

A Bimonthly Guide to Texas State Accounting

FISCAL

F.A.C.T.S

Bob Bullock, Texas Comptroller of Public Accounts

September 1990

Emergency Appropriations



Although much time and effort is put into the budget planning process, state agencies sometimes incur liabilities or needs for which they do not have sufficient budget. The options available to the state agencies depend on whether or not the legislature is in session.

During Legislative Sessions:

During legislative sessions, agencies may request a special appropriations bill to be introduced appropriating additional funds to the agency for the emergency purpose.

Between Legislative Sessions:

If the Legislature is not in session, agencies have two options available — Deficiency and Emergency Grants and Budget Execution.

Deficiency and Emergency Grants

The first option is to obtain deficiency and emergency grants from the Governor's Office. Money is appropriated to the Governor's Office for this purpose in the General Appropriations Act.

Deficiency grants must be applied for no later than the 30th day before the date the deficiency occurs and shall immediately be submitted to the Governor. The claim must be based upon a sworn estimate by the agency of the amount necessary to cover a deficiency until the next legislature meets.

Emergency grants are only available to agencies under the Executive branch of government. Before the request is authorized by the Governor, the Comptroller's Office must certify that there are no other funds available for the purpose of the emergency award.

Agencies requiring assistance under the deficiency and emergency grant provisions must submit a request for emergency assistance to the Governor's Office. The Governor determines whether the request



is properly paid from the emergency funds appropriated to his office. If the request is authorized, the agency receiving emergency funds prepares purchase vouchers and submits them to the Governor's Office for processing.

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Budget Execution

A second option is to request additional funds under the budget execution authority of the Governor and the Legislative Budget Board. Under this provision, the Governor has authority to:

- Propose that a state agency be prohibited from spending, obligating or distributing part or all of an appropriation;
- Find that an emergency exists and propose the transfer of the appropriation to another agency for a specific purpose different than the original purpose.
- Propose that an appropriation be retained by the agency but used for a pur-

INSIDE

Straight FACTS	2
HOW TO	3
BEAMS on-line target date set for Jan. 1991	5
REPLAYS	6
Notices to state agencies	6
Q&A	7
Seven agencies pilot USAS startup	8

STRAIGHT FACTS

Competition between states is nothing new.

It began with the establishment of the original 13 colonies and continues today as regional battles are waged for a variety of reasons — the pursuit of tourism, new industry and federal dollars.

Texas holds its own when it comes to tourism and industry, but the same thing can't be said about federal aid.

I'm talking about the \$432 million a year in federal funds that Texas loses because of federal laws and policies that give some other states more than their fair share of federal tax dollars.

After an exhaustive three-year study, the Comptroller's Economic Analysis Center is publishing a series of reports documenting federal dollars lost to Texas each year and exploring ways to recapture this lost revenue. This series is the most comprehensive study of this nature ever conducted.

The EAC has documented why this federal money is lost to Texas, and produced a laundry list of ways to recapture these lost revenues. The EAC has identified 25 specific changes in federal law and policy that would bring more than \$400 million a year in additional federal funds back to Texas.

If the changes were made, Texas would gain about 20 percent of the \$2.4 billion the state is being short-changed each year in federal funds. The remaining 80 percent can be recovered by changes at the state and local levels.

As it stands right now, some federal laws that distribute money have been slanted to benefit smaller states and to especially benefit states in the Northeast and Midwest. Representatives from these states have traditionally dominated the congressional committees that draft federal aid formulas for education, health and human services funding.

If federal dollars were sent back to states based on actual needs and accurate population counts, Texas would get back more of the tax dollars we send to Washington, D.C., every year.

The EAC series of reports is appropriately titled "Dollars We Deserve."

Dollars we deserve are dollars we ought to go after.

It's important to Texas. ■

Emergency Appropriations *continued*

pose different from the original purpose.

- Propose a change in the time an appropriation is distributed or made available to a state agency.

An agency requesting additional appropriation authority under the State Budget Execution law must submit its request to the Governor's Office. If the Governor finds that a need exists and that the request is valid, he will post the Budget Execution Proposals in the Texas Register. The Legislative Budget Board will review the request and may hold public hearings on it.

The Legislative Budget Board may ratify, reject or recommend changes in the proposal. If approved, the budget execution order must not decrease an agency's appropriation authority more than 10 percent or increase the receiving agency's authority more than 5 percent.

