahoma Peanut Commission
557	Police Pension and Retirement System
560	Board of Pharmacy
563	Board of Private Vocational Schools
566	Oklahoma Tourism and Recreation Department
570	Professional Engineers and Land Surveyors Board
575	Board of Psychologists Examiners
585	Department of Public Safety
588	Oklahoma Real Estate Commission
600	Regents for A&M Colleges
605	Regents for Higher Education
606	Ardmore Higher Education Center

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APPENDIX 2: AGENCY LISTING AND CODES

Agency Code	Name of Agency
610	Regional University System of Oklahoma
615	State Board of Registration for Foresters
618	Oklahoma Student Loan Authority
619	Physician Manpower Training Commission
622	Board of Licensed Social Workers
623	Seminole State College - Seminole
625	Secretary of State
628	Center for the Advancement of Science & Technology
629	School of Science and Math - Oklahoma City
630	Oklahoma Securities Commission
631	Oklahoma Sheep and Wool Commission
632	Board of Examiners for Speech-Language Pathology & Audiology
633	Oklahoma City Community College
635	Commission on Consumer Credit
645	Oklahoma Conservation Commission
650	Department of Veterans Affairs
660	Southeastern Oklahoma State University - Durant
665	Southwestern Oklahoma State University - Weatherford
670	J.D. McCarty Center for Children with Developmental Disabilities
677	Supreme Court
678	Council on Judicial Complaints

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APPENDIX 2: AGENCY LISTING AND CODES

Agency Code	Name of Agency
695	Oklahoma Tax Commission
715	Teachers' Retirement System
740	Office of the State Treasurer
750	Tulsa Community College - Tulsa
753	Oklahoma Uniform Building Code Commission
755	Used Motor Vehicle & Parts Commission
758	Ponca City
760	University of Oklahoma - Norman
761	University of Oklahoma Law Center - Norman
771	O. U. Health Sciences Center - Oklahoma City
771	OUHSC Professional Practice Plan
772	Board of Tests for Alcohol and Drug Influence
773	O. S. U. College of Osteopathic Medicine and Surgery - Stillwater
774	University of Oklahoma Center at Tulsa - Tulsa
775	OSU Medical Center
790	Board of Veterinary Medical Examiners
800	Department of Career & Technology Education
805	Department of Rehabilitation Services
807	Health Care Authority
825	University Hospitals Authority
830	Department of Human Services

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Agency Code	Name of Agency
831	Oklahoma Medical Center
835	Water Resources Board
845	Medical Technology and Research Authority
865	Workers Comp Commission
875	Wheat Utilization Research & Market Development Commission
880	Will Rogers Memorial Commission - Claremore

Agencies which do not disburse amounts through OMES:

Agency Code	Name of Agency
900	Oklahoma Development Authority
915	Oklahoma Capital Investment Board
920	Environmental Finance Authority
922	Oklahoma Housing Finance Agency
978	Oklahoma Turnpike Authority
980	Grand River Dam Authority
981	Oklahoma Municipal Power Authority

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APPENDIX 3: CHART OF ACCOUNTS - Revenue

Code Section Number	Section Name	Page Number
410000	<u>TAXES</u>	
420000	<u>LICENSES, PERMITS AND FEES</u>	
430000	<u>FINES, FORFEITS & PENALTIES</u>	
440000	<u>INCOME FROM MONEY & PROPERTY</u>	
450000	<u>GRANTS, REFUNDS & REIMBURSEMENTS</u>	
460000	<u>HIGHER EDUCATION (STUDENT FEES)</u>	
470000	<u>SALES AND SERVICES</u>	
480000	<u>NON REVENUE RECEIPTS</u>	

Code	Account Name
410000	<u>TAXES</u>
411100	BEVERAGE TAXES
411101	ALCOHOL BEVERAGE EXCISE TAX
411102	MIXED BEVERAGE GROSS RECEIPTS TAX
411107	BEVERAGE TAX
411200	TOBACCO TAXES
411201	CIGARETTE TAX
411210	TOBACCO PRODUCTS TAX
411219	TRIBAL COMPACT IN LIEU TAX PAYMENTS
412100	BUSINESS TAXES
412101	GROSS PRODUCTION TAX - GAS
412102	GROSS PRODUCTION TAX - OIL
412105	PETROLEUM EXCISE TAX
412111	CONSERVATION EXCISE TAX
412122	COIN OPERATORS DEVICE DECAL
412133	FRANCHISE TAX
412144	CORPORATE INCOME TAX
412155	OCCUPATIONAL HEALTH & SAFETY TAX
412161	CHARITY GAMES TAX
412163	BINGO TAX
412165	GAMING EXCLUSIVITY FEES
412170	HORSE TRACK GAMING
412175	BUSINESS ACTIVITY TAX
413100	INSURANCE TAXES
413101	INSURANCE PREMIUM TAX
413105	ASSESSMENTS ON WORKERS' COMPENSATION AWARDS
413111	WORKERS COMPENSATION INSURANCE PREMIUM TAX
413115	SELF-INSURANCE PREMIUM TAX
413121	UNEMPLOYMENT COMPENSATION TAX
413125	OESC COMPUTER FUND ASSESSMENT
414100	LOCAL TAXES

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Code	Account Name
414101	CITY SALES TAX
414105	COUNTY SALES TAX
414107	COUNTY USE TAX
414108	COLLECTIONS AND DEPOSITS CITY USE TAX
414109	COUNTY LODGING TAX
414110	CITY LODGING TAX
414121	AD VALOREM TAX
415100	MOTOR VEHICLE & RELATED TAXES
415125	TAG AGENT REMITTANCE
415181	VEHICLE REVENUE TAX STAMPS
415185	FARM IMPLEMENT TAX STAMPS
415500	FUEL TAX
415501	SPECIAL FUEL USE TAX
415503	SPECIAL FUEL DECAL
415505	DIESEL FUEL EXCISE TAX
415507	FUELS EXCISE TAX
415509	GASOLINE EXCISE TAX
415512	ALTERNATIVE FUEL SURCHARGE
416100	PERSONAL TAXES
416101	PERSONAL INCOME TAX
416105	INHERITANCE & ESTATE TAX
416131	GIFT TAX ALL FUNDS
417100	SALES AND USE TAXES
417101	SALES TAX
417121	DOCUMENTARY STAMP TAX
417141	USE TAX
417171	AIRCRAFT EXCISE TAX
418100	PARI-MUTUEL TAX
418101	PARI-MUTUEL TAXES
418103	PARI-MUTUEL EXOTIC WAGER
418105	PARI-MUTUEL PICK/FIX TAX
418107	PARI-MUTUEL PICK SEVEN TAX
419100	OTHER TAXES
419101	CONTROLLED DANGEROUS SUBSTANCE TAX
419125	FREIGHT CAR TAX
419151	RURAL ELECTRIC COOPERATIVE TAX
419155	TELEPHONE SURCHARGE TAX
419165	TOURISM GROSS RECEIPT TAX
419171	UNCLAIMED PROPERTY TAX
419175	UNCLASSIFIED TAX RECEIPTS
419199	OTHER TAXES
420000	LICENSES, PERMITS AND FEES
420100	ALCOHOLIC BEVERAGE/BEVERAGE
420101	LICENSES, PERMITS, FEES - GENERAL
420121	ALCOHOL BEVERAGE LICENSE
420122	ALCOHOL BEVERAGE ID STAMP FEE
420123	ALCOHOL BOTTLE CLUB MEMBER

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APPENDIX 3: CHART OF ACCOUNTS - Revenue

Code	Account Name
420124	ALCOHOL BOTTLE LABELS
420125	ALCOHOL BRAND FEES
420126	ALCOHOL CERT FEES
420156	BEVERAGE LICENSES
420166	BINGO LICENSE
420500	AGRICULTURE
420511	BRAND REGISTRATION FEES & BOOKS
420515	CHEMICAL LICENSES, PERMITS & FEES
420519	MARKET DEVELOPMENT LICENSES, PERMITS & FEES
420522	PLANT INDUSTRY LICENSES, PERMITS & FEES
420525	FRUIT & VEGETABLE GRADING FEES
420529	MARKET INSPECTION LICENSE, PERMITS & FEES
420532	MEAT INSPECTION & GRADING FEES
420536	SEED FEED
420541	ANIMAL INDUSTRY INSPECTION LICENSES, PERMITS & FEES
420542	WATER QUALITY SWINE FEE
420543	OK COMMODITY STORAGE INDEMNITY FUND
420545	DAIRY LICENSES
420555	REGULATORY BOARDS FEES ASSESSMENTS ON COMMODITY SALE
420900	TOBACCO/CIGARETTE
420915	CIGARETTE LICENSES
420921	TOBACCO PROD LICENSES
421300	DEPARTMENT OF SECURITIES
421381	SECURITIES AGENTS FEES
421382	SECURITIES DEALERS FEES
421383	SECURITIES ON-SITE EXAM FEES & REIMBURSEMENT
421384	SECURITIES ISSUER FEES
421385	SECURITIES EXAMINERS FEES
421386	SEC FINES, CIVIL PENALTY, INVESTIGATION & ADMINISTRATIVE COST
421389	SECURITIES OTHER FEES
421700	WILDLIFE COMMISSION
421712	FISHING LICENSE
421716	COMBINATION FISH & HUNTING LICENSES
421718	WILDLIFE - OTHER LICENSES, PERMITS & FEES
421722	WILDLIFE HABITAT LICENSE/FEE
421726	HUNTING LICENSE
422100	HEALTH DEPARTMENT
422109	WIC REBATE PROGRAM
422111	BEDDING STAMPS
422113	HOSPITAL & NURSING HOME LICENSES
422114	CERTIFICATE OF NEED APPLICATION FEES
422115	MIGRANT LABOR
422117	PLUMBING EXAMS & LICENSES
422119	SEPTIC TANK CLEANERS LICENSES
422122	WATER & SEWAGE LICENSES
422126	HOTEL & RESTAURANT LICENSES
422128	BARBER SHOP SAN CERTIFICATES

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APPENDIX 3: CHART OF ACCOUNTS - Revenue

Code	Account Name
422129	BARBER LICENSES & FEES
422130	CITY INSPECTORS LICENSE
422131	ELECTRICAL LICENSES & EXAMS
422132	CITY INSPECTORS LICENSES
422133	HEARING AID DEALERS FEES
422135	PHYSICIANS LABORATORY FEES
422137	IMMUNIZATION FEES
422139	PHYSICIANS EMERGENCY MEDICAL SERVICES
422142	ALARM INDUSTRY LICENSES
422144	WATER FACILITY FEE
422146	AIR QUALITY PERMITS
422148	HOME CARE FEES
422149	SPECIAL TESTING FEES
422151	INDUSTRIAL WASTE FEES
422153	MILK INSPECTION
422155	SCREENING, DIAGNOSIS & TREATMENT
422158	MECHANICAL CONTRACTOR LICENSES
422161	LICENSED PROFESSIONAL COUNSELORS-LICENSES & FEES
422163	PUBLIC WATER SUPPLY FEES
422171	ENVIRONMENTAL FEES
422175	TRAUMA CARE ASSISTANCE
422200	DEPARTMENT OF ENVIRONMENTAL QUALITY
422211	AIR QUALITY FEES
422215	UNDERGROUND INJECTION CONTROL FEE
422218	CONSENT ORDERS
422221	HAZARDOUS WASTE FEES
422225	LAB CERTIFICATION FEES
422228	PDES FEES
422231	PLAN REVIEW FEES
422235	PRIVATE SEWAGE FEES
422238	PRIVATE WATER FEES
422241	PUBLIC WATER SUPPLY FEES
422245	RADIATION FEES
422248	SARA TITLE III FEES
422251	SEPTIC TANK FEES
422253	SEPTIC TANK INSTALLER CERTIFICATION FEE
422255	SOLID WASTE FEES
422258	WATER AND SEWAGE OPERATOR
422261	LEAD ABATEMENT CERTIFICATION FEE
422263	HIGHWAY REMEDIATION LICENSING
422299	UNEARNED REVENUE
422500	BANKING COMMISSION
422521	ANNUAL ASSESSMENT FEE STATE BANK
422525	CREDIT UNION & SAVING & LOAN EXAM FEES
422527	CHARTER APPLICATION FEES
422531	OTHER BANKING FEES & EXAMS
422900	CORPORATION COMMISSION

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APPENDIX 3: CHART OF ACCOUNTS - Revenue

Code	Account Name
422919	ANTI FREEZE PE
422921	BRAKE FLUID PERMITS
422923	PIPELINE INSPECTIONS
422925	CERTIFICATE OF NON-DEVELOPMENT
422929	COTTON GIN LICENSES
422931	MOTOR CARRIER ID PLATES AND REGISTRATION FEES
422932	PUBLIC UTILITY ASSESSMENT FEE
422933	MOTOR CARRIER APPLICATION FEES
422935	WRECKER LICENSE FEES
422937	NATURAL GAS PRICING FEE
422939	TANK OR CONTAINER CALIBRATION FEES
422942	TRANSPORTATION DIVISION FILING FEES
422944	CORPORATE TRANSPORTATION FEES
422946	COMMERCIAL DISPOSAL WELL
422948	COMMERCIAL DISPOSAL PIT
422951	WALK-THRU INTENT TO DRILL FEES
422953	INTENT TO DRILL FEES
422955	INSTALL LICENSES
422956	CONSULTANT FEES
422957	TANK PERMIT FE
422959	CORPORATE TRANSFER FEES
422961	TELECOMMUNICATION ASSESSMENT FEE
423200	SECRETARY OF STATE
421214	DOMESTIC LIMITED PARTNERSHIP
423211	CORPORATION FILING FEES
423212	DOMESTIC FOR-PROFIT BUSINESS CORPORATION
423213	DOMESTIC LIMITED LIABILITY COMPANY
423214	DOMESTIC LIMITED PARTNERSHIP
423215	OTHER FEES SEC OF STATE
423216	OTHER DOMESTIC FILING
423218	CENTRAL FILING SYSTEM - FARM PERMITS
423219	CORPORATE REGISTERED AGENT FEES
423221	FOREIGN BUSINESS CORPORATION
423222	FOREIGN LIMITED LIABILITY COMPANY
423223	FOREIGN LIMITED PARTNERSHIP
423224	OTHER FOREIGN FILINGS
423231	OTHER FILINGS – DOMESTIC/FOREIGN
423232	OTHER PARTNERSHIPS – DOMESTIC/FOREIGN
423241	CREDIT CARD CONVENIENCE FEE
423251	NOTARY FEES
423299	OTHER FEES
423400	VEHICLE RELATED
423412	REINSTATEMENT OF DRIVERS LICENSES
423413	NON-SUBMITTAL OF LICENSES AND PLATES
423418	DRIVER TRAINERS LICENSES
423421	DRIVER LICENSES MODIFICATION FEES
423431	OVERSIZE TRUCK PERMITS

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APPENDIX 3: CHART OF ACCOUNTS - Revenue

Code	Account Name
423432	SPECIAL MOVEMENT FEES
423433	DOCUMENT FUND
423434	OVERWEIGHT TRUCK PERMITS
423435	SIZE/WEIGHT SPECIAL FEES
423436	ACCOUNT FEES
423437	MOTOR FUEL SPECIAL ASSESSMENT
423438	VEHICLE INSPECTION PERMITS
423439	SPECIAL COMBINATION VEHICLE
423440	FACSIMILE TRANSMISSIONS, RENTALS
423441	VEHICLE INSP/CERT/REBLT
423442	LONG COMBINATION VEHICLE
423443	WRECKER PERMITS
423444	ANNUAL OPERATING AUTHORITY
423445	TRANSPORTATION & RECLAMATION PERMITS
423446	STORED VEHICLE FEE
423447	BUYERS ID CARD FEES
423449	VEHICLE INSPECTION STATION PERMITS
423451	COMMERCIAL VEHICLE LICENSES
423452	ABANDONED VEHICLE FEES
423453	SPECIAL LICENSES & PARKING DECALS - DPS
423454	STORED VEHICLE RELEASE
423455	MOBILE HOME LICENSES
423456	MOBILITY IMPAIRED DRIVER PLACARDS
423458	ALTERNATIVE FUELS TECHNICIAN-CERTIFICATION & TEST
423459	SPECIAL PURPOSE ANNUAL
423460	SPECIAL PURPOSE DRIVEAWAY
423461	ANNUAL VEHICLE PERMIT
423462	ANNUAL SOIL, TREE, HAY
423600	COURTS
423611	COURT FILING FEES-SUPREME, APPEALS & DISTRICT CRT
423615	LITIGATION FEE - STATE INDUSTRIAL COURT
423619	COURT FEES FOR DATA PROCESSING
423623	SOLICITORS FEE
423800	ELECTION
423821	FILING, PROTEST & RECOUNT FEES
423900	EDUCATION
423901	SCHOOL LUNCH WORKSHOP FEES
423905	TEACHERS EXAMINATION FEE
423909	CURRICULUM GUIDES FEES
423912	GENERAL EDUCATION FEES
423915	TECHNOLOGY SERVICES FEE
423918	SPECIAL TESTING FEES
423920	IDENTIFICATION CARD FEES
424200	BUSINESS
424201	CORPORATE FARMING & RANCHING REGISTRATION FEES
424205	TELECOMMUNICATION ASSESSMENT FEE
424206	PREPAID WIRELESS 911 FEE

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APPENDIX 3: CHART OF ACCOUNTS - Revenue

Code	Account Name
424207	EMPLOYMENT AGENCY LICENSES
424212	FIREWORKS LICENSES
424213	FUNERAL SERVICES LICENSING FEES
424214	HOTELS, RESTAURANTS, ETC. LICENSES
424218	BOARDING HOME LICENSES
424222	RURAL ELECTRIC CO-OP LICENSES
424226	USED EQUIPMENT LICENSES
424228	PRIVATE SCHOOLS LICENSES
424232	COIN OPERATED DISTRIBUTION PERMIT
424236	DISTR & MFG OF DANGEROUS SUBSTANCES FEES
424238	SAFETY FEES
424241	BOXING EVENT ASSESSMENT
424251	SALES VENDORS LIST
424252	CONTRACT MANAGEMENT FEE
424253	SALES TAX PERMIT
424259	WASTE TIRE RECYCLING FEES
424261	MARGINAL WELL FEE
424262	ENERGY RESOURCES ASSESSMENT
424263	WORKER'S COMP NON-COVERAGE FEE
424265	CHARITY GAMES LICENSES
424267	HANDICAPPED CONTRACTS FEE
424269	GAMING COMPACT FEES
424271	LOTTERY RETAIL APPLICATION FEE
424600	INSURANCE AGENTS
424601	INSURANCE AGENTS LICENSES
424603	INTERSTATE RETALIATORY FEES
424610	WEATHER MODIFICATION ASSESSMENT
424612	INSURANCE COMPANY LICENSES
424614	ANNUAL REVIEW FEES
425400	MEDICAL PROFESSIONAL
425401	BURIAL BOARD LICENSES & FEES
425411	CHIROPRACTIC EXAMINERS LICENSES & FEES
425416	CHIROPODY BOARD LICENSES & FEES
425421	DENTAL REGISTRATION, EXAMINATION & OTHER FEES
425426	EMBALMERS & FUNERAL DIRECTORS LICENSES & FEES
425431	PRACTICING ELECTROLOGISTS LICENSES & FEES
425436	PHYSICIANS LICENSES & FEES
425441	NURSES REGISTRATION, LICENSES & FEES
425446	OPTOMETRY EXAMINATION, LICENSES & FEES
425451	OSTEOPATHY BOARD - LICENSES & FEES
425456	PSYCHOLOGIST LICENSES & OTHER FEES
425461	PHARMACY BOARD LICENSES & FEES
425466	VETERINARY LICENSES, FEES & OTHER CHARGES
425471	PERFUSIONIST'S BOARD LICENSES AND FEES
425600	STATE BOND ADVISOR FEE
425601	STATE BOND ADVISOR FEE
425800	OTHER PROFESSIONAL

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APPENDIX 3: CHART OF ACCOUNTS - Revenue

Code	Account Name
425801	ACCOUNTANT APPLICATION FEES
425803	ACCOUNTANT REGISTRATION FEES
425804	SUBSTANTIAL EQUIVALENT REGISTRATION FEE
425805	ACCOUNTANT PERMIT FEES
425806	ARCHITECT BOARD LICENSES & FEES
425807	COSMETOLOGY LICENSES & OTHER FEES
425811	BARBER LICENSES & FEES
425813	DRY CLEANERS LICENSES & OTHER FEES
425815	ENGINEERS LICENSES, PERMITS & OTHER FEES
425817	ABSTRACTORS LICENSES & FEES
425818	AUDIT REPORT FILING FEE
425821	FORESTERS BOARD LICENSES & FEES
425826	MECHANICAL CONTRACTOR LICENSES
425831	LICENSED PROFESSIONAL COUNSELORS-LICENSES & FEES
425832	LICENSED SOCIAL WORKERS FEES
425836	MOTOR VEHICLE COMMISSION LICENSES & FEES
425841	MINES - OPERATORS FEES
425843	MINES - CERTIFICATE OF COMPETENCY & RECLAMATION FEES
425844	MINES - PERMIT AND PERMIT RENEWAL FEES
425845	MINES - PERMIT REVISION FEES
425846	NURSING HOME ADMINISTRATORS LICENSES
425847	NURSING HOME CLASSIFICATION FEES
425848	HOSPITAL OFFSET PAYMENT PROGRAM FEE
425849	POLYGRAPH EXAMINERS LICENSES & FEES
425851	SALVAGE DEALERS LICENSES
425854	SANITARIANS REGISTRATION LICENSES & FEES
425858	FEED SEED FERTILIZATION LIAB PERMITS
425861	SPEECH PATHOLOGY & AUDIOLOGY LICENSES & FEES
425863	TEACHERS CERTIFICATES
425866	USED MOTOR VEHICLE DEALERS LICENSES
425868	USED MOTOR VEHICLE SALESMEN LICENSES
425871	AUTOMOTIVE DISMANTLER & RECYCLERS LICENSES
425875	LANDSCAPE ARCHITECTS FEES
425879	REAL ESTATE COMMISSION LICENSES & FEES
425881	CERTIFIED COURT REPORTER FEES
425883	MUNICIPAL CLERKS & TREASURERS TRAINING FEES
425885	EMPLOYEE DISHONESTY BOND FEES
425886	TAG AGENT SURETY BOND FEES
425887	OSTEOPATHIC & OTHER FEES
425888	PRIVATE INVESTIGATOR & SECURITY GUARD LICENSES & FEES
426200	HORSE RACING
426201	HORSE RACING COMMISSION LICENSES & FEES
426203	HORSE DRUG TESTING FEES
426214	ADMISSION FEES
426220	OFF-TRACK WAGERING FEES
426225	PARTICIPATING TRIBE GAMING FAC
428100	OTHER

