

FISCAL FACTS

Issue 91-1

John Sharp, Texas Comptroller of Public Accounts

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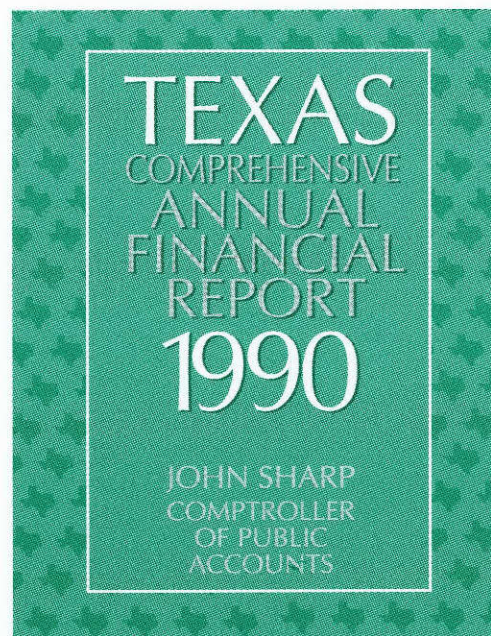
First-Ever Comprehensive Report on State Finances

A **Comprehensive Annual Financial Report** (CAFR) for the State of Texas, the first of its kind and the most detailed ever, was presented to Governor Ann Richards on February 28.

Prepared by the Comptroller's Fund Accounting Division with the aid of other agencies of state government, the report is a detailed look at the financial condition and performance of the state government during fiscal year 1990.

The new report is another step forward toward providing timely and useful financial information. The Annual Financial Report first issued in 1987, referred to as the "GAAP Report," helped ease the state's information deficit by including summarized accrual information and fund balance restrictions and availability. The latest report continues the trend toward more detailed reporting by separately presenting the state's major funds, as well as summarizing results for all funds. In addition to financial statements and notes, numerous statistical tables present financial and economic trends for Texas. The CAFR provides additional fiscal information to aid in decisions that will impact Texas' financial health and bond ratings. The CAFR is designed to provide better information on the flow of funds and the extent of state obligations.

The 1990 CAFR is the result of a cooperative effort on the part of agencies, col-



leges and universities, the State Auditor's Office and the Comptroller's Fund Accounting Division. The report complies with required formats and deadlines of authoritative national associations.

With the publication of the CAFR, Texas now joins approximately 35 other states in issuing similar financial reports. Remembering that Texas only issued a GAAP-basis report for the first time in 1987, the new CAFR indicates just how quickly the state has moved to meet the more demanding information needs of the 1990s. ■

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Editor's Note — No, you haven't missed an issue of *Fiscal FACTS*. After we published the December 1990 issue, we paused and spent some time redesigning the publication. We've changed the way we look and now resume publication with this, the March 1991 issue.

Straight FACTS

The Texas Legislature's biennial budget can't exceed the amount of state revenue my office estimates will be available during the budget period.

So as the 72nd Texas Legislature convened in January, it was my unhappy chore to report that while state revenues available for the 1992-1993 biennium are up — they aren't up enough.

Despite mild growth in state revenue, principally from the state sales tax, the total dollar amount we expect the state to collect will fall \$4.2 billion short of current spending obligations. Inflation and required funding hikes in education, prisons, welfare and mental health are all responsible.

Our estimate indicates that the Legislature can expect \$30.7 billion in available revenue during the budget period. This is an increase of \$1.9 billion — 6.8 percent — over the amount the Legislature had in 1990-91.

There isn't any magic wand to wave and change the fact that the Legislature faces some tough choices. Those of us in state government could be profoundly affected by those choices.

While Texas lawmakers grapple with the state's lagging revenue, I think it's up to all of us in state government to look for ways to save money. I have already begun a tough comprehensive management audit of the Comptroller's Office. Using those recommendations, we will streamline our operations, improve our service, and save tax dollars.