During fiscal year 1990, several agencies have applied for budget relief under the budget execution provision.

Provisions Available at All Times

Miscellaneous Claims

A miscellaneous claim is a legal claim against the State of Texas for which no appropriation authority exists at individual agency level to pay the claim. The type of claim falling under the miscellaneous category includes, but is not limited to, the following:

- A claim of a prior year for which the statutory period has lapsed.
- A warrant presented by a claimant after its expiration date.

The Comptroller of Public Accounts is charged with the responsibility for paying miscellaneous claims. Funds are appropriated to the Comptroller for this purpose in the General Appropriations Bill each biennium. The claims are limited to \$10,000 per individual claimant each biennium.

Miscellaneous claims must go through the following process:

- Review by the State Comptroller's Office for accuracy of information.
- Verification by the State Treasurer on claims involving voided warrants.
- Verification by the department under which the claim was originally encumbered.
- Verified by the Attorney General as a legally enforceable obligation of the State of Texas.
- Final approval by the State Comptroller of Public Accounts.

Tort Claims, Settlements and Judgments

Tort claims, settlements and judgments against the State of Texas are processed for payment from funds allocated for the purpose to the State Comptroller's Office in the appropriations bill each biennium. These claims are judgments and settlements resulting from a lawsuit against the state or from a settlement process at the Attorney General's Office between the state and the plaintiff.

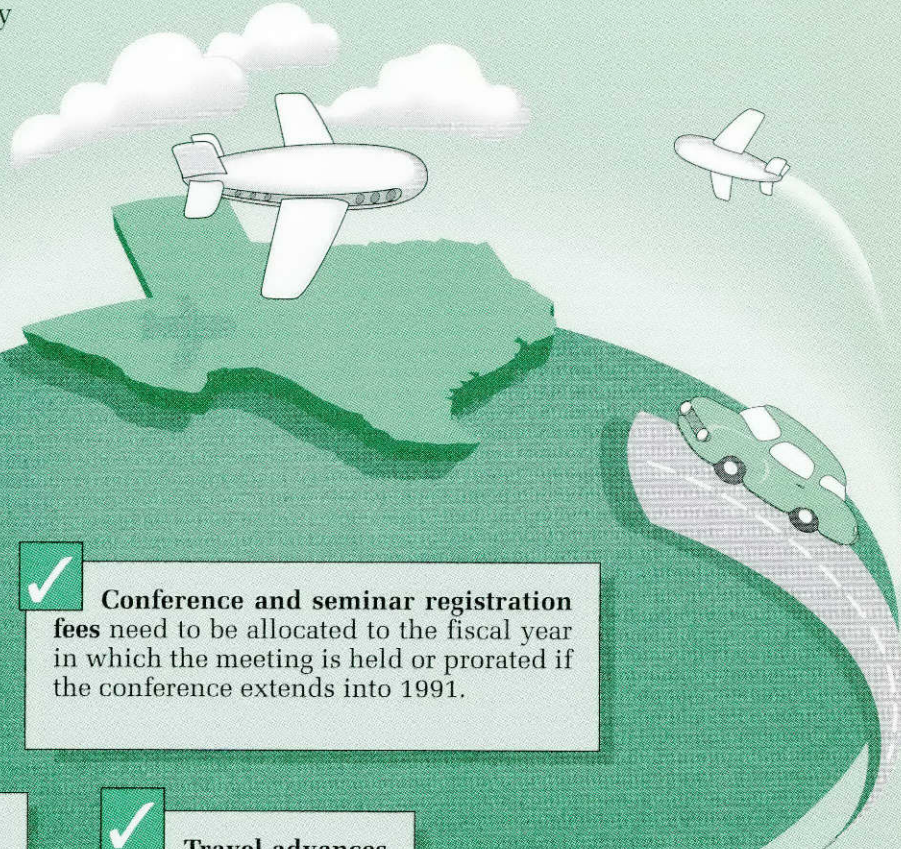
The procedure for processing a tort claim follows:

- The general counsel of the state agency or the attorney of the individual claimant contacts the Attorney General's Office.
- The Attorney General prepares a payment package containing copies of the judgment or settlement agreement and other necessary documents.
- The Governor's Office approves the package.
- The Comptroller prepares and processes a payment voucher and issues a warrant to the payee.