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Code	Account Name
428101	AIRCRAFT LICENSE FEES
428103	CANINE LICENSE FEES
428107	AMATEUR RADIO OPERATORS LICENSES
428115	WATER RESOURCES PERMIT FEES
428118	PUBLIC WATER SUPPLY FEES
428121	PAYROLL DEDUCTIONS & ASSESSMENT FEES
428131	LOAN APPLICATION & CLOSING FEES
428141	WEATHER MODIFICATION LICENSE & FEES-WATER RESOURCE
428144	LABORATORY ANALYSIS FEES
428151	CONSUMER CREDIT LICENSES, FEES & OTHER CHARGES
428153	EXEMPT ORGANIZATION FEES
428161	LIQUEFIED PETROLEUM PERMITS & FEES
428171	COURT-ORDERED ACCOUNT MAINTENANCE FEES
428172	CREDIT CARD PROGRAM FEES
428173	REJECTED WARRANT FEES
428174	TOP PAYMENT PROCESSING FEES
428175	CONVENIENCE FEES - PORTAL
428181	FACSIMILE MACHINE FEES
428199	OTHER LICENSES, PERMITS & FEES
430000	<u>FINES, FORFEITS & PENALTIES</u>
431100	HORSE RACING
431101	HORSE RACING - FINES
431103	BREAKAGE & UNVOUCHERED TICKET FORFEITURES
431300	CORPORATION COMMISSION
431301	WELL PLUGGING FINES & PENALTIES
431313	UST - FINES & PENALTIES
431315	MOTOR CARRIER CITATIONS & FINES
432100	CRIME VICTIMS' COMPENSATION BOARD
432101	CRIME VICTIM COMPENSATION ASSESSMENTS
433100	OTHER FINES, FORFEITS & PENALTIES
433101	COURT AND COURT MARTIAL FINES
433102	LIBRARY FINES
433103	PARKING FINES
433105	MOVING VEHICLE VIOLATION FINES
433107	SALE OF CONTRABAND
433111	CHILD LABOR CIVIL PENALTIES
433113	WORKERS' COMPENSATION COMPLIANCE FINES
433115	MINING OPERATION PENALTIES
433121	PERFORMANCE BOND FORFEIT
433125	FORFEIT OF FILING FEES
433127	ELECTION BOARD FILING FEES [added 6/02]
433131	TRUCKING FUND PENALTIES
433141	FISH & GAME LAW FINES
433144	LATE PAYMENT FINES & PENALTIES
433145	LATE ENROLLMENT FEES
433147	RETURNED CHECK CHARGES
433151	OIL & GAS THEFT RECOVERY FINES & FORFEITURES

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Code	Account Name
433153	SURETY BONDS FORFEITED
433155	ACCOUNTANCY BOARD - FINES
433161	CLEET - PENALTY ASSESSMENT
433162	CLEET - OSBI ANALYST FEE
433163	CLEET - OSBI AFIS FEE
433164	CLEET - OSBI FORENSIC FEE
433165	OSBI EXPUNGMENT FEE
433199	OTHER FINES FORFEITS AND PENALTIES
440000	<u>INCOME FROM MONEY AND PROPERTY</u>
441100	INVESTMENT INCOME
441101	INTEREST ON BANK DEPOSITS
441103	ASSESSMENTS ON TIME DEPOSITS
441105	INTEREST ON INVESTMENTS
441115	INCOME INVESTMENT OF ENDOWMENT FUNDS
441121	INTEREST ON INVESTMENT OF FEDERAL FUNDS
441133	INTEREST ON INVESTMENT OF ESCROW ACCOUNTS
441136	INTEREST INVESTMENT OF ENDOWMENT FUNDS
441142	DIVIDENDS FROM INVESTMENTS
441154	CAPITAL GAINS FROM INVESTMENTS
441199	OTHER INVESTMENT INCOME
442100	INCOME FROM BONDS
442101	PREMIUMS ON SALE OF BOND
442112	ACCRUED INTEREST ON THE PURCHASE OF BONDS
442123	AMORTIZATION OF DISCOUNTS ON INVESTMENTS
443100	INCOME FROM RENT
443101	RENT FROM LAND
443103	RENT FROM BUILDINGS
443105	RENT FROM EQUIPMENT
443107	RENT FROM BUILDINGS
443113	RENT FROM EQUIPMENT
443122	RENT ENDOWMENT PROPERTY
443173	INTER AGENCY - RENT FROM BUILDINGS
443175	INTER AGENCY - RENT FROM EQUIPMENT
443183	INTRA AGENCY - RENT FROM BUILDINGS
443185	INTRA AGENCY - RENT FROM EQUIPMENT
443199	OTHER RENT - MAIL BOXES ETC.
444100	INCOME FROM ROYALTIES
444105	ROYALTIES FROM GAS
444107	ROYALTIES FROM OIL
444122	ROYALTIES FROM OIL, GAS & OTHER MINERALS
444133	ROYALTIES FROM OTHER MINERALS
444141	ROYALTIES FROM OIL & GAS & OTHER MINERALS
444158	ROYALTIES-PUBLICATIONS, PATENTS, ETC.
444199	OTHER ROYALTIES (PUBLICATIONS, PATENTS, ETC.)
445100	OTHER INCOME SOURCES
445101	SEC 13 & NEW COLLEGE FUNDS -SCHOOL LAND COMMISSION
445103	INTEREST, OTHER CHARGES ON STUDENT LOANS

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Code	Account Name
445111	RIGHT-OF-WAY EASEMENTS
445121	SEISMIC TESTING
445199	OTHER INCOME FROM MONEY & PROPERTY
446100	PRINCIPAL INCOME FROM LEASES
446200	INTEREST INCOME FROM LEASES
450000	GRANTS, REFUNDS AND REIMBURSEMENTS
451100	INSURANCE & OTHER REIMBURSEMENTS FOR DAMAGES
451101	INSURANCE & OTHER REIMBURSEMENTS FOR DAMAGED PROP.
451102	RECEIPTS FROM RE-INSURANCE
451111	DEFICIENCY JUDGE
452000	INTER-AGENCY RECEIPTS FOR GENERAL EXPENSES
452001	INTER-AGENCY PAYMENTS FOR PERSONAL SERVICES
452003	INTER-AGENCY TRAVEL EXPENSES
452005	INTER-AGENCY ADMINISTRATIVE EXPENSES
452007	INTER-AGENCY PROPERTY, FURNITURE, EQUIP & RELATED DEBT
452071	REIMBURSEMENTS FOR PERSONAL SERVICES
452073	REIMBURSEMENTS FOR TRAVEL EXPENSES
452075	REIMBURSEMENTS FOR ADMINISTRATIVE EXPENSES
452076	PAYMENT FOR SECURITY CONTRACT
452077	REIMBURSEMENTS FOR PROPERTY, FURNITURE, EQUIP & REL. DEBT
452078	REIMBURSEMENTS FOR WARRANT IMAGING
452100	INTER-AGENCY RECEIPTS FOR DATA PROCESSING
452117	INTER-AGENCY DATA PROCESSING EXPENSES
452200	INTER-AGENCY RECEIPTS FOR TELECOMMUNICATIONS
452229	INTER-AGENCY TELECOMMUNICATIONS EXPENSE
452300	INTER-AGENCY RECEIPTS FOR MOTOR POOL
452333	INTER-AGENCY MOTOR POOL EXPENSES
452400	INTER-AGENCY RECEIPTS FOR RISK MGMT INS PREMIUMS
452445	INTER-AGENCY RISK MANAGEMENT INSURANCE PREMIUMS - OMES
452500	INTER-AGENCY RECEIPTS FOR CENTRAL PRINTING
452882	INACTIVE ERROR
452557	INTER-AGENCY CENTRAL PRINTING EXPENSES
453000	INTRA-AGENCY RECEIPTS FOR GENERAL EXPENSES
453001	INTRA-AGENCY PERSONAL SERVICES EXPENSE
453003	INTRA-AGENCY TRAVEL EXPENSES
453005	INTRA-AGENCY ADMINISTRATIVE EXPENSES
453007	INTRA-AGENCY PROPERTY, FURNITURE, EQUIP & RELATED DEBT
453081	REIMBURSEMENTS FOR PERSONAL SERVICES
453083	REIMBURSEMENTS FOR TRAVEL EXPENSES
453085	REIMBURSEMENTS FOR ADMINISTRATIVE EXPENSES
453087	REIMBURSEMENTS FOR PROPERTY, FURNITURE, EQUIP & REL. DEBT
453100	INTRA-AGENCY RECEIPTS FOR DATA PROCESSING
453117	INTRA-AGENCY DATA PROCESSING EXPENSES
453200	INTRA-AGENCY RECEIPTS FOR TELECOMMUNICATIONS
453229	INTRA-AGENCY TELECOMMUNICATIONS EXPENSES
453300	INTRA-AGENCY RECEIPTS FOR MOTOR POOL
453333	INTRA-AGENCY MOTOR POOL EXPENSES

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Code	Account Name
453400	INTRA-AGENCY RECEIPTS FOR RISK MGMT INS PREMIUMS
453445	INTRA-AGENCY RISK MGMT INSURANCE PREMIUMS
453500	INTRA-AGENCY RECEIPTS FOR CENTRAL PRINTING
453557	INTRA-AGENCY CENTRAL PRINTING EXPENSES
454100	RECEIPTS FROM LOCAL GOVERNMENTS
454101	CO-OPERATIVE PROJECTS
454102	REIMBURSEMENT OF FUNDS SPENT
454103	PAYMENT FOR SERVICES
454104	LOCAL COURT FUNDS
454105	REIMBURSEMENTS FOR PROPERTY, FURNITURE, EQUIP & REL. DEBT
454106	REFUND OF FEDERAL GRANTS
455000	FEDERAL GRANTS
455100	FEDERAL GRANTS-IN-AID
455101	FEDERAL GRANTS-IN-AID
455102	REIMBURSEMENT OF INDIRECT COSTS
455200	FEDERAL REIMBURSEMENTS
455201	FEDERAL REIMBURSEMENTS
455202	REIMBURSEMENT OF INDIRECT COSTS
455300	FEDERAL APPROPRIATIONS
455301	FEDERAL APPROPRIATIONS
455302	REIMBURSEMENT OF INDIRECT COSTS
455400	FEDERAL LOANS
455401	FEDERAL LOAN
455402	REIMBURSEMENT OF INDIRECT COSTS
455500	FEDERAL FUNDS RECEIVED FROM NON-GOVT AGENCIES
455501	FEDERAL FUNDS RECEIVED FROM NON-GOVT AGENCIES
455502	REIMBURSEMENT OF INDIRECT COSTS
455600	FEDERAL FUNDS FROM OTHER STATE AGENCIES
455601	FEDERAL FUNDS FROM OTHER STATE AGENCY
455602	REIMBURSEMENT OF INDIRECT COSTS
455700	ARRA FUNDS
455701	ARRA GRANTS-IN-AID
455702	ARRA FEDERAL REIMBURSEMENTS
455703	ARRA INTERAGENCY RECEIPTS
456000	INTER AGENCY GRANTS
456001	INTER-AGENCY GRANTS - NON-FEDERAL
456100	GRANTS & DONATIONS - PRIVATE SOURCES
456101	GRANTS & DONATIONS FOR OPERATIONS - PRIVATE SOURCE
456102	GRANTS & DONATIONS FOR CAPITAL PROJECTS - PRIVATE
458100	REIMBURSEMENTS - NON FEDERAL
458101	REFUND OF MONEY PREVIOUSLY DISBURSED-GOODS & SERVICES
458103	COST RECOVERY
458105	REIMBURSEMENT FOR FUNDS EXPENDED
458110	DEPOSIT IMPREST CASH
458111	DEPOSIT IMPREST CASH
458115	REFUND OF MONEY ADVANCED TO AN AGENCY
458200	REFUNDS-NON FEDERAL

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Code	Account Name
458202	BROKER COMMISSION REFUNDS (SOFT DOLLARS)
459100	OTHER GRANTS, REFUNDS & REIMBURSEMENTS
459102	FICA RECOVERY PROJECT
459120	REPAYMENT OF LOANS
459121	REPAYMENT OF LOANS
459131	REFUND PER LEGAL SETTLEMENT
459151	PHARMACEUTICAL REBATE
459171	PROGRAM INCOME
459191	SPECIAL DISTRIBUTIONS
459199	OTHER GRANTS, REFUNDS & REIMBURSEMENTS
460000	HIGHER EDUCATION (STUDENT FEES)
461100	TUITION & INSTRUCTION FEES
461101	GENERAL ENROLLMENT FEE
461105	NON-RESIDENT TUITION FEE
461112	CORRESPONDENCE STUDY FEES
461121	EXTENSION STUDY TUITION FEES
461125	REMEDIAL COURSE FEE
461199	SPECIAL INSTRUCTION FEES
463600	OTHER FEES
463612	EXTENSION DIVISION INCOME
463638	INSTRUCTIONAL FACILITY, EQUIPMENT & MATERIAL USAGE
463641	APPLICATION FOR ADMISSION FEES
463663	SPECIAL TESTING FEES
463667	SPECIAL ENROLLMENT FEES (PROCESSING)
463677	STUDENT ACTIVITY FEES
463678	STUDENT FEES FOR CENTERS
463681	GRADUATION FEES
463683	STUDENT ASSESSMENT FEE
463684	STUDENT TECHNOLOGY SERVICES FEE
463699	OTHER STUDENT FEES
470000	SALES AND SERVICES
471100	AGRICULTURAL
471101	ANIMAL HUSBANDRY
471110	EXTENSION DIVISION INCOME
471111	EXTENSION DIVISION INCOME
471122	FARM PRODUCTS GENERAL
471124	FARM PRODUCTS DAIRY
471126	FARM PRODUCTS LIVESTOCK
471128	FARM PRODUCTS POULTRY
471131	LIVESTOCK
471134	POULTRY
471142	LIVESTOCK INSPECTION
471144	POULTRY INSPECTION
472100	LICENSES, FEES
472101	APPLICATION DEPOSITS
472105	APPOINTMENT OF AGENT

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Code	Account Name
472110	ORGANIZATIONS, OTHER
472111	ORGANIZATIONS, OTHER
472112	SEALS
472114	TRADEMARKS
472118	MARKETING INSPECTION AND LICENSE
472300	LOTTERY SALES
472301	LOTTERY TICKETS REVENUE
472303	LOTTERY INSTANT TICKET REVENUE
472305	LOTTERY ON-LINE GAMES REVENUE
473100	SALES OF SERVICES
473101	CLERICAL SERVICES V. A.
473102	CRIMINAL RECORD SEARCH
473103	FILM LIBRARY RENTALS
473105	CHARGE FOR SERVICES
473110	PARKING REVENUES
473111	PARKING REVENUES
473115	POST OFFICE INCOME
473121	RECORDING CHARGES
473125	RESEARCH SALES
473127	ADVERTISING SERVICES
473131	DATA PROCESSING SERVICES
473135	POSTAL SERVICES
473140	WILDLIFE CONSERVATION COMMISSION SERVICES
473141	FISH AND WILDLIFE SERVICES
473151	SALE OF SERVICES ANATOMICAL BOARD
473161	CENTRALIZED PROCESSING FEES
473171	INTER-AGENCY - DATA PROCESSING SERVICES
473172	INTER-AGENCY - CRIMINAL RECORD SEARCH
473175	INTER-AGENCY - POSTAL SERVICES
473176	INTER-AGENCY - LABORATORY & MEDICAL SERVICES
473181	INTRA-AGENCY - DATA PROCESSING SERVICES
473185	INTRA-AGENCY - POSTAL SERVICES
473186	INTRA-AGENCY - LABORATORY & MEDICAL SERVICES
473199	SALE OF SERVICE (E.G., LAUNDRY, XEROX COPIER, MEDICARE)
473300	SALE OF UTILITIES
473301	SALE OF UTILITIES
473310	TELEPHONE PAY STATIONS AND REIMBURSEMENTS
473333	TELECOMMUNICATIONS
473371	INTER-AGENCY - SALE OF UTILITIES
473373	INTER-AGENCY - TELECOMMUNICATIONS
473374	NETWORK SERVICES
473375	SYSTEMS SERVICES
473376	INTER-AGENCY PORTAL SERVICES
473381	INTRA-AGENCY - SALE OF UTILITIES
473383	INTRA-AGENCY - TELECOMMUNICATIONS
474100	SALES OF DOCUMENTS & MERCHANDISE
474101	BIRTH & DEATH CERTIFICATES

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Code	Account Name
474105	COPIES OTHER DOCUMENTS
474106	CERTIFIED DOCUMENTS
474110	CERTIFIED COPY-STUDENT RECORDS
474111	CERTIFIED COPIES - STUDENT RECORDS
474122	FOOD & BEVERAGE SALES
474124	COMMISSARY AND CONCESSION INCOME
474131	MANUFACTURED PRODUCT SALES
474135	MERCHANDISE SALES
474137	TAXES COLLECTED
474141	PRINTING INCLUDING SALE OF PUBLICATIONS PRODUCED
474171	INTER-AGENCY - PRINTING
474181	INTRA-AGENCY - PRINTING
474199	TAXES COLLECTED
475100	MEDICAL SERVICES
475103	HOSPITAL SERVICES
475105	OUT-PATIENT HEALTH SERVICES & SALES
475107	INSTITUTIONAL CARE
475109	PRIVATE INSURANCE REIMBURSEMENT
475122	PROFESSIONAL FEES FOR PATIENT CARE
475123	INFIRMARY
475125	SALE OF PLASMA
476100	RENTS
476101	CHARGES USE OF RECREATIONAL EQUIPMENT & FACILITIES
476103	FILM LIB REVENUES
476105	MOTOR VEHICLES
476131	HOUSING STUDENT & FACULTY
476135	HOUSING TRANSIENT
476137	HOUSING OTHER
476171	INTER-AGENCY - RECREATIONAL EQUIPMENT & FACILITIES
476175	INTER-AGENCY - MOTOR VEHICLES
476181	INTRA-AGENCY - RECREATIONAL EQUIPMENT & FACILITIES
476185	INTRA-AGENCY - MOTOR VEHICLES
476199	OTHER RENT - MAIL BOXES ETC.
477100	STATE INSURANCE FUND & RELATED
477101	INSURANCE PREMIUMS - STATE INSURANCE FUND-NON GOVT
477105	INSURANCE PREMIUMS-STATE INSURANCE FUND-ST AGENCY
477110	INSURANCE PREMIUMS -LOCAL GOVERNMENTS
477111	INSURANCE PREMIUMS - LOCAL GOVERNMENTS
477115	STATE INSURANCE FUND - OTHER INSURANCE PREMIUMS
477173	INTER-AGENCY - INSURANCE PREMIUMS
477181	INTRA-AGENCY - INSURANCE PREMIUMS
478100	REGISTRATION, ACTIVITY CHARGES, & OTHER TUITION
478101	ORGANIZED ACTIVITIES RELATED TO EDUC INST OR DEPTS
478105	REGISTRATION FEES
478113	TUITION INCOME-NOT HIGHER EDUCATION
478121	RECREATIONAL ADMISSIONS, LICENSES AND PERMITS
479100	OTHER SALES AND SERVICES

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APPENDIX 3: CHART OF ACCOUNTS - Revenue

Code	Account Name
479101	REPAIR - REPLACEMENT OF DAMAGED OR BROKEN PROPERTY
479121	PAPER AND OTHER RECYCLABLE MATERIALS
479131	NOTIFICATION OF CONFINEMENT TO SOCIAL SECURITY ADM
479199	OTHER SALES & SERVICES
480000	NON-REVENUE RECEIPTS
481100	CONTRIBUTIONS, JUDGMENTS, & FORFEITS
481101	CONTRIBUTIONS - CAPITAL OUTLAY
481102	CONTRIBUTIONS-PATIENTS & INMATES
481103	CONTRIBUTIONS - COMMON SCHOOLS
481104	CONTRIBUTIONS - ROAD & HIGHWAYS
481105	CONTRIBUTIONS - OK MEDICAID PROG
481106	CONTRIBUTIONS - COUNTY FAIR
481107	CONTRIBUTIONS - L'STOCK AUCT SCH
481108	CONTRIBUTIONS - CASA
481109	CONTRIBUTIONS - PET OVERPOPULATION
481110	CONTRIBUTIONS - INDIGENT HEALTH CARE ACT
481111	CONTRIBUTIONS - INDIGENT HEALTH CARE ACT
481112	CONTRIBUTIONS-TULSA REC ED & SCHL TRUST
481113	CONTRIBUTIONS - OK SILVER HAIRED LEG PROGRAM
481114	VETERANS AFFAIRS IMPROVEMENT
481115	CONTRIBUTIONS - NONGAME WILDLIFE IMPROVEMENT PROGRAM
481116	CONTRIBUTIONS - OTHER
481117	CONTRIBUTIONS - ORGAN DONOR ACT
481118	CONTRIBUTIONS - OK BREAST CANCER ACT
481119	CONTRIBUTIONS - BOMBING MEMORIAL FUND
481120	CONTRIBUTIONS - REGIONAL FOOD BANK
481121	COURT AWARDED JUDGMENTS
481122	CONTRIBUTIONS - SUPPORT CAPITOL DOME
481123	CONTRIBUTIONS - SUPPORT NATIONAL GUARD
481124	CONTRIBUTIONS - OK LEUKEMIA & LYMPH FUND
481125	SURETY BONDS FORFEITED
481126	CONTRIBUTIONS - PANCREATIC CANCER RESEARCH
481155	SEIZED CASH - STATE JUDGMENTS
481156	SEIZED CASH - FEDERAL JUDGMENTS
481158	SEIZED PROPERTY - STATE JUDGMENTS
481159	SEIZED PROPERTY - FEDERAL JUDGMENTS
481270	ABANDONED MINERAL INTEREST
481271	ABANDONED MINERAL INTERESTS
482100	FUNDS HELD FOR OTHERS
482101	DEPOSITS BY PATIENTS & INMATES
482105	DEPOSITS HELD FOR LOCAL GOVERNMENTS
482110	EMPLOYEES DEFERRED COMPENSATION-DEFERRED COMP PLAN
482115	ESCROW DEPOSIT
482119	COMMERCIAL VEHICLE REG./CAB CARDS & TAG (ASA ONLY)
482121	CREDIT CARD FEES
483100	SALE OF DEBT AND INVESTMENTS
483101	SALE OF BONDS - STATE OR AGENCY BONDS