Each of us can make a difference in the way state government works. You can be assured we want to work with you in every way possible to improve the service we provide Texas taxpayers. ■



Early Annual Report Filers Are Appreciated

According to TEX. REV. CIV. STAT. ANN. art. 4345a (Vernon's Supp. 1991), state agencies are required to submit their annual financial reports to the Comptroller by December 9 of each year. A total of 76 reports were received from agencies on or before December 7, 1990.

Nineteen agencies submitted their reports on or before December 4, 1990. They were: Board of Architectural Examiners, October 24; Commission on Jail Standards, November 7; Court Reporter Certification Board, Commission on Fire Protection Personnel Standards and Education, Texas Board of Land Surveying, Texas Funeral Service Commission, Texas Low-Level Radioactive Waste Disposal Authority, Credit Union Department, and the Texas Structural Pest Control Board, all on November 29; Third Court of Appeals District, Commission on Judicial Conduct, Board of Plumbing Examiners, Board of Vocational Nurse Examiners, and the Texas Juvenile Probation Commission, all on December 3; House of Representatives, Department of Licensing and Regulation, Board of Insurance, Department of Aviation and the Texas Department of Criminal Justice, all on December 4.

Seven reports were received from institutions of higher education before

DECEMBER 1990						
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2	3	4	5	6	7	8
9				13	14	15
16				20	21	22
23	24	25				29
30	31					
S	M	T	W	T	F	S

State Agency Annual Report Deadline

19 State Agencies Submitted Annual Reports On Or Before December 4

A Total Of 76 Agency Annual Reports Were Received On Or Before December 7

the Christmas holidays. The deadline for reports from these institutions was January 1, 1991. They were: Texas Tech University Health Science Center, December 13; Southwest Texas State University, December 19; the Texas State Technical Institute, December 20; Texas Tech University and the Texas College of Osteopathic Medicine, both on December 21; and the University of Houston System, December 22.

The Financial Reporting Section of the Fund Accounting Division expresses its appreciation to the agencies, university systems and institutions of higher education for the early submission of their annual financial reports.

Early submissions enabled Fund Accounting Division staffers to compile, audit, and print the annual report before the February 28 deadline. ■

FISCAL FACTS

JOHN SHARP • TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Fiscal FACTS is a publication of the Texas Comptroller of Public Accounts, written to help inform Texas agencies about the latest developments in Texas government and changes in state tax law.

For additional copies or back issues, or to be added to our mailing list, contact:

Fund Accounting Division, Texas Comptroller of Public Accounts, P.O. Box 13528, Austin, TX 78774-0100

Or call 1-800-531-5441, ext.3-4992. In Austin call 463-4992.

Help For Texas School Districts

School Child Care Services Fund

A new program to help Texas school districts fund pre-school and after-school child care programs for kindergarten through elementary levels has received nearly \$205,000 in state funding, and there's more to come.

The School Child Care Services (SCCS) Fund was established by the 71st Legislature to assist school districts in providing child care programs in their communities. The program was created on the recommendation of the Joint Special Interim Committee on High School Dropouts. The committee heard testimony that the high number of working parents in Texas has produced a generation of children known as "latch-key kids" who go home to empty houses after school.

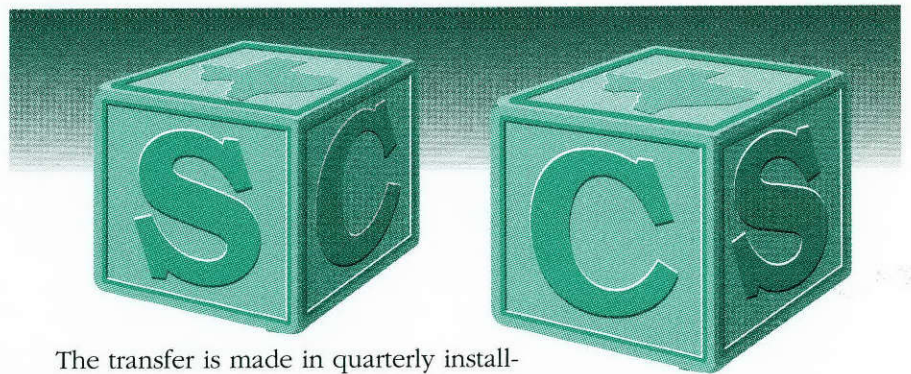
The Committee recommended that school districts establish school-based child care programs to provide before and after school care for pre-kindergarten through elementary-age children. The Texas Department of Community Affairs was given authority for administering and determining eligibility requirements for aid under the SCCS Fund.