Agencies cannot use funds made available to them in the current appropriations bill to pay judgments against the State of Texas unless the funds are specifically appropriated for that purpose. If an agency has a claim that does not fit into the tort claim provision, it must obtain specific appropriation authority for that claim in the next legislative session. ■

Avoid travel claim delays

September 1 will begin fiscal year 1991. State agency employees filing claims that cross fiscal years need to follow the rules listed below to avoid delay in payments.



✓ **Meals and lodging** are paid according to the date of travel.
Example: If an employee travels August 30 through September 3, 1990, meals and lodging for August 30 and 31 would be charged to fiscal year 1990. Meals and lodging for September 1-3 would be charged to fiscal 1991.

✓ **Conference and seminar registration fees** need to be allocated to the fiscal year in which the meeting is held or prorated if the conference extends into 1991.

✓ **Mileage** is paid by the date the mileage was incurred.


✓ **Travel advances** are charged to the year in which the travel occurs.

✓ **Airfare** must be allocated to the fiscal year in which the travel takes place, even if the tickets were purchased in fiscal year 1990. Agencies may not submit vouchers in fiscal year 1990 for discount airfare if the travel will occur in fiscal 1991.

✓ **Other expenses** such as parking, business calls, gas and other miscellaneous costs are also charged to the year in which the travel takes place and should be prorated if necessary.

✓ **Rental car** charges for travel that span two fiscal years need to be prorated between the two fiscal years.

THE BOTTOM LINE is all travel expenses that cross fiscal years must be prorated. Your year-end travel claims will pay without delay if you follow these rules.

 For more information, call Claims Division Travel Section at 512/463-4850. ■

BEAMS on-line target date is January 1991

When Texas lawmakers return to Austin in January 1991 for the start of the 72nd Legislature, their decision-making chores should be made easier through a new research data base.

Called 'BEAMS' for short, the new Budget Execution and Monitoring System, is a component of the Uniform Statewide Accounting System (USAS),

which delivers information and supports decision-making. BEAMS

will provide user-access to an integrated data base of the state's accounting, reporting, payroll, personnel, budgetary and program cost/performance measurement data.

In other words, BEAMS is a new tool designed to provide legislators more accurate information faster and easier — at less cost. The conceptual design for BEAMS was completed and approved in April and is targeted to be on line with the start of the legislative session next January.

Design Features

The Budget Execution and Monitoring System is flexible and maintainable. The system takes advantage of the processing strengths of both mainframe and microcomputers. The mainframe will support the extraction of large amounts of data and the complex modeling scenarios required for decision support. Microcomputers will support graphical user interfaces for

presentation purposes and distributed modeling capabilities.

BEAMS consists of two integrated components: a Budget Information System (BIS) and a Decision Support System (DSS).

Budget Information System (BIS)

The BIS component will focus on critical areas of importance for State decision makers with timely information on appropriations, expenditures, revenues, and personnel positions and by reporting on representative sets of key performance measures and workloads.