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Code	Account Name
483105	PROCEEDS OF NOTES ISSUED (AS AUTHORIZED BY LAW)
483110	SALE OF INVESTMENT SECURITIES-NOT CAPITAL GAIN
483111	SALE OF INVESTMENT SECURITIES OF FEDERAL FUNDS
483115	RECEIPT/FUNDS MASTER CUSTODIAN
483600	SALE OF PROPERTY
483601	SALE OF SEIZED VEHICLES
483605	SALE OF SURPLUS PROPERTY
483607	SALE OF SALVAGE
483612	SALE OF LAND
483621	SALE OF BUILDINGS & NON-STRUCTURAL IMPROVEMENTS
483622	SALE OF BUILDINGS - NON STRUCTURAL EQUIPMENT
483630	SALE OF MACHINERY & EQUIPMENT
483631	SALE OF MOTOR VEHICLES, MACHINERY & EQUIPMENT
483632	SALE OF OTHER AGENCY NON-MOTOR POOL VEHICLE AT AUCTION
483675	INTER-AGENCY - SALE OF PROPERTY
483676	INTER-AGENCY VEHICLE SALE NON-MOTOR POOL
483685	INTRA-AGENCY - SALE OF PROPERTY
483686	INTRA-AGENCY VEHICLE SALE NON-MOTOR POOL
484100	EMPLOYER PAYROLL BENEFIT CONTRIBUTIONS
484101	STATE AGENCY CONTRIBUTION TO EMPLOYEE RETIREMENT PLAN
484102	STATE AGENCY CONTRIBUTION TO EMPLOYEE HEALTH INS PLAN
484103	LOCAL GOVT PAYMENTS TO EMPLOYEE HEALTH INS PLAN
484105	LOCAL GOVT PAYMENTS TO EMPLOYEE LIFE INS PLAN
484106	LOCAL GOVT PMTS TO EMPLOYEE DISABILITY INS PROGRAM
484110	STATE AGENCY UNEMPLOYMENT COMPENSATION TAX
484121	LOCAL GOVT PAYMENTS TO EMPLOYEE RETIREMENT PLANS
484122	LOCAL GOVT PAYMENTS TO EMPLOYEE HEALTH INS PLAN
484123	LOCAL GOVT PAYMENTS TO EMPLOYEE LIFE INS PLAN
484131	EMPLOYEE CONTRIBUTIONS TO EMPLOYEE RETIREMENT PLAN
484132	EMPLOYEE CONTRIBUTIONS TO EMPLOYEE HEALTH INS PLAN
484133	EMPLOYEE CONTRIBUTIONS TO EMPLOYEE LIFE INS PLAN
484134	EMPLOYEE PAYROLL WITHHOLDING/FLEXIBLE
484142	FICA CONTRIBUTION ON SPECIAL INSURANCE BENEFIT-OMES
484172	INTER-AGENCY - STATE CONTRIBUTION TO RETIREMENT PLAN
484173	INTER-AGENCY - STATE CONTRIBUTION TO HEALTH INS PLAN
484175	INTER-AGENCY - STATE CONTRIBUTION TO LIFE INS PLAN
484176	INTER-AGENCY - STATE CONTRIB FOR DISABILITY INS PROGRAM
484177	INTER-AGENCY - STATE CONTRIBUTION DEF SAV INCNTV PLAN
484179	INTER-AGENCY - UNEMPLOYMENT COMPENSATION TAX
484200	EMPLOYEE PAYROLL BENEFIT CONTRIBUTIONS
484214	DIRECT EMPLOYEE PAYMENTS FOR BENEFITS
484272	INTER-AGENCY - EMPLOYEE CONTRIB TO ST RETIREMENT PLAN
484273	INTER-AGENCY - EMPLOYEE CONTRIB TO ST HEALTH INS PLAN
484275	INTER-AGENCY - EMPLOYEE CONTRIB TO ST LIFE INS PLAN
484276	INTER-AGENCY - EMPLOYEE CONTRIB TO FLEXIBLE BENEFIT PLAN
484277	OMES USE ONLY - FICA CONTRIBUTION ON SPEC INS BENEFITS
484300	LOCAL GOVT/SCH DISTRICT GROUP INSURANCE CONTRIBUTIONS

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Code	Account Name
484301	LOCAL GOV/SCH DISTRICTS PMTS - HEALTH LIFE DISABILITY
488100	INTER/INTRA AGENCY TRANSFERS OF FUNDS
488101	INTER-AGENCY TRANSFER FROM TREASURY FUND-LEGISLATED
488111	INTER-AGENCY TRANSFER FROM TREASURY FUND - OTHER
488121	INTRA-AGENCY TRANSFER FROM TREASURY FUND
488171	INTER-AGENCY TRANSFER FROM OPERATING FUND-LEGISLATED
488172	INTER-AGENCY TRANSFER FROM OPERATING FUND - OTHER
488174	INTER-AGENCY TRANSFER FROM CONSTRUCTION FUND - OTHER
488181	INTRA-AGENCY TRANSFER FROM OPERATING FUND
488184	INTRA-AGENCY TRANSFER FROM SPECIAL ACCOUNTS
488191	INTER-AGENCY PAYMENTS - PURCHASE CARDS
489100	OTHER NON-REVENUE RECEIPTS
489101	OMES DIRECTED NON-REVENUE DEPOSITS
489199	OTHER NON-REVENUE RECEIPTS
499400	OUT-YR FED. RECT. FOR CURRENT YEAR EXPENDITURES

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APPENDIX 4: ACCOUNT CODES – Expenditure

<u>Account Code Section</u>	<u>Section Name</u>	<u>Page Number</u>
510000	<u>PERSONAL SERVICES</u>	
520000	<u>TRAVEL EXPENSES</u>	
530000	<u>ADMINISTRATIVE EXPENSE</u>	
540000	<u>PROPERTY, FURNITURE, EQUIPMENT, AND RELATED DEBT</u>	
550000	<u>GENERAL ASSISTANCE, AWARDS, GRANTS, AND OTHER PROGRAM-DIRECTED PAYMENTS (E.G., SCHOLARSHIP & INCENTIVE PROGRAMS, PAYMENT & REIMBURSEMENT APPROVED PROGRAMS, PAYMENTS TO LOCAL GOVERNMENTS, ETC.)</u>	
560000	<u>TRANSFERS AND OTHER DISBURSEMENTS</u>	
600000	<u>AFP ENCUMBRANCES AND EMPLOYEE WITHHOLDING</u>	

<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
510000	<u>PERSONAL SERVICES</u>	
511000	<u>SALARY EXPENSE</u>	
511110	SALARIES - REGULAR PAY AND SALARY ADJUSTMENTS	Payroll - Payment of wages to employees for services to the state based on monthly, semi-monthly, bi-weekly or other fixed period, including hourly and salary basis for both full-time and permanent part-time employment. Also include salary adjustment payments. <i>NOTE:</i> Includes permanent part-time salaried employees
511120	SALARIES - REGULAR PAY AND SALARY ADJUSTMENTS (LEGISLATURE)	Payroll - Payment of salary compensation to members of the State Legislature. Also include salary adjustment payments.
511130	SALARIES - NON-REGULAR PAY AND SALARY ADJUSTMENTS (E.G., PART-TIME, SEASONAL, TEMPORARY, ETC.)	Payroll - Payment of salary compensation to non-permanent employees for services to the state based on hourly, daily or other short-term wage rate period. Also include salary adjustment payments. <i>NOTE:</i> Permanent part-time salaried employees are included under OEC 511110.

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
511140	SALARIES - HIGHER EDUCATION (H.E.) TEACHING PAY AND SALARY ADJUSTMENTS	Payroll - Payment of salary compensation to regular full-time teaching staff of institutions of the system of H.E. for services to the state. Also include salary adjustment payments.
511150	SALARIES - HIGHER EDUCATION PROFESSIONAL (NON-TEACHING) PAY AND SALARY ADJUSTMENTS	Payroll - Payment of salary compensation for professional services other than teaching services (e.g., salaries paid for administrative services, separately budgeted research services and other such services). Also include salary adjustment payments.
511160	SALARIES - HIGHER EDUCATION NON-PROFESSIONAL PAY AND SALARY ADJUSTMENTS	Payroll - Payment of salary compensation not classified as "Teaching Salaries" or "Professional Salaries" (e.g., salaries of clerical personnel, maintenance personnel, students, etc.). Also include salary adjustment payments.
511170	SALARIES - HIGHER EDUCATION OTHER TEACHING PAY AND SALARY ADJUSTMENTS	Payroll - Payment of salary compensation to adjunct, temporary, and substitute teachers for teaching services, and other teaching salaries not covered by any other teaching salary code. Also include salary adjustment payments.
511210	LONGEVITY PAY - STATE EMPLOYEES (NON-HIGHER EDUC.)	Payroll - Longevity payment for state employees as authorized under the state longevity pay plan (74 O.S. § 840-2.18).
511220	LONGEVITY PAY - INSTITUTIONS OF HIGHER EDUCATION (H.E.)	Payroll - Longevity payment for employees of institutions of the Higher Education system under the approved H.E. longevity pay plan.
511230	INDIVIDUAL INCENTIVE PAY AND SAFETY AWARDS	Payroll - Payment of individual incentive pay to employees of a participating agency as approved by the Committee for Incentive Awards for State Employees (74 O.S. § 4111 , et seq.). This code also includes authorized payments to individuals for safety awards, such as under the Department of Veteran Affairs' Safety Awards program (72 O.S. § 63.10a).
511240	DATA PROCESSING SIGNING INCENTIVE PAYMENTS	Payroll - Payment of individual incentive pay to individuals hired to fill professional - level data processing positions. One or two payments not to exceed a total of \$5,000. (Executive Order 98-05 , 2/18/98)
511250	UNIT INCENTIVE PAY	Payroll - Payment of unit incentive pay for employees of a participating agency as approved by the Committee for Incentive Awards for State Employees (74 O.S. § 4111 , et seq.)

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
511260	INDIVIDUAL HEALTH INCENTIVE PAYMENTS	Payroll - Payment of monetary incentives to employees participating in an approved personal health improvement program (e.g., OK Health Program).
511270	OVERTIME WAGES	Payroll - Payment of authorized employees' overtime hours worked.
511280	HOLIDAY PAY	Payroll - Payments of authorized holiday pay.
511290	PAY DIFFERENTIAL	Payroll - Payments of authorized differential.
511300	EDUCATION LOAN INCENTIVES	Payroll - Payment of educational loan incentives to eligible employees under a qualified educational loan expense program allowing payments by state agencies on behalf of eligible employees to any private or public entity for qualified educational loan expenses, not to exceed \$5,000.00 in any 12-month period and a cumulative total reimbursement not to exceed \$15,000.00. (Financial Reimbursement for Educational Expenses Act of 2007, per HB 1114, Second Regular Session of the 50th Legislature)
511310	TERMINAL LEAVE	Payroll - Payment of unused accrued annual leave to an employee upon termination of employment with a paying agency.
511320	DEFERRED COMPENSATION - OPERS	Payroll - Payments to the Oklahoma Public Employees Retirement System (OPERS) on behalf of employees participating in the state tax-sheltered income deferment plan. (74 O.S. § 1701 , et seq.)
511330	DEFERRED COMPENSATION - EDUCATION	Payroll - Payments made on behalf of the state education system teachers and full-time employees participating in tax-sheltered income deferment plans. (Section 403 (b) of the Internal Revenue Code and 70 O.S. § 6-101.1)
511350	CAFETERIA PLAN - STATE	Payroll - Payment of adjustments to employees' gross salary for the State Cafeteria Plan as administered by the OMES Human Capital Management.
511370	CAFETERIA PLAN - GROUP INSURANCE	Payroll - Payment of adjustments to employees' gross salary for the Group Insurance Cafeteria Plan as administered by the OMES Human Capital Management
511390	CAFETERIA PLAN - OTHER (E.G., HIGHER EDUCATION)	Payroll - Payment of adjustments to employees' gross salary for other cafeteria plans as administered by individual agencies and institutions (e.g., system of higher education).

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
511400	COMPENSATION - BOARD AND COMMISSION MEMBERS	Payroll - Reportable payments subject to IRS regulations covering miscellaneous compensation and reimbursements to individuals
511420	EXCESS BENEFIT ALLOWANCE	Payroll - Payment of excess allowance authorized state employees for purchase of insurance over the actual cost of the elected insurance
511430	EMPLOYEE EXPENSE ALLOWANCE-REPORTABLE	Payroll - Payment of reportable expense reimbursement allowance under non-accountable plan established for employee expense reimbursement (e.g., uniform maintenance allowances).
511440	SIGNING INCENTIVE PLAN PAYMENTS - NON DATA PROCESSING	Payroll - Payment of individual sign-on incentive pay to individuals hired to fill positions in any job family for which the Appointing Authority has identified as having critical recruitment and retention problems. Authorizes a lump-sum payment not to exceed a total of \$5,000 during the week of the individual's enter-on-duty date or in two equal payments during the first six months of state employment. May also apply to current and former state employees meeting certain criteria. (Merit Rules - OAC 530:10-7-6) See OEC 511240 - Data Processing Signing Incentive Payments, for the data processing job families.
511450	CONTINUOUS SERVICE INCENTIVE PLAN PAYMENTS	Payroll - Payment of individual incentive pay to individuals hired to fill positions in any job family for which the Appointing Authority has identified as having critical recruitment and retention problems. Authorizes scheduled payments not to exceed a total of \$5,000, with no more that \$2,500 in any 12-month period. May also apply to current and former state employees meeting certain criteria. (Merit Rules - OAC 530:10-7-11)
<u>511999</u>	<u>DEFAULT PAYROLL ACCOUNT FOR OMES USE ONLY</u>	This account is used within transactions processed by the HCM payroll system for transactions related to Higher Ed PFT transactions. It should not be used on any voucher payment.
<u>512000</u>	<u>INSURANCE PREMIUMS - HEALTH, LIFE, ETC</u>	
512110	INSURANCE PREMIUMS - HEALTH AND LIFE (STATE PLAN)	Payment of contributions made by state agencies for the cost of group insurance covered under the OMES Employees Group Insurance Program
512120	INSURANCE PREMIUMS - HEALTH AND LIFE (OTHER)	Payment of contributions by state agencies for employee coverage in group health and life insurance plans other than OMES Employees Group Insurance Program (e.g., disability and dismemberment type insurance), including payments made directly to an insurance carrier

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
		<i>NOTE:</i> May also include payments of premiums for insurance purchased for students, such as insurance covering participation in school athletic activities.
512130	INSURANCE PREMIUMS - RETIREES' HEALTH (HIGHER EDUCATION)	Payments by institutions of the State System of Higher Education for health insurance premiums for retirees enrolled in the H.E. pension systems.
512140	INSURANCE PREMIUMS - RETIREES' HEALTH (STATE PENSION SYSTEMS)	Payments by state agencies for health insurance premiums for retirees enrolled in the state pension systems.
512150	INSURANCE PREMIUMS - RETIREES' LIFE (HIGHER EDUCATION)	Payments by institutions of the state system of higher education for life insurance premiums for retirees enrolled in the pension system for higher education.
512210	UNEMPLOYMENT COMPENSATION - PAYROLL	Payroll - Payment of unemployment compensation tax required for employees covered under the Oklahoma Employment Security Act
512230	UNEMPLOYMENT COMPENSATION REIMBURSEMENT	Payments by state agencies to reimburse the Oklahoma Employment Security Commission for paid-out benefits
512310	INSURANCE PREMIUMS - WORKER'S' COMPENSATION	Payments to insurers (e.g., CompSource) for premiums covering workers' compensation insurance
512330	WORKERS' COMPENSATION MEDICAL VOUCHERS DEDUCTIBLE	Payment to insurers (e.g., CompSource) of employer's obligation for workers' compensation medical vouchers deductible expense.
513000	FICA AND RETIREMENT CONTRIBUTIONS	
513110	STATE SHARE - FICA	Payments for the state's (employer) share contribution made under the Federal Insurance Contributions Act (FICA)
513120	STATE SHARE - MQFE/FICA (MEDICARE QUALIFIED FEDERAL EMPLOYEES (MQFE))	Payments for the state's (employer) share contribution for Medicare qualified federal employees (MQFE).
513220	STATE SHARE – OKLAHOMA WILDLIFE DEPARTMENT'S RETIREMENT PROGRAM – DEFINED CONTRIBUTION PLAN	Payments of the state's (employer) share contribution to the Wildlife Department's Defined Contribution Retirement Plan for employees hired after 7/1/2010.
513230	STATE SHARE - OKLAHOMA PUBLIC	Payments for the state's (employer) share contribution to the Oklahoma Public Employee's Retirement Program.

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	EMPLOYEES RETIREMENT SYSTEM (OPERS)	Also includes payments of employees' unused sick leave upon vesting or retirement
513240	STATE SHARE - OTHER AUTHORIZED RETIREMENT SYSTEMS	Payment of the state's (employer) share contributions to other authorized state retirement programs (e.g., Oklahoma Law Enforcement Retirement System and the Oklahoma Teachers Retirement System)
513250	STATE RETIREMENT - PAYMENTS ON BEHALF OF LOCAL GOVERN- MENTAL SUB-DIVISIONS	Payments by or through state agencies to an Oklahoma Retirement System on behalf of employees of participating local governmental sub-divisions.
513260	EMPLOYEE DEFERRED INCENTIVE SAVINGS PLAN (AGENCY 515 ONLY)	Payment of the \$25 match to the covered employees accounts under the SoonerSave Deferred Compensation Plan
513270	STATE SHARE - JUDICIAL RETIREMENT	Payments for the state's (employer) share contribution to the Oklahoma Public Employee's Retirement System for the State Judicial Retirement Program.
513280	STATE MATCH AND ADMINISTRATION FEE - STATE PLAN ANNUITY	Payments for the state's match under the State Plan Annuity. This will also include the administration fee to the Oklahoma Public Employee's Retirement System for administering the program
513320	SUPPLEMENTAL RETIREMENT PLANS - HIGHER EDUCATION	Payments by institutions of the state system of higher education for authorized employee supplemental retirement plans.
514000	BENEFIT PAYMENTS	
514110	UNEMPLOYMENT COMPENSATION (AGENCY 290 - ASA)	Payments by the Oklahoma Employment Security Commission for unemployment compensation vouchers made from their authorized depository class fundings
514210	WORKERS' COMPENSATION	Payments to employees resulting from judgments/ settlements ordered by the Workers' Compensation Court
514310	DISABILITY BENEFITS (AGENCY 516-ASA)	Payments by the OMES Employees Group Insurance Program from their Agency Special Account (ASA) class funding for disability payments.
514350	HEALTH, DENTAL & LIFE INSURANCE - CONTRACT PLANS VOUCHERS (Agency 516 - ASA)	Payments by the OMES Employees Group Insurance Plan to vendors who operate employees' Health Maintenance Organization (HMO) and other approved insurance plans
514410	RETIREMENT & DISABILITY PAYMENTS - NON-PAYROLL	Non-payroll retirement & disability payments made to persons under the state's various employee retirement systems.

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514420	RETIREMENT PAYMENTS (PUBLIC EMPLOYEES RETIREMENT SYSTEM) - PAYROLL	Payroll - Payments to retired employees covered under the state's public employees' retirement system.
514430	RETIREMENT PAYMENTS (HIGHER EDUCATION) - NON-PAYROLL	Non-payroll payments to retired employees of the system of higher education under plans adopted by the respective controlling boards.
514440	RETIREMENT PAYMENTS (HIGHER EDUCATION) - PAYROLL	Payroll - Payments to retired employees of the system of higher education under a plan adopted by the respective controlling board.
514510	DEATH BENEFITS PAYMENTS FOR RETIREES - PENSION SYSTEMS	Payments of death benefits for retirees covered under the state pension plans.
<u>515000</u>	<u>PROFESSIONAL SERVICES</u>	
515010	OFFICES OF LAWYERS	Payments for legal services provided by offices of legal practitioners known as lawyers and attorneys.
515020	OFFICES OF NOTARIES	Payments for services provided by establishments primarily engaged in drafting, approving, and executing legal documents.
515030	OTHER LEGAL SERVICES	Payments for specialized legal and paralegal services provided by offices of legal practitioners, other than lawyers and attorneys. May include court reporting.
515060	ACCOUNTING, TAX PREPARATION, BOOKKEEPING, AND PAYROLL SERVICES	Payments to establishments providing services for auditing, accounting, and preparation of financial records and statements, designing accounting systems, and etc.
515090	CONTRACT CORRECTIONAL SERVICES (ADULT & JUVENILE)	Payments to facilities for providing housing, security and related services (per contractual requirements) for adult and juvenile offenders placed under State supervision.
515210	PAYMENTS FOR CONTRACT MENTOR SERVICES	Payments to persons performing mentor-ship services under contract with the Oklahoma Military Department pursuant to the Department's authorized mentor-ship program(s).

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515220	ARCHITECTURAL SERVICES	Payments for services in the planning and designing of buildings and structures, whereby, applying knowledge of design, construction procedures, etc
515230	LANDSCAPE ARCHITECTURAL SERVICES	Payments for services in the planning and designing development of land areas, whereby, applying knowledge of land characteristics, landscape design, etc.
515240	ENGINEERING SERVICES	Payments for services providing plans, designs, and technical services during construction or installations, whereby, applying physical laws and principles of engineering.
515250	DRAFTING SERVICES	Payments for services providing the drawing of detailed layouts, plans, and illustrations related to engineering and architectural specifications.
515260	BUILDING INSPECTION SERVICES	Payments for services providing building inspections, whereby, evaluating building structures and physical conditions of property, and etc.
515270	GEOPHYSICAL SURVEYING AND MAPPING SERVICES	Payments for services providing the gathering, interpreting, and mapping of geophysical data, and conducting surveys for engineering purposes (e.g., for subsurface resources such as oil, gas, etc.).
515280	SURVEYING AND MAPPING (EXCEPT GEOPHYSICAL) SERVICES	Payments for services providing the surveying and mapping of areas (except geophysical) such as for easements, etc.
515290	TESTING LABORATORIES	Payments for services providing physical, chemical and other analytical testing (except medical and veterinary) in a laboratory or on-site.
515300	INTERIOR DESIGN SERVICES	Payments for services providing planning, designing, and administering projects in interior spaces.
515310	INDUSTRIAL DESIGN SERVICES	Payments for services providing designs and specifications optimizing the use, value, and appearance of products.
515320	GRAPHIC DESIGN SERVICES	Payments for services providing planning, designing, and managing the production of visual communications.

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515330	OTHER SPECIALIZED DESIGN SERVICES	Payments for services providing professional designs (except architectural, landscape, architecture, engineering, interior, industrial, graphic, and computer system design).
515350	CUSTOM COMPUTER PROGRAMMING SERVICES	Payments for services providing the writing, modifying, testing, and supporting of software to meet the agency's needs. <i>NOTE:</i> Requires OMES Information Services Division Review.
515360	COMPUTER SYSTEMS DESIGN SERVICES	Payments for services providing the planning and designing of computer systems that integrate computer hardware, software, and communication technologies (The hardware and software components may be provided by the vendor, agency, or by a third party.) <i>NOTE:</i> Requires OMES Information Services Division Review.
515370	COMPUTER FACILITIES MANAGEMENT SERVICES	Payments for services providing on-site management and operation of the agency's computer systems and/or data processing facilities. <i>NOTE:</i> Requires OMES Information Services Division Review.
515380	OTHER COMPUTER RELATED SERVICES	Payments for services providing computer related services (except custom programming, systems integration design, and facilities management). Examples are computer disaster recovery services and software installation services. <i>NOTE:</i> Requires OMES Information Services Division Review.
515400	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	Payments for services providing operating advice and assistance on administrative management issues. Also includes general management consultants.
515410	HUMAN RESOURCES AND EXECUTIVE SEARCH CONSULTING SERVICES	Payments for services providing advice and assistance in the area of human resources (i.e., personnel, benefits, compensation, search and recruitment).

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515420	MARKETING CONSULTING SERVICES	Payments for services providing operating advice and assistance on marketing issues (e.g., objectives, sales forecasting, pricing, etc.).
515430	PROCESS, PHYSICAL DISTRIBUTION, AND LOGISTICS CONSULTING SERVICES	Payments for services providing operating advice and assistance in such areas as manufacturing, productivity, production planning, quality assurance/control, inventory, warehouse utilization, transportation, materials and handling.
515440	OTHER MANAGEMENT CONSULTING SERVICES	Payments for services providing management consulting (except administrative and general management; human resources; marketing; or process, physical distributions, and logistics).
515450	ENVIRONMENTAL CONSULTING SERVICES	Payments for services providing advice and assistance on environmental issues (i.e., environmental contamination, water quality, etc.).
515460	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	Payments for services providing advice and assistance on scientific and technical issues (except environmental).
515470	RESEARCH AND DEVELOPMENT IN THE PHYSICAL, ENGINEERING, AND LIFE SCIENCES	Payments for services providing research and experimental development in the areas of physical, engineering, or life sciences (i.e., agriculture, electronics environmental, health, medicine, food, botany, etc.).
515480	RESEARCH AND DEVELOPMENT IN THE SOCIAL SCIENCES AND HUMANITIES	Payments for services providing research and analysis in cognitive development, sociology, psychology, language, behavior, economic, and other social science and humanities research.
515490	ADVERTISING AND RELATED SERVICES	Payments for services providing advertising campaigns and placing such advertising in newspapers, radio, television, etc. (not for just placing an ad in the newspaper - use OEC 531160)
515500	MARKETING RESEARCH AND PUBLIC OPINION POLLING	Payments for services providing the systematically gathering, recording, tabulating, and presenting of marketing and public opinion data.