SCCS funding is generated by the transfer of 50 percent of the payroll savings the state realizes due to state employee participation in the dependent care expense reimbursement program. This program, also known as a Cafeteria Plan under Internal Revenue Service regulations, allows employees to pay for dependent care expenses using before-tax dollars. The state's savings result because it does not have to contribute to FICA taxes on these before-tax dollars. The Comptroller transfers 50 percent of the payroll savings from each fund to the SCCS Fund.

Each agency must report its payroll tax savings annually to the Comptroller. The amounts must be reported on the "Payroll Tax Savings Report Form." The calendar year 1990 form was distributed by the Comptroller in a Notice to State Agencies

dated January 7, 1991. Each agency must complete the report as accurately as possible because the information is vital to ensure the SCCS Fund gets all the funding to which it is entitled.

For calendar year 1989, agencies reported payroll tax savings of \$409,804.99, resulting in transfers to the SCCS Fund of \$204,902.87. Sixty-two percent of the transfers were made from the General Revenue Fund.



The transfer is made in quarterly installments on December 15, March 15, June 15 and September 15 in the calendar year immediately following the calendar year in which the savings were realized. The December 15 transfer is made in the same year savings are realized, but is an estimated amount based on the savings report for the calendar year immediately preceding.

For example, on December 15, 1990, an estimated amount was transferred to the SCCS Fund based on payroll savings reported by each agency during calendar year 1989. This amount will be adjusted when the March 15 transfer is made to reflect the actual payroll tax savings during calendar year 1990.

If you have questions about reporting requirements, please contact Ms. Dorinda Briscoe, Human Resource Information Services Division at 512/794-7474. Any inquiries concerning transfers to the SCCS fund should be addressed to your Appropriation Control Officer in the Comptroller's Fund Accounting Division at 512/463-4992, Tex-An 255-4992 or toll free at 1-800-531-5441, ext. 3-4992. ■

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THE SCHOOL CHILD CARE SERVICES FUND HELPS PROVIDE BEFORE AND AFTER SCHOOL CARE FOR PRE-KINDERGARTEN THROUGH ELEMENTARY-AGE CHILDREN.

Direct Deposit Into Savings Accounts

It's been a long time coming, but direct deposit into savings accounts is finally here!

A January 1, 1991, change in the direct deposit program allows the participation of employees who opt for direct deposit into savings accounts.

When it began in September 1980, the Direct Deposit Program was designed for deposits into checking accounts only. This design was based on information received from the banking community at the time of implementation.

In September 1989, the Texas Payee Information System (TPIS) was implemented. TPIS was designed to allow direct deposit into both checking and savings accounts. Direct deposit information was transferred from the taxpayer database to TPIS, which enabled employees to enroll in the program for direct deposit into savings accounts. Recently, the Financial Accounting and Control for Texas System (FACTS) was updated to facilitate the electronic deposit of payments into savings accounts.

Employees who enrolled in the program between September 1989 and December 1990 with a savings account should contact their payroll officers to change the type of account from checking to savings. A change will generate a new prenote or "dry run" to the employee's financial institution.

The new direct deposit instructions will be effective 14 calendar days after the date that a change request is processed in the Claims Division. If an agency's monthly payroll voucher is processed by the Comptroller during these 14 days, the employee will receive a paycheck for that pay period instead of a direct deposit payment.

