

NJCFS NEWSLETTER

Office of Management and Budget
Accounting Bureau

October 1998

Issue #24

TIMING OF PAYMENTS:

Agencies are reminded that time-sensitive payments must be processed in a manner which will ensure that timely payments are issued. Two of the most common payment methods - checks and Automated Clearinghouse (ACH) payments - require several days' lead time as described below.

CHECKS

Routine payment procedures contain a two-day lag time from the date a payment voucher is processed and accepted by the NJCFS and the date that a check is mailed. This is true even though, technically, the check is produced and dated one day after the date the transaction was accepted in the system. As an example, a payment voucher processed on 9/21/98 will generate a check in the night process of 9/22/98; however, the check will not be mailed until the next day - 9/23/98.

It is possible to accelerate this process by one day. This can be accomplished by the agency entering a Scheduled Payment Date which is the same as the date the transaction is approved and processed. Under these circumstances, a check will be produced and dated on the night of the date the payment voucher is processed. An example of this would be a payment voucher processed on 9/21/98 with Scheduled Payment Date of 9/21/98 which will have a check produced on 9/21/98. In this case, the check would be mailed on 9/22/98.

ACH PAYMENTS

Automated Clearinghouse (ACH) payments include a three-day interim between the date the transaction is processed and the date the bank actually moves the amount of the payment to the payee's account. When payment vouchers for ACH payees are processed (using the proper Check Category Code and Single Check Flag indicator), an ACH disbursement record is produced the next business day, forwarded to the participating bank on the second business day and transferred from the State's bank account to the payee's account on the third business day. An example of this would be an ACH vendor payment voucher processed on 9/21/98 will generate an ACH disbursement file record on 9/22/98. The ACH file will be shipped to the bank on 9/23/98 and the amount will be settled in the payee's account on 9/24/98.

In the case of ACH payments, the use of the Scheduled Payment Date accelerates this process by one day. To accomplish this, the agency enters an ACH payment voucher (using the proper Check Category Code and Single Check Flag indicator) with a Scheduled Payment Date which is the same as the date the transaction is approved and processed. The ACH disbursement is thereby generated on the same business day, forwarded to the participating bank the next business day, and transferred from the State's bank account to the payee the second business day (e. g., an ACH vendor payment voucher processed on 9/21/98 with a Scheduled Payment Date of 9/21/98 will generate an ACH disbursement file record on 9/21/98; the ACH file will be shipped to the

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bank on 9/22/98 and the amount settled in the payee's account on 9/23/98).

For those situations in which material amounts are being paid via the ACH process, such as for grant or state aid drawdowns, it is crucial that agencies adhere to payment schedules which have been shared with OMB's Cash Management Unit to ensure that sufficient funds are free and available to be transferred on the date required.

WIRE TRANSFER PROCEDURES:

Agencies wishing to make payments by a Wire Electronic Funds Transfer (EFT) must adhere to the following procedures for entering the payment voucher and applying the necessary approvals:

1. Enter the U1 or A1 payment voucher. Check Category must be "WI". Payment vouchers must include required bank information such as wire date, amount, American Banking Association (ABA) routing number, and bank number of the payee.
2. Apply agency lower levels of approval to transactions. OMB must apply final approval level and process transactions to ensure that NJCFS records are consistent with Cash Accounting bank transaction records for bank reconciliation purposes.
3. Submit the payment voucher to Jessica Bodnar, Accounting Compliance Unit, 33 West State Street - 5th Floor, PO Box 221, Trenton, NJ 08625. Wire

payment vouchers may be submitted to OMB by FAX at (609) 984-5210.

Generally, all payment vouchers which require wires should be received by OMB no later than 3:30 p.m. of the day prior to the date the wire transmission is to take place. All questions concerning Wire E F T's should be directed to Ms. Bodnar at (609) 292-8173.

VENDOR PAYMENTS - DELL COMPUTER:

Dell Computer has requested that all state agency payments be made by the Automated Clearinghouse (ACH) method rather than by check effective 9/21/98. The vendor's name on the VEND Table is Dell Marketing LP; Vendor Number is 742485040-08. Some agencies may have issued "hold" checks and sent paperwork with checks in the past; with the inception of the ACH payments, Dell requests instead that agencies enter their (Dell's) invoice number in the Payee Reference field when processing the ACH payment.

ORDERING BANK DEPOSIT SLIPS:

Several General Fund bank accounts have the capability of using encoded information which allows those performing the bank reconciliation to identify which Department/Agency made individual deposits. If your agency is using one of these depository bank accounts, it is most important that the deposit tickets be properly

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encoded. When it becomes necessary to order new deposit tickets, the order should be made through the following individual:

Connie Mason
Cash Management Unit, PO 221
Office of Management and Budget
Department of the Treasury
Trenton, New Jersey 08625-0221

Bank accounts which use this feature are:

Bank	Account Number	NJCFS Bank Code
CoreStates New Jersey National Bank	0000037	37
CoreStates New Jersey National Bank	570370320	25
First Union National Bank	2110000202-864	06
Fleet Bank NA	0409200	29

If you have any questions, please call Connie Mason at 633-2164 or Bill Shannon, Cash Accounting, at 292-7008.