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515510	PHOTOGRAPHIC SERVICES	Payments for services providing still, video, or digital photography.
515520	TRANSLATION AND INTERPRETATION SERVICES	Payments for services in translating written material and interpreting speech from one language to another and in providing sign language services
515530	VETERINARY SERVICES	Payments for services providing veterinary medicine, dentistry, or surgery for animals. Also includes testing services for veterinarians.
515540	ALL OTHER PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	Payments for providing professional, scientific, or technical services (except as provided for elsewhere).
515550	MANAGEMENT OF COMPANIES AND ENTERPRISES	Payments for services providing management under one of the following: 1) holding securities or other equity interests; 2) to administer, oversee, and manage but without holding securities or other equity interests; or 3) to both administer and have holdings.
515560	OFFICE ADMINISTRATIVE SERVICES	Payments for providing a range of day-to-day office administrative services, such as financial planning; billing and record keeping; personnel; etc. But not providing the operating staff.
515570	EMPLOYMENT PLACEMENT SERVICES	Payments for services providing employment listings and placement (of new employees). Also include supplying workers for limited periods of time (temporary help).
515580	BUSINESS SUPPORT SERVICES	Payments for services providing activities that are ongoing routine, business support functions.
515590	DOCUMENT PREPARATION SERVICES	Payments for services providing such things as letter or resume writing; document editing or proofreading; typing, word processing, or desktop publishing; and stenographic (except court reporting), transcription, and other secretarial services dealing with documents.
515600	TELEPHONE CALL CENTERS	Payments for services providing primarily answering services and relaying messages, telemarketing on a fee basis, taking orders by phone, soliciting contributions, providing information, etc.

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515610	BUSINESS SERVICE CENTERS	Payments for services providing mailbox rental and other postal and mailing services (except direct mail advertising); copy centers or shops, providing photocopying, duplicating, blueprinting, and other document copying; etc.
515620	COLLECTION AGENCIES	Payments for services providing payment collection and remitting such collection to the agency.
515630	CREDIT BUREAUS	Payments for services providing credit and employment histories on individuals and credit histories on businesses, with information going to financial institutions, retailers, and others needing such information.
515640	OTHER BUSINESS SUPPORT SERVICES	Payments for providing business support services (except as provided for elsewhere).
515650	INVESTIGATION AND SECURITY SERVICES	Payments for providing such things as investigative and detective services, guard and patrol services, protected pickup and delivery of valuable items, security system sales with installation and repair, or system monitoring services.
515660	EDUCATIONAL SERVICES	Payments for services providing instruction and training by specialized establishments such as schools, colleges universities and training centers. May also include individuals providing instruction and training.
515700	OFFICES OF PHYSICIANS (EXCEPT MENTAL HEALTH SPECIALISTS)	Payments for services provided by doctors (M.D. or D.O.) in the practice of general or specialized medicine (except psychiatry or psychoanalysis) or surgery.
515710	OFFICES OF PHYSICIANS, MENTAL HEALTH SPECIALISTS	Payments for services provided by doctors (M.D. or D.O.) primarily in the practice of psychiatry or psychoanalysis.

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515720	OFFICES OF DENTISTS	Payments for services provided by doctors (D.M.D., D.D.S. or D.D.Sc.) in the practice of general or specialized dentistry or dental surgery.
515730	OFFICES OF CHIROPRACTORS	Payments for services provided by doctors (D.C.) in the practice of Chiropractic treatment.
515740	OFFICES OF OPTOMETRISTS	Payments for services provided by doctors (O.D.) in the practice of Optometry.
515750	OFFICES OF MENTAL HEALTH PRACTITIONERS (EXCEPT PHYSICIANS)	Payments for services provided by mental health practitioners (except physicians) in the practice of diagnosis and treatment of mental, emotional, and behavioral disorders.
515760	OFFICES OF PHYSICAL, OCCUPATIONAL AND SPEECH THERAPISTS, AND AUDIOLOGISTS	Payments for services provided by health practitioners in the practice of administering medically prescribed physical therapy treatment. Also, providing educational, recreational, and social activities for patients or individuals with disabilities.
515770	OFFICES OF PODIATRISTS	Payments for services provided by doctors (D.P.) in the practice of podiatry (foot).
515780	OFFICES OF ALL OTHER MISCELLANEOUS HEALTH PRACTITIONERS	Payments for services provided by other health practitioners (except as provided for elsewhere).
515790	FAMILY PLANNING CENTERS	Payments for services providing a range of family planning service on an outpatient basis (e.g., prenatal counseling, etc.).
515800	OUTPATIENT MENTAL HEALTH AND SUBSTANCE ABUSE CENTERS	Payments for services providing outpatient diagnosis and treatment of mental health disorders and substance abuse.
515810	OTHER OUTPATIENT CARE CENTERS	Payments for services providing general or specialized outpatient care (except family planning and outpatient mental health and substance abuse centers).
515820	MEDICAL AND DIAGNOSTIC LABORATORIES	Payments for services providing analytical or diagnostic services, generally to the medical profession or patient referrals.

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515830	HOME HEALTH CARE SERVICES	Payments for in-home services providing skilled nursing, physical therapy, medical equipment, etc.
515840	AMBULANCE SERVICES	Payments for services providing transportation of patients by ground or air, along with medical care.
515850	ALL OTHER AMBULATORY HEALTH CARE SERVICES	Payments for services providing ambulatory health care (except as provided for elsewhere).
515860	GENERAL MEDICAL AND SURGICAL HOSPITALS	Payments for hospital services providing diagnostic and medical treatment to patients.
515870	PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITALS	Payments for services provided by hospitals specializing in psychiatric and substance abuse treatment.
515880	SPECIALTY HOSPITALS (EXCEPT PSYCHIATRIC AND SUBSTANCE ABUSE)	Payments for services provided by hospitals specializing in the diagnostic and medical treatment of inpatients with specific type of disease or medical condition (except psychiatric or substance abuse conditions).
515890	NURSING CARE FACILITIES	Payments for services of an establishment providing inpatient nursing and rehabilitative treatment.
515900	RESIDENTIAL MENTAL RETARDATION FACILITIES	Payments for services of an establishment providing residential care for persons diagnosed with mental retardation.
515910	RESIDENTIAL MENTAL HEALTH AND SUBSTANCE ABUSE FACILITIES	Payments for services of an establishment providing residential care and treatment for patients with mental health and substance abuse illnesses.
515920	COMMUNITY CARE FACILITIES FOR THE ELDERLY	Payments for services of an establishment providing residential and personal care for the elderly and other persons unable to care for themselves or to live independently.
515930	OTHER RESIDENTIAL CARE FACILITIES	Payments for services of an establishment providing residential care (except as provided for elsewhere).
515940	INDIVIDUAL AND FAMILY SERVICES	Payments for services providing nonresidential social assistance for children and youth, elderly, disabled, etc.; and for families.

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515950	COMMUNITY FOOD, HOUSING, EMERGENCY AND OTHER RELIEF SERVICES	Payments for services providing the collection, preparation, and delivery of food for the needy. Also, community housing; construction and housing repair for low-income individuals/families, disabled, and elderly; and other assistance (e.g., food, shelter, clothing, etc.).
515960	VOCATIONAL REHABILITATION SERVICES	Payments for services of an establishment providing vocational or, rehabilitation services (e.g., job counseling, job training, work experiences, etc.).
515970	CHILD DAY CARE SERVICES	Payments for services of an establishment providing day care of infants or children.
515980	ARTS, ENTERTAINMENT, AND RECREATION	Payments for services providing entertainment in the area of Performing Arts, Spectator Sports, and related entertainment/recreation industries.
515990	OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION)	Payments for professional services not provided for elsewhere. (excludes Public Administration services).
<u>517000</u>	<u>REPORTABLE COMPENSATION</u>	
517110	MOVING EXPENSES - - EMPLOYEE TRANSFER	<p>Payment to a certified carrier for the cost of moving an employee permanently transferred at the request of a state agency. (See 74 O.S. § 500-51 et seq.). This may also include payment/reimbursement of moving expenses for "new hires" of certain constitutionally created institutions of the state H.E. system.</p> <p><i>NOTE:</i> Does not include moving expenses for "new hires" or state employees transferred from another state agency, as with inter-agency transfers, except as noted for institutions of the state H.E. system.</p>
<u>519000</u>	<u>FLEXIBLE BENEFITS - ADMINISTRATION</u>	
519130	FLEXIBLE BENEFITS - ADMINISTRATION	Payments for deposit into the General Revenue Fund of inter-agency reimbursements for employer Social Security (FICA) savings made pursuant to the State Employee Flexible Benefits Plan Act (74 O.S. § 1347).
<u>520000</u>	<u>TRAVEL EXPENSES</u>	

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521000	TRAVEL - REIMBURSEMENTS	
521110	IN-STATE MILEAGE - MOTOR VEHICLE	Reimbursement of mileage expense incurred with use of privately-owned automobile or contract leased/ rented motor vehicle for in-state travel. <i>NOTE:</i> For automobile mileage to/from in-state airport or other terminal in connection with out-of-state travel, use OEC 521210.
521120	IN-STATE MEALS (PER DIEM SUBSISTENCE) EXPENSE	Reimbursement for meals expenses incurred for in-state travel.
521130	IN-STATE PUBLIC TRANSPORTATION CHARGES - NON-MILEAGE	Reimbursement for public transportation expenses (e.g., railroad, airplane, bus, taxicab, limousine, etc.) incurred for travel to points within the state of Oklahoma. May also include local (vicinity) transportation charges incurred for in-state travel, except as noted below. <i>NOTE:</i> (1) For <u>local transportation</u> expenses (e.g., taxicab, limousine, local transit system, etc.) incurred in going to and coming from an in-state airport or other terminal in connection with out-of-state travel, use OEC 521240. (2) For rental car leased within the state or automobile mileage expense for travel within the state of Oklahoma, use OEC 521110. If used pursuant to Trip Optimizer, use OEC 521130.
521140	IN-STATE MISCELLANEOUS CHARGES	Reimbursement for other authorized miscellaneous charges (e.g., toll fees, parking fees, business related phone calls, registration fees, telegraph charges, fax charges, etc.) not covered by another in-state travel OEC.
521150	IN-STATE LODGING	Reimbursement for hotel, motel, or other public lodging charges in connection with in-state travel.
521210	OUT-OF-STATE MILEAGE - PRIVATE VEHICLE	Reimbursement claimed on a mileage basis for use of privately-owned motor vehicle for travel outside the state of Oklahoma. May also include mileage expense for

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		travel to/from the in-state airport or other terminal in connection with out-of-state travel.
521220	OUT-OF-STATE TRANSPORTATION CHARGES	Reimbursement for public transportation charges (i.e., common carrier - - bus, rail, airplane, etc.) incurred in connection with travel to and from points outside the State of Oklahoma.
521230	OUT-OF STATE MEALS (PER DIEM SUBSISTENCE) EXPENSES	Reimbursement claimed for documented meals and incidental expenses by state officials and employees for out-of-state travel.
521240	OUT-OF-STATE LOCAL TRANSPORTATION	Reimbursement for the cost of limousine, taxi, bus, rental car, etc., incurred while traveling on official business outside the State of Oklahoma. May also include local transportation charges incurred for travel to/from arrival/departure airport or other terminal in connection with out-of-state travel.
521250	OUT-OF-STATE MISCELLANEOUS CHARGES	Reimbursement for other authorized miscellaneous expenses (e.g., toll fees, parking fees, business related phone calls, registration fees, telegraph charges, fax charges, etc.) not covered by another out-of-state travel OEC.
521260	OUT-OF-STATE LODGING	Reimbursement of out-of-state expenses for hotel, motel, or other public lodging charges.
521310	TRAVEL REIMBURSEMENT - NON STATE EMPLOYEES	Reimbursement of authorized travel to individuals who are not salaried officers or employees of the state.
522000	TRAVEL - AGENCY DIRECT PAYMENTS	
522110	OUT-OF-STATE PURCHASE OF TRANSPORTATION COSTS - AGENCY DIRECT	Payments for direct-purchase of commercial airline tickets as authorized and direct-purchase of other public transportation carriers (e.g., train and bus fares) for out-of-state travel by state employees, state officials, and other persons traveling on authorized official state business.
522111	IN-STATE PURCHASE OF TRANSPORTATION COSTS- AGENCY DIRECT	Payments for direct-purchase of public transportation carriers (e.g., train and bus fares) for in-state travel by state employees, state officials, and other persons traveling on authorized official state business.

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522112	OUT-OF-STATE PURCHASE OF TOLL COLLECTION FEES – AGENCY DIRECT	Payments for direct-purchase of vehicle toll collection fees from Turnpike Systems outside of Oklahoma. For out-of-state travel by state employees, state officials, and other persons traveling on authorized official state business. This may also include payments to the Oklahoma Turnpike PikePass System when used in connection with traveling to points of the State.
522113	IN-STATE PURCHASE OF PIKEPASS TOLL COLLECTION FEES – AGENCY DIRECT	Payments for direct-purchase of PikePass toll collection fees from the Oklahoma Turnpike System. For in-state travel by state employees, state officials and other persons traveling on authorized official state business.
522114	OUT-OF-STATE PURCHASE OF LOCAL TRANSPORTATION – AGENCY DIRECT	Payments for direct-purchase of local transportation expenses (e.g., subway, metro rail, bus, taxicab, limousine, etc.; but not rental car) incurred while traveling on official business outside the State of Oklahoma. This may also include local transportation charges incurred for travel to/from arrival/departure airport or other terminal in connection with out-of-state travel.
522115	IN-STATE PURCHASE OF LOCAL TRANSPORTATION – AGENCY DIRECT	Payments for direct-purchase of local transportation expenses (e.g., bus, taxicab, limousine, etc.; but not rental car) incurred for travel to points within the state of Oklahoma, except as noted below. NOTE: For direct purchase of said local transportation incurred in going to and coming from an in-state airport or other terminal in connection with out-of-state travel, use OEC 522114.
522120	TRAVEL EXPENSES - STUDENT ACTIVITY GROUPS, WARDS & INMATES, ETC.	Payment of travel related expenses, such as transportation, meals and lodging, etc., for students participating in school activities, inmates of a state penal institution and wards or patients of a state hospital or custodial institution. Also includes authorize travel by social services clients not covered under another code.
522130	OUT-OF-STATE PURCHASE OF FOOD AND LODGING - AGENCY DIRECT	Payment for direct-purchase of food, lodging and related expenses for out-of-state travel by state agencies authorized to contract for such travel related purchases for employees, state officials, and other persons traveling

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		on authorized official state business under 74 O.S. § 500.2 , or other edict (e.g., grant or contract).
522131	IN-STATE PURCHASE OF FOOD AND LODGING – AGENCY DIRECT	Payment for direct-purchase of food, lodging and related expenses for in-state travel by state agencies authorized to contract for such travel related purchases for employees, state officials, and other persons traveling on authorized official state business under 74 O.S. § 500.2 , or other edict (e.g., grant or contract).
522140	OUT-OF-STATE MISCELLANEOUS CHARGES – AGENCY DIRECT	Payments for direct-purchase of other authorized miscellaneous charges (e.g., parking fees, business related phone calls, etc.) used during out-of-state travel by state employees, state officials and other persons traveling on authorized official state business.
522141	IN-STATE MISCELLANEOUS CHARGES – AGENCY DIRECT	Payments for direct-purchase of other authorized miscellaneous charges (e.g., parking fees, business related phone calls, etc.) used during in-state travel by state employees, state officials and other persons traveling on authorized official state business.
522150	REGISTRATION - AGENCY DIRECT	Agency direct-payment of registration fees and similar charges for employees and officials to attend official workshops, seminars, conferences, meetings and other similar activities. May also include the cost of associated training materials required to complete the workshop, seminar, etc. <i>NOTE:</i> Registration paid by the agency is classified as a travel related expense whether or not the employee or officer is in official travel status for reimbursement of meals (per diem) and lodging expenses.
<u>530000</u>	<u>ADMINISTRATIVE EXPENSE</u>	
<u>531000</u>	<u>MISCELLANEOUS ADMINISTRATIVE EXPENSES</u>	
531110	FREIGHT EXPENSES	Payment for incoming and outgoing transportation charges that cannot be charged as a part of the original cost of a commodity (e.g., specimens received by laboratories, hire of freight vehicles, United Parcel Service (UPS) shipping charges, etc.). <i>NOTE:</i> Ordinarily, freight charges for delivery/ shipping of a supply or piece of equipment are included under the same object of expenditure as the item of purchase.

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531120	POSTAGE	<p>Payments for purchase of stamps and for the cost of filling postage meters. Also, services provided by the U.S. Postal Service for reply mail, bulk mailing account, postage due account, etc.</p> <p><i>NOTE:</i> (1) Postage expense does not include rental of postage equipment (OEC 532140), post office box rental (OEC 532190), pre-sort mail (OEC 515610), United Parcel Service (UPS) (freight) (OEC 531110), reimbursing other departments for postage (OEC 554230). (2) Payment for purchase of postage stamps must be made only to the U.S. Post Office (74 O.S. § 90.2). Exceptions: postage meter refills paid to other suppliers (e.g., Pitney Bowes, Neopost, etc.) can be coded under the postage code-531120.</p>
531130	TELECOMMUNICATIONS SERVICES	<p>Payments for communications charges for service required in the operation of an agency, such as telephone, telegraph, radio, mobile phone (cellular), pager (beeper), etc. May also include cable and satellite TV. service when required in operation of an agency.</p> <p><i>NOTE:</i> Does not include the rent of telecommuni-cations equipment (see OEC 532150).</p> <p><i>NOTE:</i> Requires OMES Information Services Division Review.</p>
531150	PRINTING & BINDING CONTRACTS	<p>Payments for printing and binding of reports, documents, books, etc., and other contractual printing costs.</p> <p><i>NOTE:</i> Purchases of print supplies (e.g., preprinted forms, stationery, educational brochures, advertising, etc.) should be charged to the appropriate supply object of expenditure, OEC Class 534000.</p>
531160	ADVERTISING AND PROMOTIONAL EXPENSES	<p>Payments for advertisements (e.g., legal notices, job ads, tour ads, product/service ads, etc.) placed in newspapers, magazines, registers, etc. Also for payments of promotional type expenses authorized by law or other edict, for marketing programs or enterprise-like activities (e.g., Tourism and Recreation’s Film Office,</p>

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		parks, resorts, golf courses, and Oklahoma Today Magazine, etc.).
531170	INFORMATIONAL SERVICE	<p>Payments for services used in collection and dissemination of information to the general public and for informational purposes within an agency, such as clipping service, newsletters, newspaper/magazine subscriptions, subscriptions for Internet service, etc., which are not included under another category of object of expenditure.</p> <p><i>NOTE:</i> May require review by OMES, Information Services Division.</p>
531180	BANK SERVICE CHARGES	<p>Payments of bank service charges (e.g., charges for services to maintain state bank accounts), bank card service charges (e.g., charges in connection with accepting/processing customer credit card payments at state parks and lodges, maintenance of agency-owned corporate credit card, etc.), and other similar charges.</p> <p><i>NOTE:</i> Include payment of charges the OST passes on to agencies for "stop pay" transactions.</p>
531190	EXHIBITIONS, SHOWS & SPECIAL EVENTS	Payments for the expenses of agricultural shows, special cultural exhibits, historical celebrations, and etc.
531200	CONVENIENCE FEES – PORTAL	Payment of convenience fees to the portal developer (usually OMES).
531210	DATA CENTER CHARGES - PORTAL	Payment to OMES for data center charges related to the portal.
531220	BURIAL CHARGES	Payments of burial expenses for deceased patients, wards, or inmates of State Institutions, where such charges devolve upon a state agency.
531230	ERP SYSTEM SERVICES	Payment of the State Enterprise Resources Planning system services for all defined transactions. HB 1046 (2005)

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		<i>NOTE:</i> Requires OMES Information Services Division Review.
531250	LICENSES, PERMITS, CERTIFICATES AND OTHER RIGHTS OR PRIVILEGES	<p>Payments for the purchase of licenses, permits, certificates and other rights or privileges as required in the operation of an agency (e.g., Notary Public Commission fee, hospital license fee, etc.).</p> <p><i>NOTE:</i> Payments for purchase of "computer software licensing" in connection with purchase/ rent of computer software should be charged under OEC 532170 - Rent of Data Processing Software, or OEC 541130 - Purchase of Data Processing Software, as appropriate.</p>
531260	MEMBERSHIP IN ORGANIZATIONS	Payments of dues and fees for agency (institutional/organizational) membership in authorized organizations, associations (e.g., Council of State Governments, etc.). May also include payment of individual (employee) memberships when authorized by state statute, grant, or other edict.
531280	LATE-PAYMENT INTEREST AND OTHER PENALTY CHARGES	Payment of interest under the provisions of 62 O.S. § 34.71 - 34.74 , billed for late payment of vendor's invoice by a state agency. Also includes payment of other penalty type expenses for which a vendor is entitled to charge state agency customers (e.g., order cancellation fees, restocking service charges, etc.)
531290	PREMIUMS - SURETY & OTHER REQUIRED BONDS	Payments for the purchase of surety or other bonds required to operate an agency.
531310	PREMIUMS - PROPERTY OR LIABILITY INSURANCE (STATE AGENCIES)	<p>Payments of premiums by state agencies for property and liability insurance including the state Risk Management Program.</p> <p><i>NOTE:</i> For payments by institutions of the system of Higher Education, use OEC 531520.</p>
531320	EVIDENCE FUND EXPENSES	Payments made under special provisions of state statutes providing for the disbursement of monies to obtain evidence.

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		<i>NOTE:</i> Payments under this OEC apply only to those agencies authorized by state statutes to maintain/disburse monies in connection with gathering of evidence under assigned investigative powers.
531330	JURY AND WITNESS FEES	Payments made by state agencies to individuals for jury and witness fees authorized by state statute or other legal authority (e.g., 22 O.S. § 722 ; 28 O.S. § 81 , etc.) such as flat fee amounts intended for per diem expenses, but would exclude reimbursements of actual costs such as mileage.
531350	UTILITY CHARGES - OTHER UTILITIES	Payments to suppliers of utilities and utility type services, such as steam or other heat, water, sewage disposal, etc. <i>NOTE:</i> Do not include costs of producing these utilities by an agency itself.
531360	UTILITY CHARGES - NATURAL GAS	Payments to utility companies for natural gas services.
531370	UTILITY CHARGES - ELECTRICITY	Payments to utility companies for electric services.
531380	INTER-GOVERNMENTAL PAYMENTS	Payments to the U.S. Government, other states and interstate agencies (e.g., state compacts, etc.). Include payments to Oklahoma state agencies <u>only</u> when there is not a specific vendor type code for the expense. Do not include local governmental subdivisions (See Category 555000 for payments subject to that category) unless for a purchase or service not otherwise covered by a regular code.
531390	PHOTOGRAPHIC SUPPLIES	Payments for photographic supplies, such as photo film, flashbulbs, darkroom supplies, microfilm, etc.