Employees should contact their payroll officers to monitor the status of their direct deposit for the pay period in which they submitted changes.

The Comptroller's Claims Division hopes that these changes will encourage more employees to take advantage of the conveniences of the Direct Deposit Program. For more information, please call the Comptroller's Claims Division toll free at 1-800-531-5441, ext. 5-0159. The regular number is 512/475-0159 or Tex-An 257-0159.

Hold Override for Direct Deposit

A program change now allows direct deposit instructions to override **nonchild support hold** instructions for salary or retirement pay.

Prior to December, salary and annuity payments could not be direct deposited if a payee owed the state for delinquent taxes, college loans or other indebtedness. Instead, the payee was placed on a **hold** status and received a warrant.

A payee will remain on **hold** status until the delinquent debt is satisfied. The state agency or other entity that places a payee on **hold** is responsible for releasing the payee from **hold**. The Claims Division sends a monthly report of payees on direct deposit with a **hold** status to agency direct deposit coordinators. Payees must work with the agencies or other entities that placed them on **hold** to clear their status. Payees on **hold** status may call the Comptroller's Revenue Accounting Division 512/463-4561 or Tex-An 255-4561 for more information on a **hold** status. Also, a toll free number is available at 1-800-531-5441, ext. 3-4561. ■

DIRECT DEPOSIT INTO SAVINGS ACCOUNTS IS NOW AN OPTION FOR STATE EMPLOYEES DUE TO A JANUARY 1, 1991, CHANGE IN THE PROGRAM.

Payee Information

Q Is it necessary to verify a Payee Identification Number with the Payee Information Section of Claims Division?

A Yes, agencies that do not have access to TPIS inquiry should verify the 14-digit Payee Identification Number with the Payee Information Section. This is necessary to determine if the payee is on the TPIS file and to identify which payee forms should be completed and submitted.

Q Where must state agencies, currently reporting to the Human Resources Information System (HRIS), submit employee name and address changes?

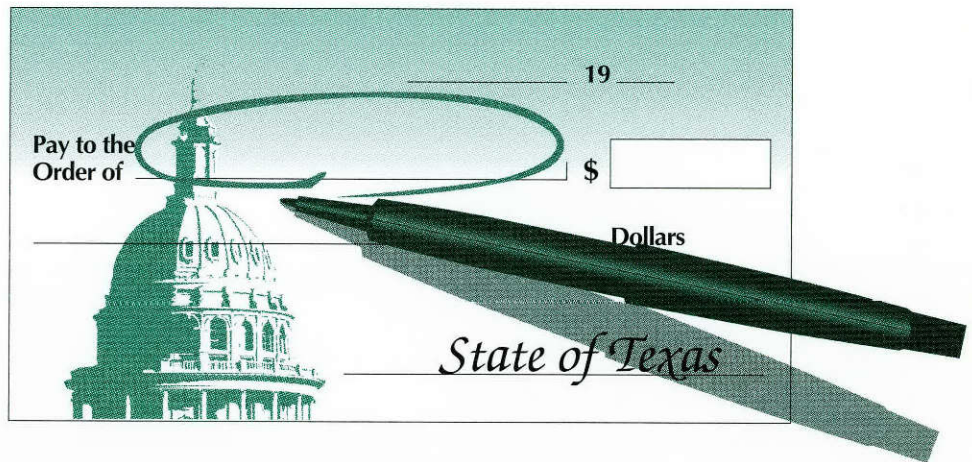
A Except for "non-regular employees," changes must be submitted through HRIS personnel. Forward to the Payee Information Section only those employee changes that meet the state classification of "non-regular employees." If you would like additional information on these types of changes, please contact Dorinda Briscoe of the Human Resource Information Services Division at 512/794-7474.

Q When using the ownership type "Texas Corporation, Professional Association or Professional Corporation" on the Payee Application, where can the Texas Charter number be obtained?