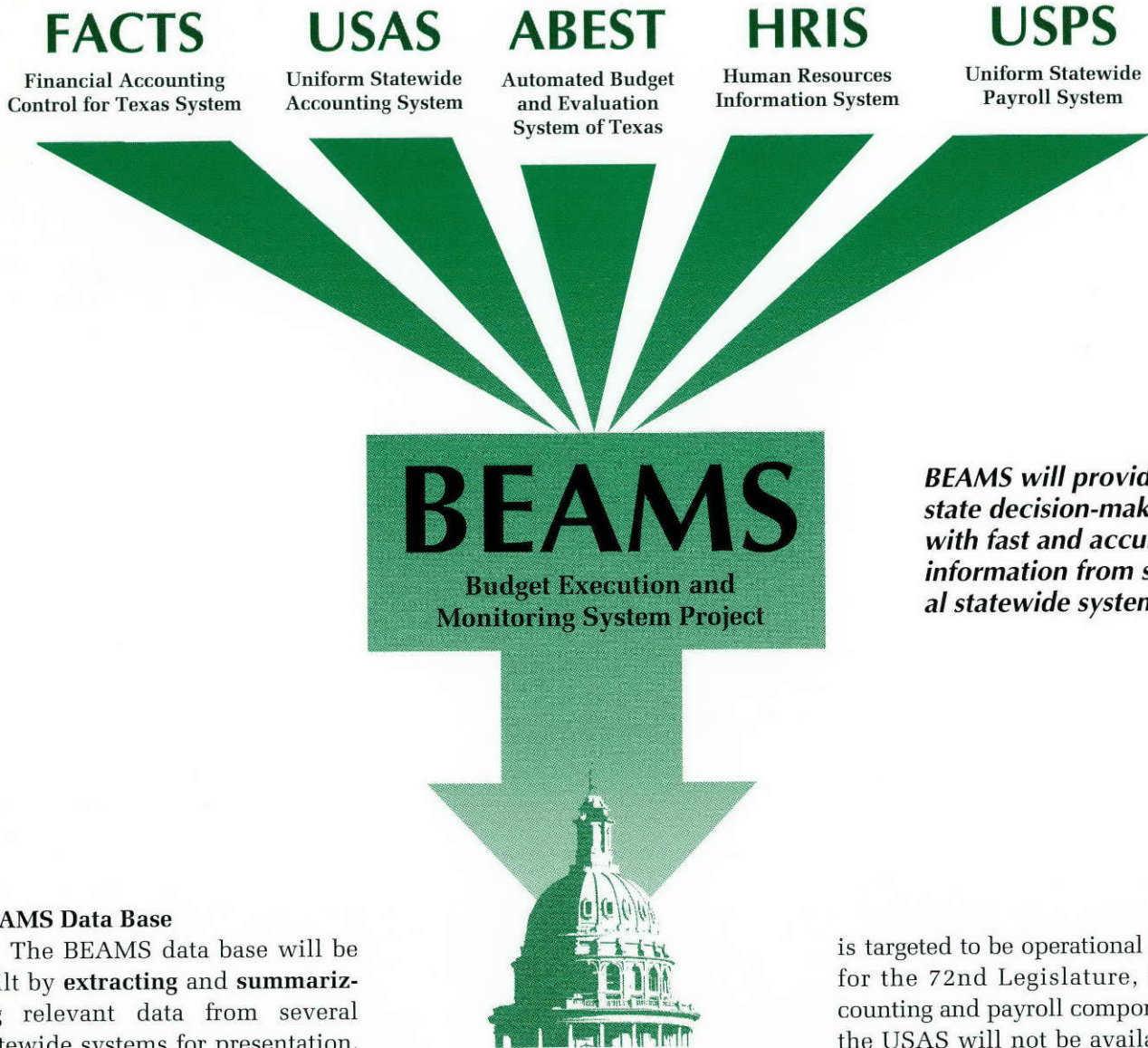
A subset of the performance measures and workloads provided in each agency's Legislative Appropriations Request (LAR) will provide information on the critical decision areas in Texas government—the budget drivers. Key performance measures and workloads combined with other data bases will provide state leaders the means to assess the strategic condition of an agency, a group of agencies, or the state and to shape, inform, support and monitor policy decisions.

Decision Support System (DSS)

The DSS is a component of BEAMS that will be used as a management analysis tool. The DSS will provide decision makers with the ability to model economic and/or statistical conditions using projections and trend analysis. The modeling, consolidation and analysis features of the DSS will increase the value of the financial data from the existing systems. Most importantly, the DSS will allow decision makers to make decisions based on "what may occur" instead of only "what has occurred".



BEAMS on-line target date *continued*



BEAMS Data Base

The BEAMS data base will be built by **extracting** and **summarizing** relevant data from several statewide systems for presentation, analysis and decision support activities. BEAMS will receive data from the Financial Accounting Control for Texas System (FACTS); the Uniform Statewide Accounting System (USAS); the Automated Budget and Evaluation System of Texas (ABEST); the Human Resources Information System (HRIS); the Uniform Statewide Payroll System (USPS), when

developed; and selected external data bases. The BEAMS will summarize the data into meaningful levels for the State decision makers.

BEAMS Project Status /Time Frame

The BEAMS project implementation phase began in May 1990 and is on schedule. Although BEAMS

is targeted to be operational in time for the 72nd Legislature, the accounting and payroll components of the USAS will not be available for access by BEAMS until September of 1991. BEAMS will be able to provide the 72nd Legislature with data from FACTS, ABEST, HRIS and from other selected reported data.

Larry Lazicki, who has been on the USAS project since its inception, now manages the Budget Execution and Monitoring System Project. ■

Human Resource Information System attains division status

The State Government Accounting Division has been reorganized. Comptroller Bob Bullock appointed John Keel as Deputy Comptroller for the Division in May 1990.