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531410	TUITION - TRADE/VO-TECH SCHOOLS AND OTHER TRAINING CENTERS	<p>Payments for tuition and related educational materials in connection with employee attendance at private or public sector trade schools and other training centers for job related vocational education and training. May also include payment of employee reimbursement (non-travel) of tuition costs when attendance is required/approved as part of the agency's authorized training program for employees and officials.</p> <p><i>NOTE:</i> Tuition training shall be subject to the rules and regulations of the agency's/institution's governing board or other authority.</p>
531420	TUITION -- HIGHER EDUCATION COLLEGES/UNIVERSITIES	<p>Payments for tuition and course materials in connection with job-related higher education or other academic training at an accredited college or university for attendance by state officials and employees. May also include payment of employee reimbursement (non-travel) of tuition costs when attendance is required/approved as part of the agency's authorized training program for employees and officials.</p> <p><i>NOTE:</i> Tuition training shall be subject to the rules and regulations of the agency's/institution's governing board or other authority.</p>
531450	OMES DIVISION OF CAPITAL ASSETS MANAGEMENT SANTA CLAUS COMMISSION	Payment for purchase of seasonal supplies and materials made by OMES Division of Capital Assets Management for operations of the Santa Claus Commission.
531470	THIRD PARTY ADMINISTRATOR - IRS SECTION 125	Payments to a third party administrator (TPA) of an IRS section 125 plan (e.g., OMES Human Capital Management payments to American Fidelity; other plans payments to approved/selected TPA, etc.).
531500	MOVING EXPENSES -- GENERAL	<p>Payment of expenses related to the movement or relocation of a state agency's furniture and equipment, as when an office moves to a new location.</p> <p><i>NOTE:</i> Does not cover moving expenses for an employee permanently transferred and relocated at the request of</p>

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		a state agency (74 O.S. § 500.51 , et seq.) See OEC 517110.
531520	PREMIUMS - PROPERTY OR LIABILITY INSURANCE (HIGHER EDUC.)	Payments of premiums for property and liability insurance including the state Risk Management Program. <i>NOTE:</i> For payments by state agencies, use OEC 531310.
531600	MISCELLANEOUS ADMINISTRATIVE FEE	Payment of miscellaneous administrative fees, including those associated with the purchase of goods or services where said fee would be better identified separately (or preferred) from the purchase and there is no specific fee code established (e.g., processing fees associated with multiple invoicing by contract vendor for gasoline purchases, OMES Division of Capital Assets Management to turn on AC/Heat in buildings during weekends, and etc.).
531650	PROCESS SERVING FEES	Payment of fees for process serving in legal or administrative actions (i.e., delivery by sheriffs or other authorized individuals the copy of a summons/ petition to a person or to an agent authorized by appointment or by law, to receive service of process).
<u>532000</u>	<u>RENT EXPENSE</u>	
532110	RENT OF OFFICE SPACE	Payment for rent of general office space used by staff personnel for and in the operation of a state agency.
532120	RENT OF LAND	Payment for rent of land required for and in the operation of a state agency.
532130	RENT OF OTHER BUILDING SPACE	Payment for rent of other building space, e.g., warehouse, storage, display booths, meeting rooms, etc., used for and in the operation of a state agency.
532140	RENT OF EQUIPMENT AND MACHINERY	Payment for rent of equipment and machinery used for and in the operation of a state agency, e.g., uniform rental, etc., except payments for (1) rent of electronic data processing equipment/machinery (see OEC 532160), (2) rent of telecommunications equipment (see OEC

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		532150), and (3) lease purchase option on equipment (see OEC category 543000). <i>NOTE:</i> Cost of rental of equipment used in producing or processing a commodity should be included in the aggregate cost of the commodity.
532141	RENT OF MOTOR VEHICLES	Payments for the rent of motor vehicles used for and in the operation of a state agency. Rental is short term use of a vehicle, normally for periods of up to 90 days.
532142	LEASE OF MOTOR VEHICLES	Payments for the lease of motor vehicles used for and in the operation of a state agency. Lease is a long term commitment use of a vehicle, normally for periods counted mostly in years.
532150	LEASE OF TELECOMMUNICATIONS EQUIPMENT	Payment for lease of telecommunications equipment, e.g., telephone/fax, telegraph, radio, etc., excluding lease purchase options (OEC 543150). <i>NOTE:</i> Does not include monthly charges for telecommunications service, such as telephone (see OEC 531130). <i>NOTE:</i> Requires OMES Information Services Division Review.
532160	RENT OF ELECTRONIC DATA PROCESSING EQUIPMENT	Payments for rent of equipment utilized in data processing, excluding lease purchase (code 543120). <i>OMES NOTE:</i> Requires OMES Information Services Division Review.
532170	RENT OF DATA PROCESSING SOFTWARE	Payments to computer vendors and/or software companies for use of various programming aids (e.g., assemblers, generators, sub-routine libraries, compilers, operating systems and application programs), including related "software licensing" charges. Excludes lease purchase options, OEC 543130. <i>NOTE:</i> Requires OMES Information Services Division Review..
532190	OTHER RENTS	Payments of other rents, e.g., post office boxes*, books, films, parking space, etc.

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		<i>NOTE:</i> Payment for rent of post office box must be made to the U.S. Post Office (74 O.S. § 90.2).
533000	<u>MAINTENANCE & REPAIR EXPENSE</u>	
533100	MAINTENANCE & REPAIR OF OTHER ITEMS – OUTSIDE VENDOR	Payments to an outside vendor for maintenance and repair of state-issued protective clothing and employees' uniforms; of clothing issued to inmates, patients and wards of the state; and institution-owned personal living items (e.g., linen, bedspreads, blankets, towels, bath cloths, gowns, etc.) supplied to inmates, patients and wards in custody of the state. This may also include maintenance and repair of other state-owned or state issued items (non-equipment and machinery).
533110	MAINTENANCE & REPAIR OF BUILDINGS AND GROUNDS - OUTSIDE VENDOR	Payments to outside vendors for on-going maintenance and repair of buildings and grounds, inclusive of materials, supplies and labor: (1) repair to buildings and grounds due to wear and tear and/or accidents (e.g., roof repairs, painting, plumbing, electrical, etc.); and (2) general maintenance services of building and grounds (e.g., housekeeping/maid/ janitorial, trash hauling, exterminator, lawn and garden, tree trimming, etc.) <i>NOTE:</i> Does not include alterations to buildings (See OEC 546210).
533120	MAINTENANCE & REPAIR OF EQUIPMENT AND MACHINERY- OUTSIDE VENDOR	Payments to outside vendors for on-going repair and maintenance of equipment, machinery, motor vehicles, etc., due to routine wear and tear, as well as accidents, inclusive of parts, materials, supplies and labor. Also covers payment of maintenance contracts purchased on equipment/ machinery. <i>NOTE:</i> Does not include maintenance and repair of telecommunications or data processing equipment. See OEC 533130 or 533140.
533130	MAINTENANCE & REPAIR OF TELECOMMUNICATIONS	Payments for repair and maintenance of telecommunications equipment by outside vendor due to routine wear and tear, as well as accidents, inclusive of

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	EQUIPMENT- OUTSIDE VENDOR	parts, materials, supplies and labor. Also covers payment of maintenance contracts purchased on telecommunications equipment. <i>NOTE:</i> Requires OMES Information Services Division Review.
533140	MAINTENANCE & REPAIR OF DATA PROCESSING EQUIPMENT - OUTSIDE VENDOR	Payments for repair and maintenance of data processing equipment outside vendor due to routine wear and tear, as well as accidents, inclusive of parts, materials, supplies and labor. Also covers payment of maintenance contracts purchased on the data processing equipment. <i>NOTE:</i> Requires OMES Information Services Division Review.
533150	MAINTENANCE & REPAIR OF DATA PROCESSING SOFTWARE - OUTSIDE VENDOR	Payments for repair and maintenance of data processing software by outside vendor, inclusive of materials and labor. Also covers payment of maintenance contracts purchased on data processing software. <i>NOTE:</i> Requires OMES Information Services Division Review.

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533180	GENERAL HOUSEKEEPING/JANITORIAL/SANITATION SUPPLIES AND MATERIALS	<p>Payments for general housekeeping and janitorial supplies and materials (e.g., cleaning soaps, floor sweep compounds, mops and brooms, dust cloths, etc.) used in the upkeep of a building or facility. Also includes laundry supplies (e.g., detergents, bleaches, fabric softeners, etc.) used for cleaning of patients' and wards' of the state personal effects, rooms, dorms and other living areas. May also include payments for supplies and materials (e.g., toilet tissue, hand soap, hand towels, toilet bowl deodorants, garbage/refuse bags, etc.) used for sanitation and health purposes in maintaining public-use facilities, e.g., rest rooms, roadside rest stops and similar type facilities.</p> <p>NOTE: OEC 533180 covers general housekeeping, janitorial and sanitation supplies and materials used in the daily upkeep and health sanitation of buildings and facilities maintained by in-house personnel. Use OEC 533110 or 533210 for ongoing maintenance and repair of buildings and grounds.</p>
533190	EMPLOYEE MAINTENANCE ALLOWANCE (UNIFORMS, ETC.) REIMBURSEMENT	<p>Payments of expense reimbursement allowance to state employees for cleaning and repair of uniforms and other authorized maintenance expense allowance not considered reportable compensation outside of an accountable plan. Does not include uniform rental, use OEC 532140.</p> <p>NOTE: Payment vouchers for reimbursement of employees' uniform maintenance expense must include on the voucher form the statutory authority for the expense allowance.</p>
533210	MAINTENANCE & REPAIR OF BUILDINGS & GROUNDS - SAME AGENCY PERSONNEL	<p>Payments for purchase of supplies and materials (e.g., lumber, paint, light bulbs, electrical fuses, pesticides, fertilizer, etc.), used in ongoing maintenance and repair of buildings and/or grounds by agency-assigned personnel.</p>

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533220	MAINTENANCE & REPAIR OF EQUIPMENT (NON-MOTOR VEHICLE) - SAME AGENCY PERSONNEL	<p>Payments for purchase of parts, supplies and materials used in the maintenance and repair of equipment and machinery by agency in-house personnel.</p> <p><i>NOTE:</i> (1) Does not include parts, supplies and materials for maintenance and repair of motor vehicles. See OEC 537290 or 537310. As clarification for the use of expenditure account codes relating to Motor Vehicles, OMES is defining a motor vehicle as a vehicle that provides transportation, such as passenger cars, trucks, vans, buses, motor homes, and motor cycles. It would <u>not</u> include items such as forklifts, tractors, golf carts (unless street legal for transportation), road graders, etc. These items would be considered equipment, but not motor vehicles.</p> <p>(2) Does not include parts, supplies and materials for maintenance and repair of telecommunications or data processing type equipment. See OEC 533230 or 533240.</p>
533230	MAINTENANCE & REPAIR OF TELECOMMUNICATIONS EQUIPMENT - SAME AGENCY PERSONNEL	<p>Payments for purchase of parts, supplies and materials used in the maintenance and repair of telecommunications equipment by agency-assigned personnel.</p> <p><i>NOTE:</i> Requires OMES Information Services Division Review.</p>
533240	MAINTENANCE & REPAIR OF DATA PROCESSING EQUIPMENT SAME AGENCY PERSONNEL	<p>Payments for purchase of parts, supplies and materials used in the maintenance and repair of data processing equipment by agency-assigned personnel.</p> <p><i>NOTE:</i> Requires OMES Information Services Division Review.</p>
533250	MAINTENANCE & REPAIR OF DATA PROCESSING SOFTWARE SAME AGENCY PERSONNEL	<p>Payments for purchase of materials used in the maintenance and repair of data processing software by agency-assigned personnel.</p> <p><i>NOTE:</i> Requires OMES Information Services Division Review.</p>
534000	SPECIALIZED SUPPLIES AND MATERIALS EXPENSES	

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534110	FOOD AND KITCHEN SUPPLIES AND MATERIALS	Payments for purchase of food commodities and ingredients used in preparing meals, such as by an institution's kitchen or cafeteria. Also includes dining room/kitchen expendable supplies (e.g., paper napkins, disposable flatware and dinnerware, etc.); non-expendable supplies (e.g., dishes, pots, pans, flatware, etc.); and cleaning supplies and materials (e.g., soaps, towels, etc.)
534160	PRINTING SUPPLIES AND MATERIALS	Payments for purchase of supplies and materials (e.g., paper stock, offset plates, inks, etc.) used in the operation of a print shop or copying office.
534220	RECREATIONAL SUPPLIES AND MATERIALS FOR STUDENTS, INMATES AND WARDS OF THE STATE	Payments for purchase of recreational supplies and materials (e.g., crayons, play dough, games, magazines, newspapers, etc.) used for entertainment and recreation purposes for students, patients, inmates and wards of the state.
534240	PERSONAL-USE SUPPLIES - INMATES, PATIENTS & WARDS OF THE STATE	Payments for purchase of personal-use supplies (e.g., tobacco, cosmetics, toothbrushes, combs, etc.) furnished to inmates, patients, and wards in residence at state institutions, hospitals or other facilities.
534250	INSTITUTIONAL-SUPPLIED PERSONAL EFFECTS (E.G., LINENS, TOWELS, NIGHTCLOTHES, ETC.)	Payments for purchase of institution-owned personal living items (e.g., linen, bedspreads, blankets, towels, bath cloths, gowns, slippers, etc.) supplied to inmates, patients and wards in custody of the state. NOTE: For maintenance and repair of such items, use OEC 533100.
534260	MEDICAL SUPPLIES AND MATERIALS	Payments for purchase of expendable and non-expendable medical supplies and materials used in the prevention and treatment of injury, illness, and diseases (e.g., medicines, vaccines, cotton, alcohol, syringes, oxygen, occupational therapy, small items of equipment, etc.). Also includes payments for purchases made by the Oklahoma Medical Center for emergency medical supplies, pharmaceuticals and human organs, as authorized by the hospital's Board of Trustees and 74 O.S. § 85.12.
534270	ARCHITECTURAL AND ENGINEERING SUPPLIES	Payments for expendable architectural and engineering supplies (e.g., blueprints, maps, etc.).

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534290	MOTOR FUELS - COMMON	<p>Payments for purchase of commonly used motor fuels (e.g., gasoline, diesel) for operation of motor vehicles, aircraft or marine crafts, and for other equipment using such fuel.</p> <p><i>NOTE:</i> As clarification for the use of expenditure account codes relating to Motor Vehicles, OMES is defining a motor vehicle as a vehicle that provides transportation, such as passenger cars, trucks, vans, buses, motor homes, and motor cycles. It would <u>not</u> include items such as forklifts, tractors, golf carts (unless street legal for transportation), road graders, etc. These items would be considered equipment, but not motor vehicles.</p>
534310	MOTOR FUELS - SPECIAL	<p>Payments for purchase of alternate fuels (e.g., propane, compressed natural gas, etc.) used in motor vehicles, aircraft or marine crafts, and for other equipment using such fuel.</p> <p><i>NOTE:</i> As clarification for the use of expenditure account codes relating to Motor Vehicles, OMES is defining a motor vehicle as a vehicle that provides transportation, such as passenger cars, trucks, vans, buses, motor homes, and motor cycles. It would <u>not</u> include items such as forklifts, tractors, golf carts (unless street legal for transportation), road graders, etc. These items would be considered equipment, but not motor vehicles.</p>
535000	PRODUCTION, SAFETY, AND SECURITY EXPENSE	
535120	UNIFORMS, CLOTHING AND ACCESSORIES	<p>Payments for purchase of state-issued protective clothing, uniforms, shoes, accessories (e.g., identification badges), etc., such as required by law enforcement, hazardous waste and fire-fighting personnel. Also covers payments for the purchase of clothing issued to inmates, patients and wards of the state, including materials and supplies to manufacture or repair such clothing.</p>
535180	SAFETY & SECURITY SUPPLIES	<p>Payments for purchase of non-equipment safety and security items (e.g., fire extinguishers, flashlights, ammunition, goggles, helmets, hard hats, etc.) required</p>

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		to safeguard and protect human life, equipment and other property. <i>NOTE:</i> Does not include clothing items, see OEC 535120. For services (e.g., security patrol, surveillance monitoring, etc.), see OEC 515650.
535210	SHOP SUPPLIES AND MATERIALS - PRODUCTION	Payments for purchase of small-item shop tools, supplies and materials (e.g., solvents, hand cleaners, shop towels, cordless drills, drill bits, band/circular saw blades, sanding paper, holding clamps, carpenter squares, measuring tapes, etc.) used in producing goods or services for sale , as would be used in the industrial shops of Oklahoma State Industries. <i>NOTE:</i> Do not include shop equipment purchases (OEC 541180), shop supplies (non-production) purchases (OEC 537150) or purchases of raw materials used in the manufacture of a finished product for sale. Instead, see OEC 564110 - Purchase of Merchandise for Resale.
<u>536000</u>	<u>GENERAL OPERATING EXPENSES</u>	
536110	MEETING REFRESHMENTS	Payment for purchase of light food and drink items (e.g., doughnuts, cake, coffee, tea, soft drink, etc.) used as refreshments and required in connection with business meetings or similar type activities. As with all state expenditures such purchase must be for an official public purpose. May also include payment for purchase of related service items (e.g., disposable plates/flatware, stirrers, sweeteners, etc.).
536130	OFFICE SUPPLIES - NON-EXPENDABLE	Payments for purchase of supplies used in the operation of an office (e.g., letter trays, waste baskets, desk staplers, etc.). <i>NOTE:</i> Non-expendable supplies are defined as items costing less than \$500.00 and not immediately consumed when placed in use. This may also include inexpensive office equipment/furniture type items costing less than the above limit.
536140	OFFICE SUPPLIES (EXPENDABLE)	Payment for purchase of expendable office supplies, such as stationary, file folders, notebooks, columnar pads,

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		<p>carbon paper, etc. This would also include the purchase of drinking water generally used in the office.</p> <p><i>NOTE:</i> Expendable supplies are defined as supply items that are immediately expended or used up when placed in service. This would <u>not</u> include inexpensive equipment/furniture type items (See OEC 536130).</p>
536150	DATA PROCESSING SUPPLIES	<p>Payment for purchase of supplies (expendable and non-expendable) utilized in direct support of a data processing activity (e.g., ribbons, continuous form paper stock, card stock, special-designed form for collection, magnetic tape, disk packs, etc.).</p> <p><i>NOTE:</i> Does not include data processing supplies utilized strictly within a standard office, e.g., administration, personnel, etc. (See OEC 536130 or 536140).</p>
536170	FOOD AND CATERING SERVICE	<p>Payments for the purchase of vendor-prepared meals or foods served for patients, inmates and wards at state-operated institutions and facilities. Also, includes payments/reimbursement for vendor-prepared foods (e.g., pizzas, hamburgers, etc.) purchased for wards or clients when approved and under the authority of state statute, grant, or other edict. Would also include meal costs associated with officially recognized employee recognition award ceremony, banquet, or reception authorized by statute. Can also include authorized meals when appropriate for training classes or official meetings (must include justification statement and be authorized by agency head or designee), and other official events when justified.</p>
536190	EDUCATIONAL SUPPLIES	<p>Payment for purchase of supplies used for education and training conducted in a classroom or other organized instructional setting. This may also include payments for purchase of supplies used for education and training for the general public (e.g., information binders, covers, jackets, notebooks, etc.).</p>
536210	RECREATIONAL ACTIVITY PAYMENTS - STUDENTS	<p>Payments for recreational activities for students participating in an event as authorized by a state educational institution.</p>

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		<i>NOTE:</i> Does not include the actual agency direct payment of travel related expenses. (See OEC 522120)
536230	EXAMINATIONS	Payments for purchase of examination and test materials (e.g., applicant employment tests, employee promotional tests, certification tests administered by controlling boards, licensing examinations, etc.). May also include the payment of fees associated with administering tests and/or examinations by a third party.
536250	REVENUE AND TAX STAMPS	Payments for purchase of supply stock of revenue and tax generating stamps/permits (e.g., liquor/beer/tobacco licenses, certificates, etc.) as required by a state agency for issuance to the general public. Also, includes payments for purchase of inspection or identification stamps, seals, decals, plates, etc., as required by state regulatory and public safety laws for issuance to the general public. <i>NOTE:</i> For payments for licenses, certificates, permits, etc., required by an agency for use in its operations (e.g., state lodge liquor license, etc.), See OEC 531250.
536260	LOTTERY RETAILER COMMISSIONS	Payment of commissions paid to retailers who are authorized to sell Oklahoma State Lottery Tickets. The amount of the commission is set by the lottery board of trustees. (FOR LOTTERY COMMISSION USE ONLY)
536270	LOTTERY GAMING SYSTEM	Payment to vendor to provide lottery services (online terminals, printing tickets, security, accounting system, etc.) (FOR LOTTERY COMMISSION USE ONLY)
<u>537000</u>	<u>SHOP EXPENSE</u>	
537150	SHOP SUPPLIE – NON-PRODUCTION	Payments for purchase of small-item shop tools, supplies and materials (e.g., solvents, hand cleaners, shop towels, cordless drills, drill bits, band/circular saw blades, sanding paper, holding clamps, carpenter squares, measuring tapes, etc.) not used in producing goods or services for sale (See OEC 535210).