A The Texas Charter number can be obtained directly from the payee or by calling the Secretary of State's Office at 512/463-5555 or Tex-An 255-3660.

Q Can a Comptroller's assigned number be issued for out-of-state businesses?

A No, this type of number is only issued to foreign individuals and foreign (out of the United States) businesses. Payees within the United States must provide a valid social security number or federal identification number.



Q Can the Comptroller's Office provide Texas Payee Information System training for outside agency personnel?

A Yes, Payee Information System personnel will provide training on completing payee forms and operating TPIS terminal inquiry. Agencies must submit a written request for training to Joelyn Weeks, section supervisor, Payee Information Section, Claims Division, Comptroller of Public Accounts, Austin, Texas 78774. For more information, call her at 512/475-0315, or Tex-An 257-0315, or toll free at 1-800-531-5441, ext. 5-0315. ■

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**TRAINING IS AVAILABLE FROM THE
 COMPTROLLER ON THE TEXAS PAYEE
 INFORMATION SYSTEM.**

Paying for Goods and Services


Preparing Purchase Vouchers

When you send a purchase voucher to the Comptroller for processing, be sure to include the required information and supporting documentation.

The voucher must contain:

- ◆ the complete name and address of the payee;
- ◆ the Comptroller payee identification number;

- ◆ the amount that the agency is authorizing for disbursement;
 - ◆ the order date, when applicable;
 - ◆ the fund number, fiscal year to be charged, cost center number and Comptroller object code;
 - ◆ an adequate description of the goods or services being purchased, which must be sufficiently detailed to support the fiscal year and Comptroller object code selected; a supporting invoice copy is optional;
 - ◆ the delivery date or period of service, whichever is applicable.
- Please Note:* A date is required on all vouchers, including grant payments and land purchases;
- ◆ an original authorized signature from the state agency and the original signature from an authorized officer or employee of the state agency in the appropriate blocks; and
 - ◆ any other necessary information, such as citation of legal authority and copies of consultant contracts when required by the Comptroller.

 74-112 (Rev. 3-91/6)											
STATE OF TEXAS PURCHASE VOUCHER											
a. Trans code	b. Batch no.	c. Agency no.	d.								
f. Comptroller's voucher no.		g. Agency name									
j. Invoice date		k. Voucher amount									
o. Comptroller's Payee I.D.no.		p. Agency voucher no.									
x. Pay to: (name, address, city, state, ZIP Code)		q. Fund no.	r. FY	s. Cost Center	t. Comp. Object	u. Agency Object	v.				
(Agency use)		y. TOTAL									
z. DELIVERY DATE	aa. DESCRIPTION OF ARTICLES OR SERVICES					bb. QUANTITY					

EXAMPLE

Vouchers that need the State Purchasing and General Services Commission's approval must be sent first to that agency before the Comptroller can approve the payment.

Questions about voucher preparation and requests for instruction manuals should be directed to Judy Pokorny in the Comptroller's Claims Division. Call her toll free at 1-800-531-5441, ext. 3-4046. The regular number is 512/463-4046. ■

Where To Go For Help

One of the Comptroller's main goals is to respond to questions from state agencies and taxpayers about the state's accounting system or taxes. We hope the following list will be helpful.