The division's Human Resource Information System area is now a separate division of the Comptroller's Office. Donna Clay is Director of the new Human Resource Information System Division.

There are 212 state agencies required to report personnel and payroll information to the Human Resource Information System (HRIS). Currently, there are 156 agencies and 109,107 employees on the HRIS data base. Within the next month we expect to add the UT Systems, the University of Texas at Arlington, the University of Texas at Austin and the Texas Rehabilitation Commission. This will add approximately 17,000 employees to the HRIS data base.

We have revised our conversion schedule for agencies not yet reporting to the data base. Our goal is to have all agencies productional by December 31, 1990, prior to the next legislative session. This will allow the Human Resource Information Services Division to respond to requests for ad hoc reports from members of the Legislature and other executive decision makers.

When the conversion schedule is complete, HRIS will be a widely used data base generating reports on personnel and payroll data. It is critical that all state agencies and institutions report personnel and payroll data to complete this centralized repository of information on all state employees.

Once established, HRIS will be the primary source of information on the state's work force. Timely and accurate reporting of data to HRIS will ensure that we can provide the state's decision makers with strategic information. ■

Notices to state agencies

Following is a list of recent Notices to State Agencies from the Comptroller's Office. For further information, contact the Fund Accounting Division at 512 (463-4992), the Claims Division at (512) 463-4850 or the State Government Accounting Division at (512) 794-8065.

<u>Notice</u>	<u>Division</u>	<u>Date</u>
Fiscal Year 1991 Allocation of Appropriations	Fund Acct.	May 30, 1990
Annual Estimate of State Optional Retirement Program Contributions	Fund Acct.	June 11, 1990
Salary Supplementation	Claims	June 18, 1990
Uniform Statewide Payroll System Joint Application Design Session	State Govt. Acct.	June 25, 1990
Financial Reporting Requirements for State Agencies	Fund Acct.	July 2, 1990
Verification of FACTS General Ledger Balances	Fund Acct.	July 2, 1990
Interagency Transaction Vouchers	Fund Acct.	July 5, 1990
Certification of New Object Code 3570	Fund Acct.	July 6, 1990
Uniform Statewide Payroll System Design Session Documentation	State Govt. Acct.	July 10, 1990
Revision of the Interagency Transaction Voucher	Fund Acct.	July 12, 1990
End-of-Year Payroll Conversion Procedures	State Acct. & State Auditor	July 16, 1990
Reporting Requirements for Annual Financial Reports (Higher Education Agencies)	Fund Acct.	July 25, 1990
Fiscal Year 1991 Appropriation Reports	Fund Acct.	July 30, 1990
FY 1991 Payroll Due Dates and Direct Deposit Schedule for Monthly Payrolls	Claims	July 31, 1990
Uniform Statewide Payroll System Design Session	State Acct.	August 1, 1990
Year-End Close-Out	Fund Acct. & Claims	August 1, 1990
Bailment Contracts and Warrant Distribution	Claims	August 6, 1990
State Mileage Reimbursement Rate for Fiscal Year 1991	Claims	August 6, 1990
Annual Financial Report-Agency Training	Fund Acct.	August 8, 1990
Fiscal Year 1991 Start-Up Requirement	Fund Acct.	August 13, 1990
Texas State Agency Guide to State Accounting Operations	Claims	August 13, 1990
Communications and Planning for the Implementation of State Government Accounting Projects	State Acct., Fund Acct. & Claims	August 27, 1990

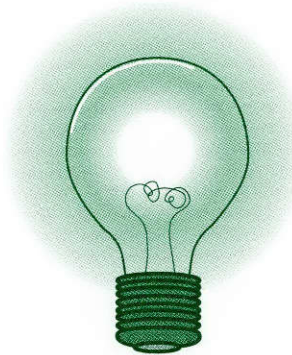
About fiscal year end . . .

Q Should payments for interest pursuant to the Prompt Payment Act be prorated between fiscal years?

A Yes. Payments should be prorated by the fiscal year in which the interest is accrued.