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537160	AGRICULTURE & VETERINARY SUPPLIES	Payments for purchase of feed and forage for farm or laboratory animals and purchase of veterinary medicines, supplies and services used for the care and keep of such animals. Also payments for the purchase of seeds, bulbs, plants, trees and fertilizer used on institutional farms and/or building grounds; expendable supplies used in operation of institutional dairies; and farm/ranch/agriculture supplies (e.g., halters, rope, hay forks, cinch ties, clippers, etc.) used in operation of a ranch/farm type facility.
537170	WILDLIFE RESEARCH SUPPLIES	Purchase of supplies and materials used in research, control, and conservation of wildlife.
537190	LABORATORY & MEDICAL SUPPLIES AND MATERIALS	Payments for purchase of supplies, materials, etc. used in diagnostic laboratory and medical testing and other testing when a service is not provided (e.g., reagents, glassware, x-ray film, laboratory animals, etc.).
537210	LABORATORY SERVICES	Payments for services used in diagnostic laboratory testing of human and animal specimens. Includes the cost of services used in other testing.
537290	MOTOR VEHICLE SUPPLIES (EXPENDABLE)	<p>Payments for the purchase of expendable supplies (e.g., oil, grease, anti-freeze, etc.) used in the operation and maintenance of motor vehicles.</p> <p><i>NOTE:</i> As clarification for the use of expenditure account codes relating to Motor Vehicles, OMES is defining a motor vehicle as a vehicle that provides transportation, such as passenger cars, trucks, vans, buses, motor homes, and motor cycles. It would <u>not</u> include items such as forklifts, tractors, golf carts (unless street legal for transportation), road graders, etc. These items would be considered equipment, but not motor vehicles.</p>

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537310	MOTOR VEHICLE PARTS, ACCESSORIES AND SUPPLIES (NON-EXPENDABLE)	<p>Payments for the purchase of replacement parts, accessories and non-expendable supplies used in the operation and maintenance of motor vehicles (e.g., tires, batteries, wiper blades, spark plugs, head lamps, light bulbs, seat covers, bed liners , engine/chassis/electrical repair parts, etc.).</p> <p>NOTE: As clarification for the use of expenditure account codes relating to Motor Vehicles, OMES is defining a motor vehicle as a vehicle that provides transportation, such as passenger cars, trucks, vans, buses, motor homes, and motor cycles. It would <u>not</u> include items such as forklifts, tractors, golf carts (unless street legal for transportation), road graders, etc. These items would be considered equipment, but not motor vehicles.</p>
<u>540000</u>	<u>PROPERTY, FURNITURE, EQUIPMENT AND RELATED DEBT</u>	
<u>541000</u>	<u>OFFICE FURNITURE AND EQUIPMENT</u>	
	<u>NOTE:</u> Furniture and Equipment items costing less than \$500.00 and where there is a similar supply category OEC, said OEC may be used in lieu of the furniture/equipment code. For example, a \$100.00 office printer may be charged to OEC 536130, Office Supplies - Non-Expendable	
541110	OFFICE FURNITURE AND EQUIPMENT	<p>Payments for purchase of <i>general</i> office machines (e.g., typewriters, adding machines, postage machines, facsimile machines, etc.); furniture (e.g., desks, chairs, files, etc.); office equipment (e.g., copying/duplicating machines, typewriters, adding machines, etc.) used in operation of an office; and movable equipment and furniture purchased under authority granted in bond or capital outlay appropriations acts.</p> <p>NOTE: For such items costing less than \$500.00, OEC 536130, Office Supplies - Non-Expendable, may be used.</p>
541120	DATA PROCESSING EQUIPMENT	<p>Payments for purchase of data processing equipment (hardware) (e.g., computers (including personal/lap top versions), punches, sorters, printers, etc.).</p> <p>NOTE: Requires OMES Information Services Division Review.OMES</p>

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541130	DATA PROCESSING SOFTWARE	Payments for purchase of computer software such as used in a data processing activity, including related "software licensing" costs. <i>NOTE:</i> Requires OMES Information Services Division Review.
541140	PORTAL SOFTWARE	Payments for the cost of development for internet applications. <i>NOTE:</i> Requires OMES Information Services Division Review.
541150	EQUIPMENT AND FURNITURE - RESIDENTIAL, EDUCATIONAL AND INSTITUTIONAL	Payments for purchase of furniture and equipment used in a residence, school, institution, or facility operated by the state, including: kitchen equipment (e.g., stove, microwave, refrigerator, etc.), household furniture (e.g., beds, sofas, tables, etc.); school furniture (e.g., desks, chairs, etc.); sweepers, and mechanical floor cleaning machines; laundry or laundry service equipment (e.g., washers, dryers, etc.); fixed building equipment (e.g., hot water heaters, air conditioners, etc.) and other related equipment (e.g., playground, laboratory (non-medical), sports, occupational therapy, yard, museum, etc.).
541160	EQUIPMENT - MEDICAL	Payments for purchase of equipment utilized in a medical or nursing care facility (e.g., hospital beds, examining tables, operating room equipment, etc.). Also, includes payments for purchase of scientific equipment used in medical laboratory testing or diagnostic service. Do not include non-medical laboratory equipment or institutional-type furniture (see OEC 541150).
541170	EQUIPMENT - MANUFACTURING AND PRODUCTION	Payments for the purchase of equipment used in the manufacture or production of goods or services (e.g., boilers, pumps, electric generators, etc. used in producing heat, electricity, water or other utilities; printing presses; equipment used to produce or process materials for sale or use by an agency (e.g., food canning machinery, auto tag production machinery, etc.).
541180	EQUIPMENT - SHOP	Payments for purchase of equipment used to maintain and repair agency buildings and equipment (e.g.,

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		carpenter or automotive shop equipment - - table/radial arm saws, drill presses, motor hoists, floor jacks, etc.).
541190	EQUIPMENT - CONSTRUCTION	Payments for purchase of machinery and equipment utilized in all phases of construction. Also purchase of drafting and surveying equipment associated with construction work.
541220	EQUIPMENT - FIRE, SAFETY, AND LAW ENFORCEMENT	Payments for purchase of fire-fighting, safety, rescue and law enforcement equipment (e.g., alarm devices, guns, radar units, ham radios, etc.).
541230	EQUIPMENT - TELECOMMUNICATIONS	Payments for purchase of equipment used in telecommunications (e.g., radios, television, fax machine and telephone equipment). <i>NOTE:</i> Requires OMES Information Services Division Review.
541240	EQUIPMENT - AGRICULTURE	Payments for purchase of machinery, equipment and tools used in operating farms, dairies or other agricultural-related activities.
541250	EQUIPMENT - LAB	Payments for purchase of scientific equipment used in the operation of a non-medical laboratory.
541260	EQUIPMENT - ENVIRONMENTAL	Payments for purchase of equipment used in connection with issues concerning the environment.
541270	EQUIPMENT - MOTOR VEHICLE (MOUNTED OR ATTACHED)	Payments for purchase of equipment mounted or attached on motor vehicles (e.g., winch, loader gate, spray tank, canopy, etc.). <i>NOTE:</i> As clarification for the use of expenditure account codes relating to Motor Vehicles, OMES is defining a motor vehicle as a vehicle that provides transportation, such as passenger cars, trucks, vans, buses, motor homes, and motor cycles. It would <u>not</u> include items such as forklifts, tractors, golf carts (unless street legal for transportation), road graders, etc. These items would be considered equipment, but not motor vehicles.

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541280	EQUIPMENT - MOTOR VEHICLES: COMMERCIAL TRUCKS AND BUSES	<p>Payments for purchase of motor vehicles designed primarily for commercial use, e.g., trucks and buses.</p> <p><i>NOTE:</i> Purchase requires review/approval of OMES/Fleet Manager. As clarification for the use of expenditure account codes relating to Motor Vehicles, OMES is defining a motor vehicle as a vehicle that provides transportation, such as passenger cars, trucks, vans, buses, motor homes, and motor cycles. It would <u>not</u> include items such as forklifts, tractors, golf carts (unless street legal for transportation), road graders, etc. These items would be considered equipment, but not motor vehicles.</p>
541290	EQUIPMENT - MOTOR VEHICLES: PASSENGER CARS	<p>Payments for purchase of vehicles designed primarily for personal transportation, e.g., passenger cars, mini-vans, station wagons, etc.).</p> <p><i>NOTE:</i> Purchase requires review/approval of OMES/Fleet Manager. As clarification for the use of expenditure account codes relating to Motor Vehicles, OMES is defining a motor vehicle as a vehicle that provides transportation, such as passenger cars, trucks, vans, buses, motor homes, and motor cycles. It would <u>not</u> include items such as forklifts, tractors, golf carts (unless street legal for transportation), road graders, etc. These items would be considered equipment, but not motor vehicles.</p>
<u>542000</u>	<u>LIBRARY EQUIPMENT AND RESOURCES</u>	
542110	EQUIPMENT - LIBRARY	Payments for purchase of book stacks and other specialized equipment utilized in the operation of libraries.

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542120	LIBRARY RESOURCE AND STUDENT TEXTBOOKS	Payments for purchase of publications or other library items for reference use. Also, may include payments for purchase of textbooks used for students in a classroom. <i>NOTE:</i> Does not include payments for purchase of textbooks by the State Textbook Committee (See OEC 555230).
<u>543000</u>	<u>LEASE PURCHASES</u>	
543110	LEASE PURCHASE - FURNITURE AND EQUIPMENT	Payments of a lease contract for furniture and equipment that provides for a purchase option at some price below the original sale price.
543120	LEASE PURCHASE - DATA PROCESSING EQUIPMENT	Payments of a lease contract for electronic data processing equipment that provides for a purchase option at some price below the original sale price. <i>NOTE:</i> Requires OMES Information Services Division Review.
543130	LEASE PURCHASE - DATA PROCESSING SOFTWARE	Payments of a lease contract for data processing software that provides for a purchase option at some price below the original sale price. <i>NOTE:</i> Requires OMES Information Services Division Review.
543140	LEASE PURCHASE - LAND AND BUILDING	Payments of a lease contract for land and buildings that provides for a purchase option below the original sale price.
543150	LEASE PURCHASE - TELECOMMUNICATIONS EQUIPMENT	Payments of a lease contract for telecommunications equipment that provides for a purchase option at some price below the original sale price. OMES <i>NOTE:</i> Requires OMES Information Services Division Review.
543160	INTEREST PATMENTS - CAPITAL LEASES	Payments for interest on capital leases. <i>NOTE:</i> Requires OMES approval.
<u>544000</u>	<u>LIVESTOCK AND POULTRY</u>	

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544120	LIVESTOCK AND POULTRY	Payments for purchase of livestock for farm work; subsequent rental at the state lodges (e.g., horseback riding), display purposes (e.g., horses, buffalo, etc. at state lodges); and, breeding or subsequent production purposes. Also purchase of poultry for production of eggs.
545000	LAND AND RIGHT-OF-WAY	
545100	PURCHASE OF LAND	Payments for purchase of land or an interest in land.
545110	PURCHASE OF LAND IMPROVEMENTS	Payments for the purchase of alterations and other improvements to land (e.g., fences, stone walls, roadways, walks, drainage, tunnels, grading and terracing and all ornamental and commemorative structures).
545120	RIGHT-OF-WAY PURCHASE	Payments for purchase of right-of-way and related expenses (e.g., relocation of utilities, necessary court costs, relocating improvements, etc.).
545210	CONSTRUCTION IN PROGRESS - LAND IMPROVEMENTS	Payments for new construction and alterations, additions and improvements to land before it will be placed in service (e.g., fences, stone walls, roadways, walks, drainage, tunnels, grading and terracing and all ornamental and commemorative structures).
545220	CONSTRUCTION IN PROGRESS - EQUIPMENT	Payments incurred to construct or develop equipment before it will be placed in service.
545230	CONSTRUCTION IN PROGRESS - SOFTWARE	Payment incurred for software development during the application development stage, if incurred subsequent to the completion of the preliminary project stage. Capitalization is limited to situations where management authorized and commits to financial resources.
545999	PASS THRU ASSETS	Payments to vendors for capital asset items that are purchased on behalf of other entities.
546000	BUILDING AND OTHER STRUCTURES - PURCHASE, CONSTRUCTION AND RENOVATION	

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546110	BUILDINGS AND OTHER STRUCTURES - PURCHASE	Payments for purchase of buildings and other capital structures (e.g., boat docks, silos, etc.).
546210	BUILDINGS AND OTHER STRUCTURES - CONSTRUCTION AND RENOVATION	Payments for new construction and alterations, additions and improvements to existing buildings; including permanent, fixed equipment (e.g., heat/air conditioning unit); installation of electric wiring and erection of power transmission and telephone lines. Also, includes payments for improvement and alterations to other capital structures.
546220	MAJOR MAINTENANCE AND REPAIR OF EQUIPMENT	Payments for nonrecurring maintenance and repair of equipment (e.g., heavy equipment engine overhaul).
547000	CONSTRUCTION, MAINTENANCE AND REPAIRS OF HIGHWAYS AND BRIDGES	
547110	HIGHWAY AND BRIDGE CONSTRUCTION - CONTRACTUAL COSTS	Payments made under a general contract for highway and bridge construction.
547120	MAINTENANCE AND REPAIRS TO HIGHWAYS AND BRIDGES	Payments for the repair of highways and bridges due to wear and accident; contractual payments for maintaining roads and highways (e.g., weed cutting, etc.); also, purchase of supplies and materials for maintenance and repair of roads and bridges (e.g., bridge materials, paving materials, etc.).
547210	MAJOR MAINTENANCE AND RENOVATION - BRIDGES	Payments for major repair and renovation of bridges (e.g., widening or constructing a new bed on a seriously damaged bridge, etc.).
548000	BOND INDEBTEDNESS AND EXPENSES	
548110	PRINCIPAL PAYMENTS - BOND DEBT	Payments on the principal of bonded indebtedness. <i>NOTE:</i> Should only be used when the bond issuing authority is making payment to the banking or other entity for the bond debt principal (e.g., OCIA making payment to the bank for bond debt costs – not an agency repaying OCIA for such costs).
548120	INTEREST PAYMENTS - BOND DEBT	Payments for interest on bonded indebtedness. <i>NOTE:</i> Should only be used when the bond issuing authority is making payment to the banking or other entity for the bond debt interest (e.g., OCIA making

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		payment to the bank for bond debt costs – not an agency repaying OCIA for such costs).
548130	OTHER EXPENSES - BOND DEBT	<p>Payments for other expenses pertaining to bond debt administration, (e.g., Bond Commission expenses, legal services, printing, etc.).</p> <p><i>NOTE:</i> Should only be used when the bond issuing authority is making payment to the banking or other entity for other bond debt expenses (e.g., OCIA making payment to the bank for bond debt costs – not an agency repaying OCIA for such costs).</p>
<u>550000</u>	<u>GENERAL ASSISTANCE , AWARDS, GRANTS, AND OTHER PROGRAM-DIRECTED PAYMENTS (E.G., SCHOLARSHIP & INCENTIVE PROGRAMS, PAYMENT & REIMBURSEMENT APPROVED PROGRAMS, PAYMENTS TO LOCAL GOVERNMENTS, ETC.)</u>	
<u>551000</u>	<u>SOCIAL SERVICES AND ASSISTANCE PAYMENTS</u>	
551110	ASSISTANCE PAYMENTS	Payments of emergency and general assistance provided for by the assistance programs of the state (i.e., Department of Human Services, Department of Rehabilitation Services, etc.).
551120	ASSISTANCE - MISCELLANEOUS MEDICAL	Payments for medical treatment provided for/by the assistance programs of the state (i.e., Department of Human Services, Department of Rehabilitation Services, etc.).
551130	ASSISTANCE - TITLE XIX MEDICAID	Payments of Medicaid which is covered by Title XIX and administered by the Oklahoma Health Care Authority.
551140	ASSISTANCE - CHILD WELFARE	Payments for examinations to determine the eligibility of clients for disability by the state Department of Human Services under the federal Social Security Act; and payments for the purchase of clothing, clothing accessories, and hygiene items for juveniles in custody of the Office of Juvenile Affairs.
551150	ASSISTANCE - DAYCARE	Payments for daycare for clients under assistance programs of the state Department of Human Services.
551160	ASSISTANCE - VOCATIONAL REHABILITATION	Payments for rehabilitation programs administered by the state (i.e., Department of Human Services, Department of Rehabilitation Services, etc.).

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551230	MEDICAL SERVICES - INDIGENT/OTHERS (NON-DEPARTMENT OF HUMAN SERVICES)	Payments for outpatient health services for the indigent and other persons receiving from non-Department of Human Services sources (e.g., outpatient health services, health services provided by care facilities, etc.).
551240	HOSPITAL SERVICES - INDIGENT/OTHERS (NON-DEPARTMENT OF HUMAN SERVICES)	Payments for inpatient health services for the indigent and other persons receiving assistance from non-Department of Human Services sources.
551250	OTHER HEALTH SERVICES - INDIGENT/OTHERS (NON-DEPARTMENT OF HUMAN SERVICES)	Payments for other health services for the indigent and other persons receiving assistance from non-Department of Human Services sources (e.g., laboratory testing, ambulance services, etc.).
551260	ASSISTANCE TO VETERANS AND FAMILIES	Assistance payments to veterans and dependents made by the state Department of Veterans Affairs.
551270	PAYMENTS TO PATIENTS AND WARDS	Payments of allowances, work therapy payroll, etc., to patients and wards in hospitals or custodial institutions.
551280	BONUSES AND OTHER PAYMENTS - INMATES	Payment of trustee payrolls, bonuses and discharge money to inmates of correctional institutions.
551290	RECREATIONAL ACTIVITY PAYMENTS - WARDS, INMATES & PATIENTS	Payments for recreational activities for patients, inmates, and wards in the care of a state institution
551320	WIC - WOMEN, INFANTS AND CHILDREN FOOD PROGRAM	Payments for the food supplement program administered by Oklahoma State Department of Health.
551350	EMPLOYER TRAINING CONTRACTS	Payments made by the Oklahoma Employment Security Commission and the State Department of Career-Tech to employers for contract services for on-the-job training.
551600	SOCIAL SERVICES GRANTS	Payment of grants awarded by social services agencies pursuant to federal, state, or other directives. (e.g., Passthrough federal grants to daycares by the Department of Human Services.)
<u>552000</u>	<u>SCHOLARSHIPS, TUITION, AWARDS, AND OTHER INCENTIVE-TYPE PAYMENTS</u>	
552100	STIPENDS – OTHER NON-EMPLOYEE	Payments for non-employee stipends pursuant to laws, grants, or other authorized directives. Such as stipend payments to non-state employees serving as council members or panelist for advisory boards and/or council

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		meetings (e.g., Too Much To Lose advisory council, Resource Parent/Teen Panel advisory board, etc.). May also include stipend payments specifically authorized in federal grants (stipends for participants in programs to attend scheduled events, etc.) <i>NOTE:</i> Does not include payments to students. (See OEC 552110)
552110	SCHOLARSHIPS - STUDENTS	Payments of scholarships and stipends to students for educational purposes.
552120	TEACHER STIPENDS	Payments to teachers or instructors in the form of “incentive” compensation stipends and which are, therefore, IRS reportable. (This code represents payments where a service is <u>not</u> provided, however, if a service is provided, the appropriate professional services 15XX object code should be used.)
552130	OKLAHOMA POLICE CORPS STIPENDS	Payments to individuals under the Oklahoma Police Corps Act training program administered by the Department of Public Safety. These payments are “incentive” compensation stipends and which are, therefore, IRS reportable
552140	INCENTIVE AWARDS - MONETARY AND MATERIAL	Payments for monetary and material incentive awards authorized by a bona fide incentive awards program (e.g., the Incentive Awards for State Employees Act*, National Guard Recruitment Incentive program, etc.) Also includes associated materials costs, such as lapel pins, paper certificates, etc. <i>*NOTE:</i> Incentive compensation to state employees and unit incentive pay for employees are payroll disbursements. See OEC 511230 and 511250, respectively.
552150	BONUS PAYMENTS TO QUALIFIED RECIPIENTS (AGENCY SPECIAL ACCOUNT)	Payments by the state Department of Human Services processes for federally-mandated bonuses to AFDC recipients for current support received for any month's entitlements. Child support received is not to be used in determining income for grant purposes. <i>NOTE:</i> Used for Agency Special Account (ASA) class funding disbursements only.

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552160	INCENTIVE PAYMENTS - OKLAHOMA BRED HORSES (AGENCY SPECIAL ACCOUNT)	Payments to owners of Oklahoma bred horses for racing in the State of Oklahoma. <i>NOTE:</i> Used for Reporting Agency Special Account (ASA) class funding disbursements only.
552170	INCENTIVE PAYMENTS – OKLAHOMA FILM ENHANCEMENT REBATE (OKLAHOMA TAX COMMISSION USE ONLY)	Payments made under the Oklahoma Film Enhancement Rebate Program to production companies of a rebate approved by the Oklahoma Film Commission. Such rebate is payable by the Oklahoma Tax Commission (68 O.S. § 3624).
552180	PURSE DISTRIBUTION- OKLAHOMA HORSE RACING COMMISSION	Payment to distribute to racetracks and to the ‘Oklahoma Breeding Fund Special Account’ for purse purposes in accordance with 3A O.S. § 263 .
552210	LOTTERY PRIZE PAYMENTS-INSTANT GAMES	Payment of prizes to the owners of winning lottery tickets. (FOR LOTTERY COMMISSION USE ONLY)
552220	LOTTERY PRIZE PAYMENTS – ONLINE GAMES	Payment of prizes to the owners of online games winning lottery tickets (i.e., Pick 3, PowerBall, Cash 5). (FOR LOTTERY COMMISSION USE ONLY)
553000	<u>REFUNDS, INDEMNITIES, RESTITUTION</u>	
553120	MONEY COLLECTED ON NON-PAYMENT AND CLOSED AFDC CASES (AGENCY SPECIAL ACCOUNT)	Payments made by the state Department of Human Services from Agency Special Account (ASA) class funding. <i>NOTE:</i> Used for Reporting Agency Special Account (ASA) class funding disbursements only.
553130	PAYMENTS LOCAL POLITICAL SUB-DIVISION - COST OF COLLECTION (AGENCY SPECIAL ACCOUNT)	Payments by the state Department of Human Services from Agency Special Account (ASA) class funding. <i>NOTE:</i> Used for reporting Agency Special Account (ASA) class funding disbursements only.
553140	COLLECTIONS MADE FOR ANOTHER STATE (AGENCY SPECIAL ACCOUNT)	Payments made by the state Department of Human Services from Agency Special Account (ASA) class funding. <i>NOTE:</i> Used for reporting Agency Special Account (ASA) class funding disbursements only.

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553150	INDEMNITIES, RESTITUTION, SETTLEMENTS	<p>Payments to victims for losses and damages suffered due to natural or man-made causes. Also includes payments of court-ordered restitution or settlements, and other associated costs as ordered by the Courts. Also includes payments of compensation to waste tire facilities made pursuant to the Oklahoma Waste Tire Recycling Act. (27A O.S. § 2-11-401, et seq.)</p> <p><i>NOTE:</i> May be used for the resolution of out-of-date (prior FY) invoice payment disputes pursuant to a properly executed settlement agreement and release by the state agency and the vendor. This may also be used for OMES Division of Capital Assets Management unauthorized commitment settlement agreement.</p>
553160	LEGAL SETTLEMENTS REPORTABLE TO THE IRS	<p>Payments identified in court-ordered or other legal authority settlements which would otherwise have been coded with one of the object of expenditure codes identified for tracking as 1099 reportable. (Said codes identified by the OMES Accounting Dept.) Legal settlements are considered non-encumbered payments.</p> <p><i>NOTE:</i> This may be used for the resolution of out-of-date (prior FY) invoice payment disputes pursuant to a properly executed settlement agreement and release by the state agency and the vendor. It should <u>not</u> normally be used for settlements to employees since such payments are normally subject to payroll processing. Exceptions are on a case by case basis.</p>
553170	ROYALTIES	Payments of royalties, to individuals or corporations, resulting from sale of publications, research, inventions, etc.
553180	SETTLEMENTS - PAID TO/THRU ATTORNEY	<p>Payments for settlements of litigation when checks are <u>issued to</u> (either as sole payee or joint payee) <u>or delivered to</u> an attorney not retained by the State. (For plaintiff and plaintiff's attorney for awarded amount.)</p> <p><i>NOTE:</i> The total amount of the settlement, not just the attorney's portion (if known), should be included on the 1099 form issued to the attorney. Agencies will need to adjust the 1099 registers to reflect the total amount of the settlement.</p>

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
553190	REFUNDS -- OVERPAYMENT CHARGES	Payments of refunds for overpayments received for licenses or other fees collected by a controlling agency, board or commission. Also may include payments of returned unused monies received under a grant or similar contractual agreement. May further include payment to a bank to cover loss of monies released by the bank for deposit to an agency's account (maintained for such deposits) when due to redemption of customer's <u>bad check</u> for purchase of services (e.g., fishing/hunting license) from the state.
553200	REFUNDS - TAXES	Payments of refunds for taxes when authorized by law or other edict.
553210	REFUNDS -- HABITAT PROGRAM	Payments of refund to dealers for the sale of hunting and fishing licenses.
553220	OTHER IRS REPORTABLE INDEMNITIES, RESTITUTION, AND SETTLEMENTS	Payments include prizes and awards paid to individuals other than employees (Note: employee awards and prizes must go through payroll); legal settlements for punitive damages, damages for nonphysical injuries or sickness, and any other taxable damages (this would be for non-employee and non-contractor settlements but not settlement payments to attorneys); payments made to individuals for participating in a medical research study or studies; payments made to individuals for a deceased employee's final wages (normally these are processed through payroll and should only be used on a case by case basis); and payments such as those made to individuals under the Firefighter Death Benefit (excluding spouse, former spouse, or child - use code 553150). Payments under this code would be reported in Box 3-Other Income on the IRS Form 1099.
553250	PAYMENTS OF COLLECTIONS MADE FOR ANOTHER JURISDICTION	Payments by state agencies of collections made on behalf of another jurisdiction, e. g., garnishment court costs collections to the Courts.