<u>Subject</u>	<u>Contact</u>	<u>Division</u>	<u>Phone</u>	<u>Tex-An</u>
Annual Financial Reports,	Financial Reporting	Fund Accounting	512/463-4992	255-4992
Consultant Vouchers	Mark Evatt	Claims	512/463-4047	255-4047
Copies of Accounting Policy Statements and Fund Accounting Notices to State Agencies	Research & Admin. Services	Fund Accounting	512/463-4992	255-4992
Copies of Deposits, Vouchers, Journal Vouchers, ITVs, etc.	Research & Admin. Services	Fund Accounting	512/463-4992	255-4992
Direct Deposit Questions	Donna Hodde	Claims	512/475-0159	257-0159
Expenditure Code Questions	Purchase Audit Section	Claims	512/463-4850	255-4850
Expenditure Transfers/Purchase Vouchers	Norma Lucio	Claims	512/463-4043	255-4043
Expenditure Transfers/Travel Vouchers	Ricky McKinley	Claims	512/475-1046	257-1046
Fund Balances, Appropriations, Voucher Processing	Appropriation Control	Fund Accounting	512/463-4992	255-4992
Held Warrants	Refunds & Warrant Hold Section	Revenue Accounting	512/463-4561	255-4561
HRIS/USPS Questions	Jerry Kunschik	Human Resource Information Services	512/794-7443	n/a
USPS	Andy Slack	Human Resource Information Services	512/794-7494	n/a
Issued Warrant(s) Status	State Treasury	Warrant Research	512/463-5964	255-5964
Judgments and Settlements	Research & Admin. Services	Fund Accounting	512/463-4992	255-4992
Manual of Accounts	Research & Admin. Services	Fund Accounting	512/463-4992	255-4992
Open Records Requests	Research & Admin. Services	Claims	512/463-4897	255-4897
Out-of-Date (void) Warrants and Claims Past Statute of Limitations	Research & Admin. Services	Fund Accounting	512/463-4992	255-4992
Payee Number Inquiries, Payee Maintenance Forms and Tape Processing	Payee Information Section	Claims	512/463-3660	255-3660
Payment Cancellations	Frances Villareal	Claims	512/463-4036	255-4036
Payroll Vouchers	Payroll Audit Section	Human Resource Information Services	512/463-4850	255-4850
Purchase Vouchers	Purchase Audit Section	Claims	512/463-4850	255-4850
Returned Vouchers	Auditor signing the Return Notice sheet attached to voucher(s)	Claims	Auditor or 512/463-4850	255-4850
Rewrite Warrants	Joy Hill	Claims	512/463-4901	255-4901
Tape Voucher Processing	Voucher Control	Claims	512/463-4586	255-4586
TPIS Training Requests	Joelyn Weeks	Claims	512/463-3660	255-3660
Travel Vouchers	Travel Audit Section	Claims	512/463-4850	255-4850
USAS Questions	Jon Kasper	State Govt. Acct.	512/794-7441	n/a
Voucher Tracking	Voucher Control	Claims	512/463-4338	255-4338

Call toll-free at 1-800-531-5441 for most issues listed; 1-800-252-5555 for questions directly related to taxes.

Notices To State Agencies

The 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, the State Government Accounting Division at (512)794-8065 or the Human Resource Information Services Division at 512/794-7454.

NOTICE	DIVISION	DATE
■ Corrections to Fiscal FACTS (October 1990 Issue)	Claims	December 14, 1990
■ S.B. 913 - Agency Reporting Requirements	Human Resource Information Services & Fund Accounting	January 7, 1991
■ IRS Reporting Requirements Per Diem Report	Claims	January 7, 1991
■ Direct Deposit Savings & Hold Status Changes	Claims	January 10, 1991
■ IRS Reporting Requirements - 1099 Report	Claims	January 14, 1991
■ IRS Reporting Per Diem Report (Corrections)	Claims	January 14, 1991
■ Fund Accounting Personnel Changes	Fund Accounting	January 16, 1991
■ Organizational Changes Affecting State Accounting Operations	All Fiscal Management Divisions	January 17, 1991
■ Changes Announced by the Social Security Administration	Human Resource Information Services	February 4, 1991
■ Out-of-State Meals & Lodging Rates	Claims	February 4, 1991
■ Senate Bill 111	All Fiscal Management Divisions	February 6, 1991
■ Implementation Schedule for Uniform Statewide Accounting and Payroll Systems	All Fiscal Management Divisions	February 13, 1991
■ Reducing the Comptroller Warrant Size	Claims	February 22, 1991
■ Texas Performance Review	All Fiscal Management Divisions	February 25, 1991



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