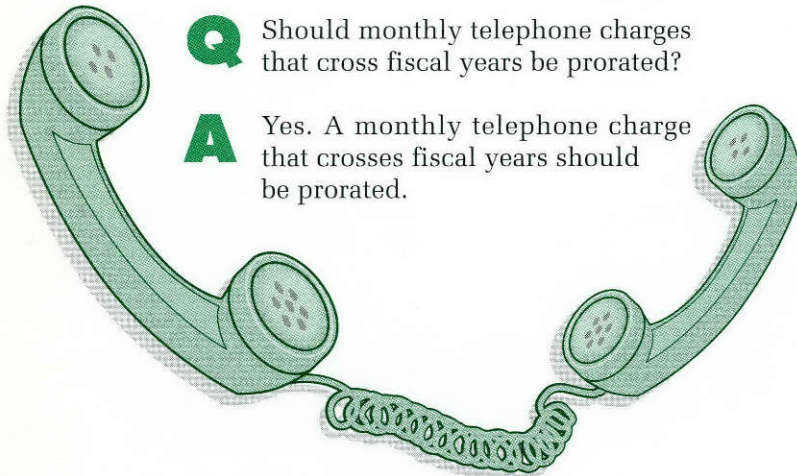
Q Should utilities be prorated between two fiscal years?

A Yes. These include gas, water, waste disposal and electricity.



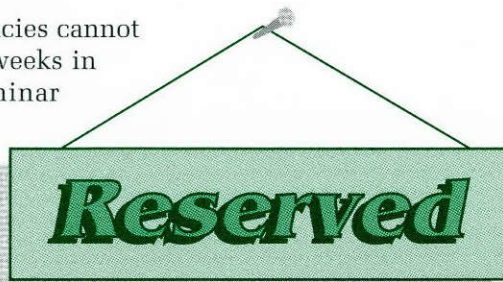
Q Should monthly telephone charges that cross fiscal years be prorated?

A Yes. A monthly telephone charge that crosses fiscal years should be prorated.



Q Can a state agency pay the entire cost of reserving a meeting room for a seminar or conference that will occur during the next fiscal year?

A Yes. However, agencies cannot pay more than six weeks in advance of the seminar or conference.



Q May a state agency contract with a vendor during the current fiscal year for the purchase of a capital asset in reliance on an appropriation for the next fiscal year, so long as the payment of the asset does not occur until after the start of the next fiscal year?

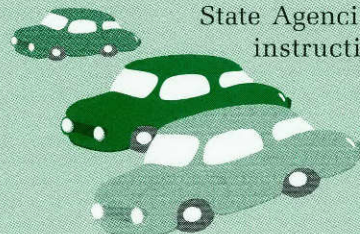


A Yes. It is applicable only if the following statement appears on the purchase voucher:

Item was contracted for during fiscal year _____ (insert year) although the appropriation for fiscal year _____ (insert year) should be charged for the item.

Mileage reimbursement rate change

Effective September 1, 1990, the mileage reimbursement rate for state employee travel in a personally owned or leased motor vehicle is \$.25 per mile. This rate is applicable to mileage occurring on and after September 1, 1990. Travel during fiscal year 1990 is to be reimbursed at \$.24 per mile. Please refer to the August 6, 1990 Notice to State Agencies for instructions.



Seven State Agencies to 'pilot' Statewide Accounting startup

Seven state agencies have been selected by the State Government Accounting Division to participate as pilot agencies during implementation of the Uniform Statewide Accounting System (USAS).

These agencies were notified in early June that barring unforeseen complications they will begin using USAS as their internal accounting system on September 1 of this year.

The pilot agencies are:

- Governor's Office
- Secretary of State
- Treasury Department
- Board of Insurance
- Department of Aviation
- Texas Water Commission
- Soil and Water Conservation Board

Each of the agencies was selected on the basis of their interest in using USAS internally, the availability of adequate staff resources for the start-up effort and the soundness of existing agency internal accounting procedures.

The USAS project staff held an Introductory Training Class for the pilot agencies in June to present the basic design concepts of USAS. Ad-

ditional training classes were held through the end of August to provide the pilots with information they need to effectively operate USAS.

In addition to training, the USAS project manager has designated four Pilot Support Teams to assist the agencies during the implementation effort. The support teams are currently helping



their assigned agencies develop an Implementation Approach and Plan.

The USAS project team is very excited about working with all of these agencies. Experience gained working with the pilot agencies during the implementation process will be invaluable for other agencies which may choose to use USAS in the future.

If you would like additional information about the pilot agency process, call Glenna Hastings or Tom Lauger at (512) 794-8065. ■



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