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
553260	UNCLAIMED PROPERTY PAYMENTS - REPORTABLE	Payments by the Office of the State Treasurer (OST) of Unclaimed Property amounts subject to 1099 reporting. (FOR OST USE ONLY)
554000	<u>PROGRAM REIMBURSEMENTS, LITIGATION COSTS</u>	
554110	WITHDRAWALS - AGENCY / TRUST FUNDS	Payment of withdrawals and disbursements of monies held by the state in an agency or trust relationship (i.e., where only at the request or direction of the principal or beneficiary can the money be withdrawn. For example, an inmate directs payment from monies held by the institution in trust for the inmate). <i>NOTE:</i> Used for reporting Agency Special Account (ASA) class funding disbursements only.
554120	APPROVED PROGRAMS - PAYMENTS AND REIMBURSEMENTS	Payments and reimbursements for expenditures and expenses made/incurred by state and local government agencies and non-profit community organizations when certain criteria is met by the requesting agency as stipulated in the approved program for services on behalf of the paying agency.
554150	CONSUMER/CITIZENS LITIGATION EXPENSES	Payments for expenses incurred in legal proceedings involving buyer/user litigations.
554170	DISTRICT ATTORNEY COUNCIL APPROVED EVIDENCE FUND PAYMENTS (AGENCY 220) PAYMENTS (AGENCY 220)	Payments of District Attorney Council approved expenses for reimbursement to the Districts' Attorney, such as for expert witness fees.
554190	VOTER REGISTRATION SERVICES (STATE ELECTION BOARD)	Payments to motor license agents for voter registration applications and applications for change in voter registration taken as made by the State Election Board. (26 O.S. § 4-109.3)
554200	PAYMENTS UNDER THE ODWC HABITAT IMPROVEMENT PROGRAM	Payments to land owners participating in the Oklahoma Department of Wildlife Conservation's Habitat Improvement Program. Such payments represent partial reimbursements for land improvements made to promote improved wildlife habitats.

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
554210	OKLAHOMA E911 EMERGENCY SERVICE PROGRAM (OKLAHOMA CORPORATION COMMISSION)	Payments to telecommunication service providers qualifying for financial support under the Oklahoma Corporation Commission's E911 Emergency Service Program. Such payments represent financial support to defray the cost of purchasing and installing equipment for enhanced 911 emergency systems across the state. (17 O.S. § 139.109)
554220	PUBLIC HEALTH PREPAREDNESS & RESPONSE – PAYMENTS & REIMBURSEMENTS	Payments and reimbursements for expenditures incurred by facilities in order to increase response in the event of a public health and/or terrorist event.
554230	REIMBURSEMENTS AND REPAYMENTS – OTHER	Payment of reimbursements and repayments under qualified programs established by state, federal, or other edict, when a separate account code is not available. This includes state authorized reimbursement payments by D.E.Q. for Wheel Wash Systems at Landfills (27A O.S. § 2-10-802.B.3.c.), the Oklahoma Dental Loan Repayment Program by the State Dept. of Health (63 O.S. § 1-2710), reimbursement to businesses under student internship grant programs by colleges and universities, and other reimbursements not otherwise covered by a separate account, etc.
<u>555000</u>	<u>PAYMENTS TO LOCAL GOVERNMENTAL SUBDIVISIONS AND NON-PROFIT ENTITIES</u>	<p><u>NOTE:</u> The term local governmental subdivisions includes: water districts; school districts; fire districts; multi-county; multi-city; counties; cities; towns; schools; etc., controlled by a state agency, including another state agency when applicable and meeting the following criteria.</p> <p>This category of expenditures covers payments of assistance, grants, and apportionment type disbursements, whether they are paid from federal grant awards, state appropriations, or other revenue sources. This category of object of expenditure should <u>not</u> be used for operational-type expenses. Normally payments using these codes are <u>pass-through</u> amounts, local project awards, etc., whereby, the state and/or agency does not receive a direct benefit such as goods or services.</p>

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
555110	PAYMENTS - GENERAL GOVERNMENT	Payments to local government subdivisions and non-profit entities to supplement their local government budget.
555120	PAYMENTS - PUBLIC SCHOOL EDUCATION	Payments to local governmental subdivisions and non-profit entities to supplement the educational budget.
555130	PAYMENTS - VOCATIONAL & TECHNICAL REHABILITATION	Payments to local governmental subdivisions and non-profit entities to supplement their vocational and technical rehabilitation programs.
555140	PAYMENTS - HEALTH & SOCIAL SERVICES	Payments to local subdivisions to supplement and non-profit entities their health and social services programs.
555150	PAYMENTS - LAW ENFORCEMENT AND SAFETY	Payments to local subdivisions and non-profit entities to supplement their law enforcement and safety programs (e.g., updating the police and fire equipment used to protect a community).
555160	PAYMENTS - STREET, ROADS, HIGHWAYS	Payments to local government subdivisions and non-profit entities to supplement their budgets for road and street repair.
555170	PAYMENTS - NATURAL RESOURCES	Payments to local subdivisions and non-profit entities to supplement their environmental budget.
555180	PAYMENTS - CONSTRUCTION OF PUBLIC FACILITIES	Payments to local subdivisions and non-profit entities to supplement their capital outlay budgets.
555190	PAYMENTS - RESEARCH & PLANNING	Payments made to local subdivisions and non-profit entities for research and planning of local projects.
555210	PAYMENTS - APPORTIONMENT OF FUNDS (ASA REPORTING ONLY)	Apportionment of amounts by the Oklahoma Tax Commission. <i>NOTE:</i> Used for reporting Agency Special Account (ASA) class funding disbursements only.
555230	TEXTBOOK PURCHASE - TEXTBOOK PROGRAM	Purchase of books made by the State Textbook Committee under the provisions of the State Textbook Program. (Also see OEC 542120)
<u>559000</u>	<u>ASSISTANCE PAYMENTS TO AGENCIES</u>	
559110	ASSISTANCE PAYMENTS TO AGENCIES	Payments to a state agency for appropriate expenditures enumerated under object of expenditure category 550000, such as programs under grants that provide for assistance payments. <i>NOTE:</i> For both inter and intra-agency payments.
<u>560000</u>	<u>TRANSFERS AND OTHER DISBURSEMENTS</u>	
<u>561000</u>	<u>LOANS, TAXES AND OTHER DISBURSEMENTS</u>	

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
561130	EMPLOYEE REIMBURSEMENTS (NON-TRAVEL)	<p>Payments on a reimbursement basis to employees and officials for certain miscellaneous emergency purchases or other purchases not available through their agency's normal purchasing process. (74 O.S. § 250.6, as amended.)</p> <p><i>NOTE:</i> This Object of Expenditure was created for identification and tracking purposes for employees' non-travel expenditure reimbursements, as required. However, these payments at the agency's option may be coded under the detailed object of expenditure so designated for the purchased item(s), e.g., 536130, Office Supplies.</p> <p><i>NOTE:</i> Payment of postage expenses (stamps and rent of post office boxes) must be made to the U.S. Post Office only (74 O.S. § 90.2).</p>
561140	POLLUTION REMEDIATION	Payments to remedy the current or potential detrimental effects of existing pollution. Examples include outlays to clean up spills of hazardous wastes or hazardous substances and outlays to remove contamination, such as, leaking underground storage tanks; asbestos removal; chemical spills; water pollution; EPA Superfund sites; and Brownfield remediation. Excludes prevention and control activities with respect to current operations, future pollution remediation activities required upon retirement of an asset, landfill closure, and post closure care.
561150	MANSION AND OTHER ALLOWANCES	Allowance payments to the Governor for operating the mansion; also payments to the college presidents and vice presidents for allowances provided for under state statutes.
561170	LOANS	Disbursements of loan amounts by authorized state agencies.
561180	TAXES & FEES - REMITTANCE TO THE FEDERAL GOVERNMENT	Payment of Federal taxes and fees collected by a state agency and remitted to the Federal Government. Also includes payments of assessments levied by the Federal Government.
561190	TAXES & FEES- REMITTANCE TO THE STATE GENERAL FUND	Payment of taxes, fees, etc., collected by a state agency and remitted to the State General Revenue Fund.

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
561210	TAXES REMITTED TO OKLAHOMA TAX COMMISSION	Payment of state sales and other taxes collected by a state agency and remitted to the Oklahoma Tax Commission. Also includes payments of assessments levied by the State Government.
561220	TAXES REMITTED BY STATE AGENCIES	Payment of authorized taxes (remitted not collected) by State Agencies to appropriate government entities (e.g., Ad Valorem Tax on property paid to County Governments, etc.)
561230	PURCHASE OF SECURITIES AND OTHER INVESTMENTS	Payment for securities purchased with retirement system reserves, Land Commission investments, Bond Fund Reserves, etc.
561240	INVESTMENTS - FEDERAL FUNDS	Purchase of investments made with federal award amounts.
561250	OCAST PROGRAM AWARD PAYMENTS	Payments by the Oklahoma Center for the Advancement of Science and Technology (OCAST) for research and development and technology commercialization program contract awards.
561260	EMPLOYEE SPENDING ACCOUNT REIMBURSEMENT	Payments by the OMES Human Capital Management and other approved plans from employee spending account for reimbursement of dependent care and medical expenses.
561280	LOTTERY DISBURSEMENTS OF PRIZES, ETC. (AGENCY SPECIAL ACCOUNT)	Payments made by Lottery Commission from Clearing or ASA accounts for prizes, MUSL payments, etc.
561300	ARBITRAGE REBATE	Payments to the U. S. Treasury of cumulative earnings from the investment of bond proceeds that exceed the yield on the bond. This payment represents a reduction of investment earning
<u>562000</u>	<u>TRANSFERS</u>	
562120	TRANSFER TO TREASURY FUNDS – ONUS	Cash transfers from official depository class fundings to operating class fundings (e.g., annually appropriated class fundings and revolving class fundings) made by ONUS transfer. <i>NOTE: Used for reporting Agency Special Account (ASA and Agency Clearing Account (ACA) disbursements only.</i>
562130	TRANSFER TO SPECIAL ACCOUNT FUNDS	Cash transfers from official depository class fundings to special, dedicated (e.g., the annually appropriated class fundings or revolving class fundings transferred to an Agency Special Account (ASA) class funding.)

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
		<i>NOTE:</i> Used for reporting Agency Special Account (ASA) and Agency Clearing Account (ACA) class funding disbursements only.
562140	TRANSFER TO CLEARING ACCOUNT FUNDS	Cash transfers from official depository funds to a clearing account. <i>NOTE:</i> Used for reporting Agency Special and Clearing Account Disbursements only.
562150	TRANSFER TO TREASURY FUNDS – J.E. ONLY	Cash transfers from official depository class fundings to operating class fundings (e.g., annually appropriated class fundings and revolving class fundings) by journal entry only. <i>NOTE:</i> Used for reporting Agency Special Account (ASA) and Agency Clearing Account (ACA) class funding disbursements only.
562160	TRANSFER OF INVESTMENT FUNDS TO MASTER CUSTODIANS	Transfer of monies by authorized pensions systems and the State and Education Employees' Group Insurance Program to master custodians, and authorized transfer of other dedicated amounts to master custodians.
562170	REPLACEMENT WARRANTS (FOR OMES USE ONLY)	Issuance of replacement warrants for original warrants canceled by statutes or lost
562190	ESTABLISHMENT OR INCREASE OF IMPREST (PETTY) CASH ACCOUNT	Payments made to establish an imprest (petty) cash account or increase an existing account amount. <i>NOTE:</i> Payments to replenish a Petty Cash Fund must be charged to the applicable expenditure codes relating to the various purposes for which the amounts being replenished were paid out (e.g., 536130 - Office Supplies; 531120 - Postage (i.e., postage due), etc.).
562200	TRANSFER OF FUNDS FOR WARRANT REDEMPTION (RESERVED- OMES APPROVAL)	Cash transfers of amounts for warrant redemption tracking.
562210	TRANSFER OF NETTED BANK FEES (RESERVED- OMES APPROVAL)	Cash transfers such as those made to the General Revenue Fund by the Office of the State Treasurer of bank service fees netted from interest on State monies.
563000	EMPLOYEE WITHHOLDING	
563110	EMPLOYEE WITHHOLDING- WITHHOLDING PAYABLE OMES USE ONLY	Used by OMES on payments made to Internal Revenue Service for amounts transmitted outside of the payroll system.

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
563130	EMPLOYEE WITHHOLDING- OVERPAYMENT REFUNDS OMES USE ONLY	Used by OMES only for taxes refunded on Overpayment Refunds.
<u>564000</u>	<u>MERCHANDISE FOR RESALE</u>	
564110	MERCHANDISE FOR RESALE - RAW MATERIALS AND STOCK/SUPPLY ITEMS, AND OTHER AUTHORIZED PURCHASES FOR RESALE	Purchase of stock items or supplies used for resale. Also includes the purchase of supplies and materials used in the production or preparation of merchandise for sale (e.g., lumber, food ingredients, assembly items, etc.). In addition this includes items purchased by OMES-DCAM Surplus Properties (e.g., automobiles, tractors, backhoes, weapons for law enforcement agencies, etc.) and resold to state agencies or local governments.
564120	MERCHANDISE FOR RESALE - LIVESTOCK	Purchase of livestock intended to be resold.
<u>600000</u>	<u>AFP ENCUMBRANCES AND EMPLOYEE WITHHOLDING</u>	
<u>601000</u>	<u>AFP ENCUMBRANCES</u>	
601100	AFP ENCUMBRANCES (FOR AUTHORITY ORDERS ONLY)	This Account Code must only be used when establishing authority order encumbrances. This code must be replaced with an appropriate 5xxxxx Account Code when the vouchers against the authority order are prepared.
<u>633000</u>	<u>EMPLOYEE WITHHOLDING</u>	
633100	EMPLOYEE WITHHOLDINGS – SAVINGS BONDS	Payments for withholdings withheld from the state payroll for Savings Bonds.
633110	EMPLOYEE WITHHOLDINGS – OTHER INSURANCE – 2% FEE	Payments for withholdings withheld from the state payroll for Other Insurance – 2% Fee
633115	EMPLOYEE WITHHOLDINGS – OTHER INSURANCE – NO FEE	Payments for withholdings withheld from the state payroll for Other Insurance –No Fee
633120	EMPLOYEE WITHHOLDINGS – OTHER RETIREMENT – 1% FEE	Payments for withholdings withheld from the state payroll for Other Insurance – 1% Fee
633125	EMPLOYEE WITHHOLDINGS – OTHER RETIREMENT – NO FEE	Payments for withholdings withheld from the state payroll for Other Retirement – No Fee

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<u>Account Code</u>	<u>Category or Account Name</u>	<u>Description</u>
633130	EMPLOYEE WITHHOLDINGS – CREDIT UNION	Payments for withholdings withheld from the state payroll for Credit Union
633140	EMPLOYEE WITHHOLDINGS – EDUCATION EMPLOYEE TAX SHELTER ANNUITY	Payments for withholdings withheld from the state payroll for Education Employee Tax Shelter Annuity
633150	EMPLOYEE WITHHOLDINGS – OTHER CAFETERIA PLAN	Payments for withholdings withheld from the state payroll for Other Cafeteria Plan.
633160	EMPLOYEE WITHHOLDINGS – 457 TAX DEFERRED RETIREMENT	Payments for withholdings withheld from the state payroll for 457 Tax Deferred Retirement
633170	EMPLOYEE WITHHOLDINGS – 403b TAX DEFERRED RETIREMENT	Payments for withholdings withheld from the state payroll for 403b Tax Deferred Retirement
633180	EMPLOYEE WITHHOLDINGS – 401k TAX DEFERRED RETIREMENT	Payments for withholdings withheld from the state payroll for 401k Tax Deferred Retirement
633185	EMPLOYEE WITHHOLDINGS – 401a TAX DEFERRED RETIREMENT	Payments for withholdings withheld from the state payroll for 401a Tax Deferred Retirement
633190	EMPLOYEE WITHHOLDINGS – OTHER WITHHOLDINGS	Payments for withholdings withheld from the state payroll for Other Withholdings (garnishes, levies, etc.).

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APPENDIX 5: FORMS

Forms can be obtained from OMES website <http://www.ok.gov/OSF/> , select the [Comptroller & Budget](#) link then select the [DCAR Forms](#) link. Most forms are hyperlinked to the appropriate sections of the manual.

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APPENDIX 6: COMMON REPORTS AND QUERIES

The following table outlines a list of common reports available from the State's Accounting System with a related description. Listed next to the report title is the report number.

Purchasing Reports

State Accounting System Report Title	Report Description	Report Function or Use
Print Requisition Report- OCP_0092_PO	Prints requisition details	Returns hard copy of requisitions sorted by requisition ID Can print a single or multiple requisitions
PO/Requisition Cross Reference Report - OCPP00129	Provides cross reference between requisitions and purchase orders	Returns selected requisitions and the purchase orders that have been created for them
Requisition Template Report- PORQ011	Generic requisition template used to facilitate data entry of commonly ordered items	Provides a listing of commonly ordered items along with vendor and manufacturer information
Expediting Report- POY4006-4008	Listing to help determine which purchase orders may require expediting - by buyer, vendor or due date.	Provides purchase order details such as late days and due date
PO Listing Report- OCP_0132_PO	Purchase order listing by PO date, vendor, buyer and status	Provides purchase order information that can be sorted by purchase order, date, vendor, buyer or status
PO Status Listing Report- POY4020, POY4021	Listing of order status by vendor and item	Returns purchase order status and can be sorted by vendor or item
PO Detail Listing Report- POY4030-4032	Purchase order detail listing by PO date, vendor and buyer	Returns detailed purchase order information and can be sorted by date, vendor or buyer
PO Schedule Listings Report- POY4040-4042	Purchase order schedule list by PO date, vendor and buyer	Returns purchase order schedule information such as ship to and due date. Can be sorted by date, vendor or buyer

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State Accounting System Report Title	Report Description	Report Function or Use
Requisition/PO Cross Reference Report- OCPP00129	Cross reference of purchase orders and requisitions	Returns a cross reference between requisitions and the purchase orders created from those requisitions
PO Activity Report- POPO009	Detail report of purchase order activity	Report lists purchase order details by department for each purchase order line
PO Backorder Status Report- POPO012	Lists backorder details for a vendor, BU, item or buyer within defined date parameters	Only agencies that perform receiving against purchase orders can utilize this report
PO Outstanding Encumbrance Balance Report- POROL001	Review of open purchase orders for the budget year-end process	The information for the purchase order distribution lines will be displayed if their encumbrances remain on the KK_LIQUIDATION table
Dispatch and Print RTV's Report- PORT001	Dispatches and provides a hard copy of selected return to vendor transactions	Returns details of the products returned to vendors
Return To Vendor Detail Report- OCP_0133_PO	Lists the vendor's return address, shipping method and line item return information	Provides detail on items returned to vendor
Activity Under a Dollar Amount Report - OCP00100	Lists purchase orders under a specified dollar amount by origin, date range and business unit	Report used to monitor activity of purchase orders against requisitions
Agency Listing Report - OCP0089	List of agency and addresses by business units and location	Returns each agencies location information
Agency's PO Ref/PO Report - OCP0292	Entering agency requisition reference number will return the corresponding State Accounting System requisition and purchase order number	Report used to match internal (agency specific) requisition numbers against State Accounting System requisition number
CAP req./Contract Status Report - OCPP00109	Provides summary number of purchase orders and total amount of PO's by PO type for a given origin and greater than amount	Report used to monitor status of purchase orders by amount and type toward contract completion

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State Accounting System Report Title	Report Description	Report Function or Use
Commodity Listing w/Specifications Report - OCPPO0083	List of commodities for a given range of classes that displays the category, item ID, description, primary buyer and unit of measure	Listing of commodity codes that can be downloaded, sorted and filtered
Expediting Report by Buyer - OCPPO0129	List of purchase orders by buyer that may need expediting (report is sorted by buyer only)	Report provides purchase order details such as late days and due date.
Modified RTV Dispatch Report - OCPPO0096	Prints the RTV dispatch with price information on selected return to vendor transactions	Report provides detail information of product returned to vendor
Outstanding Orders CSV Report - OCPPO0275	List of outstanding purchase orders broken down by line, schedule and distribution. Report returns as a comma separated value (CSV) file	Report typically used to reconcile encumbrances to pre-encumbrances. Provides encumbrance available amount by PO line, schedule and distribution
Outstanding Orders Report - OCPGL066	List of outstanding purchase orders broken down by line, schedule and distribution	Report typically used to reconcile encumbrances to pre-encumbrances. Provides encumbrance available amount by PO line, schedule and distribution
Outstanding Pre-Encumbrance Report - OCPPO0288	Report returns purchase order pre-encumbrance available amount by purchase order line, schedule and distribution. Can be run in CSV or PDF format	Report helps determine pre-encumbered balances that need to be released
PO Funding Lines Report - OCPPO0282	Report displays the funding for a purchase order or series of purchase orders by PO line, schedule and distribution	Report used to reconcile purchase orders to vouchers
Report by Type Classification - OCPPO0111	Lists purchase order information by PO type and origin or for all origins	Report used for detailed PO review classified by type or origin

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State Accounting System Report Title	Report Description	Report Function or Use
Sole Source Report - OCP113PO	Lists sole source purchase orders - monthly or yearly	Detail report for reviewing sole sources exceeding \$2,500,000.00 processed on requisitions and purchase orders
Summary of Agency Purchases Report - OCPPO0112	Lists summary of agency purchase order amounts and expenditure amounts between a certain dollar amount	Report used to review purchase orders and amounts expended against those PO's
Transaction Count Report - OCPPO0103	Lists total purchase orders, total requisitions, total change orders and total dollar amounts by origin and date range	Report to make summary review of PO's, requisitions, change orders and total dollars by origin
Standard Term Listing Report - OCPPO0091	List of standard terms and comments	Report that returns a complete listing of the standard purchase terms that can be copied into requisitions, PO's and contracts
Unfinished Requisitions Report - OCPO0086	List of requisitions not processed to purchase order in dispatch status	Report to check for unreleased requisitions
O-Term Listing Report - OCPO0104	List of O-terms	Used to display specialized terms that attach to every line in a bid situation
Requisition by PO Xref Report - OCPO0130	Lists requisition to PO information including contract information	Similar to Requisition/PO Xref report, but also includes contract information
PO Activity by BU and Dollars Report - OCPPO0110	Lists purchase order numbers and dollar amounts up to a specified amount	Summary report to review PO number and amount up to a specified dollar amount
PO's with TBD Account Code - Query	Lists POs with the account code TBD	Usually run at the beginning of the year, report returns purchase orders that have been coded to the "TBD" account

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State Accounting System Report Title	Report Description	Report Function or Use
Budget and Cash Balance Report - or- Allotment Budget and Available Cash Report - OCP_0056_GL	Returns cash and budget funding lines through a selected accounting period	Daily or frequent use report for monitoring cash and budget spending NOTE: This should be reconciled to the <i>Summary of Receipts and Disbursements Report</i> for appropriate funds on a monthly basis at a minimum.
AR Deposits – OCP0054	Extracts all deposits (account = '4xxxxx') within a selected date range, excluding interagency WIR payments	Report listing all deposits made to a valid revenue account for a given period
Summary of Receipts and Disbursements Report - OCP_0059_GL	Fiscal YTD report that provides ending cash balance by month with subtotals for receipts, disbursements, transfers and investments	General summary report used to validate and balance cash by class/funding NOTE: This should be reconciled to the <i>Allotment Budget and Available Cash Report</i> for appropriate funds on a monthly basis at a minimum.
6-Digit Object of Expenditures by Class Funding Report - OCP_0062_GL	Summary of expenditures by funding line with MTD and YTD totals for each funding line. Includes subtotals by budget reference/department, class and business unit	Report used to review and balance expenditures by class/funding
6-Digit Object of Expenditures Report - OCP_0060_GL	Summary of expenditures by account (where account begins with '5') with MTD and YTD totals by each account	Summary report for review of all expenditures by account
Journal Entries by Business Unit and Class Report - OCP_0065_GL	Returns each journal line by journal entry only. Excludes accounts payable (AP) and purchasing transactions	Report used to review all journal entries made for a particular business unit and class/funding