ASSOCIATION OF GOVERNMENT ACCOUNTANTS (AGA) MEMBERSHIP:

The Association of Government Accountants (AGA) is an organization with over 90 chapters nationwide. It is an educational

organization dedicated to the enhancement of public financial management. It has been instrumental in developing accounting and auditing standards and in generating new concepts for the effective organization and administration of financial management functions. As a result of independent research and analysis of all aspects of government conducted by the AGA, the organization has become recognized as a leading advocate for improving the quality and effectiveness of government fiscal management.

AGA membership offers numerous valuable benefits to the individual in the following areas:

- **EDUCATION** - Continuing professional education (CPE) has long been provided by the AGA through a series of local chapter presentations, seminars and symposiums as well as nationally sponsored workshops and conferences. These are designed to address topics of interest and concern to financial management professionals in all levels of government;
- **CERTIFICATION** - The Certified Government Financial Manager (CGFM) program is strongly supported by the AGA. CPE credits awarded for attendance at monthly AGA meetings, as well as for participation in the wide variety of educational presentations at the local and national levels, satisfy the requirements for continuing education of the CGFM;

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COMMUNICATIONS - All AGA members receive both the *Government Accountants Journal* and the *Government Financial Management TOPICS* in which issues such as emerging technology, auditing and the ever-evolving federal/state partnership are discussed by expert practitioners in various disciplines. The Trenton AGA Chapter also publishes a monthly newsletter whose contributors include financial experts from the public and private sectors of the local region.

ACCESS AND NETWORKING OPPORTUNITIES - AGA membership provides individuals with the opportunity to consult with the best in the field as they come in contact with other government financial management professionals in the area. In recent years the Trenton Chapter has hosted many distinguished individuals as keynote speakers at their events. These have included State Treasurer, James A. DiEleuterio, Jr.; Elizabeth Pugh, Director of OMB and other cabinet level officials as well as distinguished representatives of the government, academic and private sectors.

DISCOUNTS - Members save up to 25 percent off registration fees for AGA conferences, seminars and workshops as well as reduced rates when attending the monthly dinner meetings.

An application for membership is attached to this newsletter. Questions concerning membership and completed applications should be directed to :

Betty Jane Eddowes, Manager
Accounting Bureau - OMB
Department of the Treasury
33 West State Street - PO Box 221
Trenton, NJ 08625-0221
Telephone: (609) 292-5040

NEW W-9/VENDOR QUESTIONNAIRE

By October 30, 1998 a revised W-9 Vendor Questionnaire will be distributed for use by agencies. The form will be easier to read, with bolder print and fewer vendor type codes to select from. The new form is designed to make it easier to identify vendors who should receive a Form 1099 (Statement of Income) at year-end.

A supply of the new forms will be provided to all fiscal offices. Do not use the old form after the revised W-9 Forms are received. All vendors currently in good standing on the Vendor File DO NOT have to be re-certified by submitting a new W-9 Vendor Questionnaire. The new form is to be used only for vendor records added or modified after the distribution of the new forms.

Q&A

Since many agencies have been accorded full authority for approving and processing their Travel transactions, the Question and

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Answer section of this newsletter will be devoted to Travel-related issues.

Q. The travel regulations contained in Circular Letter 98-03-OMB increased the number of staff a department can approve to attend a single event to five. What is necessary to get more than five people approved to attend?

A. Agencies wishing to send more than five employees to a single event should enter the information on the EVAG Table for five attendees. All TE/TH transactions should be entered (those over the limit of five will have an error message indicating they are in excess of the limit.) A justification explaining the need for these individuals to attend the event and signed by an agency official should be submitted to Jessica Bodnar, Accounting Compliance (FAX number 609 984-5210). Once this is approved by OMB Management, the EVAG will be increased to the total staff approved to attend. The TE/TH's can then be approved and processed.

Where an agency has entered less than the five limit and later wishes to increase the total authorized to attend (still five or less), they should contact Ms. Bodnar and ask that the EVAG be modified to increase the number of attendees. No formal justification is required in these situations.

Q. My agency has been instructed to use the Object Code 3060 on travel transactions for some training costs. When is the use of this object appropriate?

A. Object 3060 - Travel - Staff Training was created to provide a mechanism in NJCFS to isolate and identify training travel expenses such as hotel, meals, air/rail fares - in fact, all expenses related to training travel events except registration and fees. Costs for registration and fees should be coded to expense object 3810 -"Staff Training." Training events should never use object codes designated for recording State Business, Conference or Convention expenses.

Q. Now that my agency has been given full authority to approve and process Travel transactions, is it still necessary to go through OMB for approval for Official Receptions?

A. Circular Letter 94-18-OMB remains in effect. All agencies are required to comply with the terms contained in this circular letter until officially instructed otherwise.

Q. When a Cash Receipt affects two budget fiscal years, what is the correct method of entering and processing the transaction?

A. Cash Receipt transactions which affect two budget fiscal years, such as one in which part of the deposit references an Invoice transaction while the remainder of the deposit represents current year revenue, must be entered in NJCFS as two documents, the second one with a batch ticket. Detailed procedures for entering a Cash Receipt affecting more than one budget fiscal year by creating a batch are provided as a separate

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attachment to this newsletter for your future
reference.