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State Accounting System Report Title	Report Description	Report Function or Use
Outstanding Encumbrances Report - OCP_0066_GL	Lists outstanding purchase order information. Subtotals by class, department, BU and grand total. Flags denote handicapped vendors	Standard report for reviewing open purchase order information. Used to assist with reconciliation of open encumbrances
Investment Journals Report - OCP_0076_GL	Lists each investment (account=106000) processed for the selected period	Report used to reconcile investment account balances only
SEFA Revenue Report - OCP_0077_GL	Summary of revenue transactions (account begins with '4') where source = "DEP" and line has a CFDA#. Returns current month and YTD totals	Report to review revenue transactions associated with federal receipts
SEFA Transactions Report (2 reports) - OCP_0078_GL	Reports list each detail transaction that contains a CFDA #. One by deposit and one by voucher. Subtotals by BU, CFDA# and journal source	Report to review detail of federal grant awards deposits and expenditures
SEFA Expenditures Report - OCP_0079_GL	Summary of expenditure transactions with a CFDA#, account begins with '5' and source = AP. Provides current month and YTD totals	Report for reconciling and reviewing expenditures of federal grant awards

Accounts Payable Reports

Vouchers

State Accounting System Report Title	Report Description	Report Function or Use
6-Digit Expenditure Detail by Journal Date Report - OCAP0312	Lists all vouchers posted to the general ledger during the requested period, with subtotals by class, department, and budget reference	Regularly used report to track expenditures

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APPENDIX 6: COMMON REPORTS AND QUERIES

State Accounting System Report Title	Report Description	Report Function or Use
Document Tolerance Exception Report - OCP_0422_AP	Daily report that lists vouchers with document tolerance exceptions.	Used to correct vouchers with document tolerance exceptions.
Professional Services Report - OCP_0067_AP	Lists all payments coded to the Professional Services account (accounts beginning with '515'). Excludes all 800 class fundings (ASA and ACA class fundings)	Report used to review payments charged to professional services account only (account 515xxx)
Travel Expenditures Report - OCP_0070_AP	Summary of balances for all travel accounts (accounts beginning with '521'). excludes 800 class fundings (ASA and ACA class fundings)	Summary report of balances recorded in travel accounts only
Fiscal AFP Expenditures by Agency/AFP Number Report - OCP_0074_AP	Lists payments against authority orders for the time range specified (not to exceed 1 year). Extracts processed vouchers where the vendor ID equals '1100' or '1101 (authority order vendor), and subtotals by PO ID	Used to review spending against authority orders
Successful Vouchers Report - OCP_0116_AP	Lists each transaction processed for a given period (not to exceed 1 year). Subtotals by BU, class and department	Cross reference report used to assist with reconciliation of open orders
Vchr Acctg KK Recon Report - OCAP0645	Identifies voucher exceptions that occur when voucher transactions have posted to the ledger but have not budget checked, or vice versa, causing the budget cash on the Allotment Budget and Available Cash report and the ledger cash on the Summary of Receipts and Disbursements report to be out of balance. Reports exceptions in the CASH_EXP ledger so it cannot be used to identify 99X cash imbalances.	Report used to review voucher payments that causes exceptions between budget cash and ledger cash.

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State Accounting System Report Title	Report Description	Report Function or Use
Vouchers with Recycle Status Report - OCP_0220_AP	A daily report that lists vouchers in recycled status	Report used to assist with reconciliation of vouchers
Vouchers Not Posted Report - OCP_0221_AP	Daily report that lists vouchers that have not been posted (POST_STATUS_AP not = to 'P')	Report used to troubleshoot vouchers when reconciling
Match Exception Report - AP1090	Daily report that lists vouchers with a matching exception	Report to review status of vouchers that have failed to match
Vouchers Not Journal Generated Report - OCP_0222_AP	Lists vouchers that have not been journal generated. Identifies vouchers where the payment has posted (budget checked) but the journal entry has not gone to GL	Frequent report used for validation of payments on vouchers
Vouchers On Hold Report - OCP_0251_AP	Daily report that list vouchers on hold for payment	Report to review vouchers that are held from payment processing
Voucher Register - APY1010	Lists vouchers for the requested period with option to print voucher line and distribution line information.	Report to obtain voucher details
Posted Voucher Listing - APY1020	Lists all posted vouchers for requested period with option to select all vendors or specified vendors.	Report to obtain posted voucher details
Budget Checking Error Report - OCP_0224_AP	Daily report that lists vouchers with a budget checking error	Report to review status of vouchers that have failed to clear budget checking
Print Vouchers Report - OMES Form 15A (OCP_0229_AP)	Signature form for agencies that enter vouchers online	Standard report for voucher authority approval. Part of normal voucher business activity
Voucher Batch Slip - OMES Form 25B	Provides information for the vouchers that are ready to be paid including the voucher	Standard report submitted to OMES with the vouchers, invoices, and other supporting

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State Accounting System Report Title	Report Description	Report Function or Use
	numbers, agency voucher numbers (if provided), and voucher amounts. Identifies travel vouchers with a T next to the voucher number	documentation. Part of normal voucher business activity

Payments

State Accounting System Report Title	Report Description	Report Function or Use
AP/GL Account Recon Request - (APY1410)	Lists account totals by journal ID and account for a specified accounting period.	This report help find unbalances in account totals by journal ID and account.
AP/GL Journal Recon Request - (APY 1420)	Lists account totals by journal line and journal ID. Report can be organized by accounting period, journal date, or journal ID.	This report help find unbalances in account totals by journal line and journal ID.
Summary AP/GL Open Liability - (APY1400) Detail AP/GL Open Liability (APY1405)	Lists the detail of the open liabilities (the sum of account 202000 for all classes) recorded in the ledger as of a specified date.	Reports provide reconciliation to view open payables liabilities and compare them to the open liabilities in General Ledger. These reports help find unbalanced liabilities easily.
Statutory Cancellations Report - OCP_0064_AP	Lists miscellaneous and payroll warrants where warrants have a 'W' (escheated) or 'R' (replaced) code from the payment table	Report used to make a periodic review of warrants canceled by statute that can be reissued
36 Month Stat. Cancel Report - OCP_0071_AP	Lists warrants that have stat cancelled and are eligible to be re-issued. Includes both payroll and miscellaneous warrants	Report used to review statutorily cancelled warrants and review for appropriate re-issue
Payroll 36 Month Stat. Cancel Report - OCP_0309_AP	Lists payroll warrants that have stat cancelled within the last 36 months. Includes warrants replacement information	Report used to review statutorily cancelled warrants and review for appropriate re-issue or non-reissuance

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State Accounting System Report Title	Report Description	Report Function or Use
Misc. Inter/Intra Agency Report - OCP_0072_AP	Returns transfers by "To Agency" and where amounts were expected "from". Subtotals warrants by payment method ('Wir' or 'Chk') with grand total	Report for reconciling payments made to other state agencies
Warrant Cancellation Register (2 Reports) - OCP_0136_AP	Returns warrants where payment status = 'S' (stopped). 1st report extracts for miscellaneous warrants and the 2nd for payroll warrants	Report used to review and maintain status of cancelled warrants
Reconciled Warrants Report (2 Reports) - OCP_0150_AP	Lists paid warrants (where recon_status= 'REC") for the specified BU within the selected date range. One report lists misc/7xx warrants and the other payroll warrants	Report used to review status of warrants that have paid where the check has cleared and reconciled within the system
Month End Outstanding Warrants - OCP_0123_AP	Lists un-reconciled warrants as of the date requested by bank account	Report used to monitor outstanding warrants before they cancel by statute
Miscellaneous Tax Information Report - OCP_AP0330	Lists 1099 data from vouchers for vendors with 1099 reportable account codes (excluding P-card vouchers) for period requested	Report used to review 1099 reportable transactions and withholding status of vendors in the vendor file. Corrections should be submitted to OMES
Misc. Warrants Report (2 reports) - OCP_0119_AP	Returns a warrant register. 1st report returns all warrants issued and the 2nd for alternate voucher warrants only (VCHR_SRC='ALT')	Report used to review and maintain status of warrants issued

Vendor

Fiscal AFP Expenditures by Agency/FEI Number Report - OCP_0073_AP	Lists payments against authority orders for the time range specified (not to exceed 1 year). Extracts processed vouchers where the vendor ID equals '1100' or '1101	Used to review spending against authority orders
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	(authority order vendor), and subtotals by vendor	
Payment History By Vendor - APY2000	Provides a register of payments for a vendor during the requested period	Report used to review payments made to a vendor during a specified period
Payment History By Payment Method - APY2050	Assists with reconciliation of past payments by payment method	Report provided to populate the currency field in order to run the Payment History by Vendor report

Asset Reports

State Accounting System Report Title	Report Description	Report Function or Use
AMAS2100 - Asset Acquisition by ChartField	Lists asset information and includes Cost, LTD and YTD depreciation, and NBV with CF totals for specified period or date range.	Report to review asset acquisitions by CF, by dept ID
AMAS2110 Asset Acquisitions by In Service Date	Lists asset information and includes Cost, LTD and YTD depreciation, and NBV with CF, and In-service Period/Year totals for specified period or date range.	Report to review asset acquisitions by in-service period/year.
AMAS2200 Asset List By Location	Lists information on assets by location for assets acquired during a specified period or date range.	Report to review asset by location. Has column for physical inventory, but report includes disposed assets.
AMAS2210 Asset List By Asset ID	Lists asset by Asset ID for specified period or date range and includes Cost, LTD and YTD depreciation, and NBV.	Report to review asset IDs acquired during a specified period or date range.
AMDE4001 Physical Inventory List	Lists detailed information about assets within inventory.	Report is not real helpful for physical inventory. Each department must be run separately and report includes disposed assets.

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AMDE4002 Physical Inventory List	Lists summarized information about assets within inventory.	Report is not particularly helpful for physical inventory. Each department must be run separately and report includes disposed assets.
AMAS2201 Hazardous Assets By Location	Lists assets designated as hazardous by location as of a specified date.	Report to review hazardous assets and codes.
State Accounting System Report Title	Report Description	Report Function or Use
AMAS 2000 Cost Activity	Beginning Cost plus/minus additions, adjustments, transfers, recategorizations, retirements, reinstatements equal Ending Cost activity by CF, by category for specified period or date range.	Roll-forward report used to reconcile and identify asset transactions.
AMAS 2300 Asset Transfer By ChartField	Lists asset transfers transactions ordered by CF for specified period or date range.	Report to identify In and Out transfer transactions.
AMAS 2400 Asset Reclassification by ChartField	Lists asset recategorizations ordered by CR for specified period or date range.	Report to identify In and Out recategorization transactions.
AMNB 1000 Net Book Value by ChartField	Lists asset information and includes Cost, Period, YTD, and LTD depreciation, and NBV totals as of a specified date. Sums by department.	Crystal report summarizing cost, depreciation, and NBV by department as of specified date.
AMNB 1010 Net Book Value by Category	Lists asset information and includes Cost, Period, YTD, and LTD depreciation, and NBV totals as of a specified date. Sums by category.	Crystal report summarizing cost, depreciation, and NBV by category as of specified date.

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AMNB 1030 Net Book Value by Locations	Lists asset information and includes Cost, Period, YTD, and LTD depreciation, and NBV totals as of a specified date. Sums by location.	Crystal report summarizing cost, depreciation, and NBV by location as of specified date.
AMGL1000 AM to GL Reconciliation by Department	Reconciles AM To GL by ChartField. Sums by Department ID.	Crystal report summarizing cost, YTD and LTD depreciation by department ID as of a specified date.
AMGL1010 AM to GL Reconciliation by Category	Reconciles AM To GL. Sums by category.	Crystal report summarizing cost, YTD and LTD depreciation by category as of a specified date.
State Accounting System Report Title	Report Description	Report Function or Use
AMDP2000 Depreciation Activity	Beginning depreciation plus/minus PDP, recategorization, depreciation, additions, transfers, and retirements equal Ending depreciation activity by CF, by category for specified period range.	Roll-forward report used to reconcile and identify depreciation transactions.
AMDP2100 Net Book Value	Sorts cost activity by CF, by category or location.	Report to identify current, YTD and LTD depreciation, and NBV for assets or categories.
AMDP2200 Depreciation by Period	Sorts assets by period depreciation at asset, category, department, or project levels for specified period or date range.	Delivered PDF and CSV report difficult to use to identify depreciation for CAFR and Federal assets.
AMDP2300 Depreciation by Fiscal Year	Sorts assets by fiscal year depreciation at asset, category, project, or department levels by specified period range.	Delivered PDF and CSV report difficult to use to identify depreciation for CAFR and Federal assets.

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AMRT 2000 Retirement by ChartField	Sorts retirement information by CF, by department for specified period or date range. Subtotals by category and CF.	Report to obtain retirement totals by category and CF. Report is not user friendly.
AMRT 2010 Retirement by In Service Date	Lists retirement related information with totals per in service year/period.	Report to group retired assets by their in service dates. Report is not user friendly.
AMRT 2100 Retirement Activity	Lists retirement related information as of a specified date.	Report to identify retired assets, disposal code, proceeds, accumulated depreciation, and gain/loss.
AMLE2000 Lease Summary Information	Lists lease summary information by asset ID as of a specified date.	Report to obtain lease obligation, interest, obligation reduction, and remaining obligation as of a specified date.
State Accounting System Report Title	Report Description	Report Function or Use
AMLE2100 Lease Detail Information	Lists lease detail information as of a specified month or fiscal year.	Report to obtain payment amount, interest expense, and obligation reduced for each month or each month for fiscal year.
	Lists lease detail information as of a specified date.	Report to obtain payment amount, interest expense, and obligation reduced for each month or each month for fiscal year. Report includes payment date.
AMLE2300 Lease Footnote Disclosure Detail	Lists all outstanding lease commitments for five years and provides the monthly lease payment and yearly totals.	Report to obtain lease commitments for five years by asset ID for capital and operating leases.
AMLE2310 Lease Footnote Disclosure Summary	Lists all outstanding lease commitments for five years and	Report to obtain lease commitments in total for 5 years.

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	provides the monthly lease payment and yearly totals.	
AMLE2400 Lease Expiration	Lists all capital leases expiring in a certain number of days from a specified date, or leases expiring within specified date range.	Report to obtain lease expiration dates.
AMAE2100 Accounting Entry Detail	Listing accounting entry detail as of a specified date range or fiscal year.	Report to review entries and obtain subtotals for each ChartField string by account number. Includes transaction type and journal ID and date.
AMAE2110 Accounting Entry Detail - Cost	Lists costs and related transaction amounts per asset, with ChartField and report totals for a date range or as of a specified date.	Report to review cost accounting entries by transaction amount and obtain subtotals for each ChartField string by account number.
State Accounting System Report Title	Report Description	Report Function or Use
AMAE2120 Accounting Entry Detail - Depreciation	Lists depreciation and related transaction amounts per asset, with ChartFields and report totals for a date range or as of a specified date.	Report to review depreciation accounting entries by transaction amount and obtain subtotals for each ChartField string by account number.
AMAE2130 Accounting Entry Detail - Net Book Value	Lists cost balance, YTD and LTD depreciation and NBV amounts per asset for a date range or as of a specified date. Subtotals by category and account number.	Report to review net book value calculations for each asset and obtain subtotals for each category by account number.
AMAS2030 Account Activity Summary - Cost	Lists cost and related transaction amounts per account with ChartFields and report totals for a date range or as of a specified date.	Report to obtain summary account activity.

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AMDP2030 Account Activity Summary - Depreciation	Lists depreciation and related transaction amounts per account with ChartFields and report totals for a date range or as of a specified date.	Report to obtain summary depreciation activity.
AMDP2130 Account Activity Summary - Net Book Value	Lists cost balance, YTD and LTD depreciation and NBV amounts per account for a date range or as of a specified date.	Report to obtain summary net book value activity.

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Queries

State Accounting System Query Name	Report Description	Report Function or Use
OCP_AM_ASSET_NET_BOOK_VAL UE	Lists current, YTD, and accumulated depreciation, and net book value amounts by asset ID.	To obtain current depreciation and net book value for each asset with current depreciation and/or net book values.
OCP_AM_ASSET_ACQ_BY_JRNL_DATE	Add and Adjust transactions posted to the ledger during the specified period are added together to report acquisition costs.	To obtain assets acquisition costs during a specified period.
OCP_AM_ASSET_TRSFR_BY_JRNL_DATE	Lists asset transfers transactions posted to the ledger during the specified period.	To review asset transfers by asset ID.
OCP_AM_ASSET_RECAT_BY_JRNL_DATE	Lists asset re-categorizations transactions posted to the ledger during the specified period.	To review asset re-categorizations by asset ID.
OCP_AM_ASSET_RET_BY_JRNL_DATE	RET and REI transactions posted to the ledger during the specified periods are added together to report asset retirements.	To obtain a listing of assets with a disposal status during a specified period.
OCP_AM_DCS_ASSETS_LISTING	List of received and in service assets excluding land, building, and land improvements.	To comply with State Inventory Rule 580:70-3-1
OCP_AM_IT_ASSET_LISTING	List of received and in service IT assets.	To comply with OSF requirements.
OCP_AM_DCS_SURPLUS_ASSETS	List of assets to be sent to Surplus.	To comply with State Surplus Rule 580:65-3-1(d) - Listing accompanies the Surplus Property Transfer Form
OCP_AM_DCS_MISSING_ASSETS	List of missing assets during specified retirement date range.	To comply with State Inventory Rule 580:70-3-3

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State Accounting System Query Name	Report Description	Report Function or Use
OCP_AM_DCS_TRADE_IN_ASSETS	List of assets traded in during specified retirement date range.	To comply with State Inventory Rule 580:70-3-2
OCP_AM_REINSTATED_ASSETS	List of reinstated assets posted to the ledger during the specified period.	To obtain a listing of reinstated assets during a specified period.
OCP_AM_RCVR_NOT_PUSHED_TO_AM	List of asset-related receipts not pushed to Asset Management.	To ensure the physical information is integrated to AM before the assets are capitalized from Accounts Payable.
OCP_AM_PHY_A_RCPTS_TO_REVIEW	List of receipt load lines that are not approved in the AM Interface table.	To review, document, and track the AM Interface Load Lines and identify changes to be made after the asset ID is created since the Physical A Page is not editable.
OCP_AM_PRE_AM_VCHRS_NEXT_ID	List of vouchers without an Asset ID in the Pre-AM Interface table.	To identify associated receipts that have been completely interfaced to AM so voucher load lines can be interfaced to the AM Interface Table.
OCP_AM_VCHR_BEFORE_RECVR	List of vouchers integrated to AM with no corresponding receipt in the Interface Tables.	To prevent vouchers from creating an Asset ID before the physical information is loaded to AM.
OCP_AM_ASSET_ID_NOT_CAPITALIZE	List of Asset IDs that have not been capitalized.	To follow up on Asset IDs not capitalized, including assets 'Consolidated' in AM.
ASSET_BY_CUSTODIAN	List of assets assigned to a custodian	To obtain a listing of assets assigned to a custodian.
ASSETS_BY_VOUCHER_ID	List of asset IDs capitalized from a voucher ID.	To obtain a listing of assets associated with a voucher.

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State Accounting System Query Name	Report Description	Report Function or Use
ASSETS_RECEIVED	Lists assets with a status of received.	To obtain a listing of assets are that are received but not in service
ASSETS_TAGGABLE_UNTAGGED	Lists assets flagged as taggable but no tag number is entered.	To obtain a listing of untagged assets that should be tagged.
ASSET_COST_CURRENT_BALANCE	Lists asset cost and funding for a specified asset ID.	To obtain the cost and funding of a particular asset for each period and fiscal year.
ASSET_OPEN_TRANSACTION_ROW	List of open transaction review by asset ID for each asset transaction type.	To obtain open transaction review in query form.
OMES_VENDOR_CHECK	Vendor ID Query	Query identifies vendor ID(s) for vendor with a specified TIN number
OCP_CHANGE_IN_AP	Change in the AP Account Query	Detail voucher lists that composes the "Change in AP" column on the Summary Receipts and Disbursements (SR&D) Report
OCP_EXPENDITURE_VOUCHERS_SRD	Miscellaneous Expenditures Query	Detail voucher list composing the miscellaneous vouchers portion of the "Expenditures" column on the SR&D Report
OCP_PR_WH_ACCT_BAL_DETAIL	Payroll Withholding GL Entries Query - Detail	Detail GL journal entry which composes the payroll withholding account balances for 633xxx. Query assists with reconciliation of SR&D report
OCP_PAYROLL_FUND_TRANSFER (_PS)	Payroll Fund Transfers Query	Payroll funding from which the summarized query results added to the total Expenditure by class funding (account 5xxxxx only) should add to the expenditures

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State Accounting System Query Name	Report Description	Report Function or Use
		column in the SR&D Report for the month
OCP_CH_IN_AP_JV	Change in AP - Journal Voucher Query	Identifies journal vouchers that cross classes. Query assists with reconciliation of SR&D report
OCP_ALLTRANS-AP	Accounts Payable AllTrans Query	Lists paid AP transactions by voucher distribution line for accounting dates selected. Includes warrant numbers and comments. Excludes journal vouchers
OCP_VCHR_DETAIL_NOT_PAID_RE V	Unpaid Vouchers Query	Lists vouchers without a warrant number as of a specified date
OCP_AP0336_BU_WARRANT_INQ	Warrant Inquiry Query	Inquiries on information and status of a specified warrant
OCP_AP0071A_36MTH_NOTREIS_CNXS	Stat Canceled Warrants Not Reissued Query	Inquiries on warrants that have not been reissued or marked as "Do Not Reissue". Report is provided to outside collection company and should be reviewed by BU to monitor warrants canceled by statute
OCP_PAYROLL_VCHR_STG_VALID ATIO	Payroll Voucher Staging Tables Query	Identifies the payroll withholding loaded to the staging tables
VOUCHERS_DELETED	Deleted Voucher Query	Inquiries on information of all deleted vouchers
OCP_AP0117_DEL_VCHRS_NOT_B CM	Deleted Vouchers Not Budget Checked Query	Query to aid in reconciling budgeted cash and actual cash on the Allotment Budget and Available Cash and Summary of Receipts and Disbursements Reports

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State Accounting System Query Name	Report Description	Report Function or Use
VOUCHER_PO_DISTLINE	PO Distribution Line Linked to a Voucher Distribution Line Query	Query particularly useful when voucher distribution line liquidates against a PO distribution line that has been zeroed. Also useful to use for large P-card vouchers
OCP_PO0356	Outstanding Encumbrance by PO Query	Query used by payers to identify remaining encumbrance by PO distribution line

Budget Report

State Accounting System Report Title	Report Description	Report Function or Use
Budget Scenario Report	Lists summarized history of the initial budget work program and subsequent revision activities for the prompted Budget Reference year	As needed report to review the budget work program and successive revisions
Budget to Actuals Report	Returns YTD budget to actual comparison for agencies that submitted budgets to the detail account level (5xxxxx)	Report for troubleshooting differences between budgeted accounts and actual spending

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