



FISCAL FACTS



BOB BULLOCK, TEXAS COMPTROLLER

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Procedures For Construction Allocation

The Comptroller's Office has developed a new system to track money in the state's Constitutional College Building Fund.

The fund was established by a constitutional amendment which earmarked \$100 million annually for construction projects at schools of higher education not entitled to money from the state's Permanent University Fund. Schools eligible for this money are those that are not a part of the University of Texas or Texas A&M systems.

Voters passed the amendment in November 1984, but the money was actually appropriated during the 1985 legislative session.

The Comptroller's system to track this money will require a budget revision voucher to be processed on September 1 of each fiscal year. This voucher will transfer the \$100 million in construction funds to a special account in the General Revenue Fund.

Each institution receiving a portion of the money will have its own cost-center within the appropriation.

The 1984 constitutional amendment also al-

lows colleges and universities to finance construction projects by issuing bonds. Total principal and interest on these bonds cannot be more than half of the institution's share of the \$100 million.

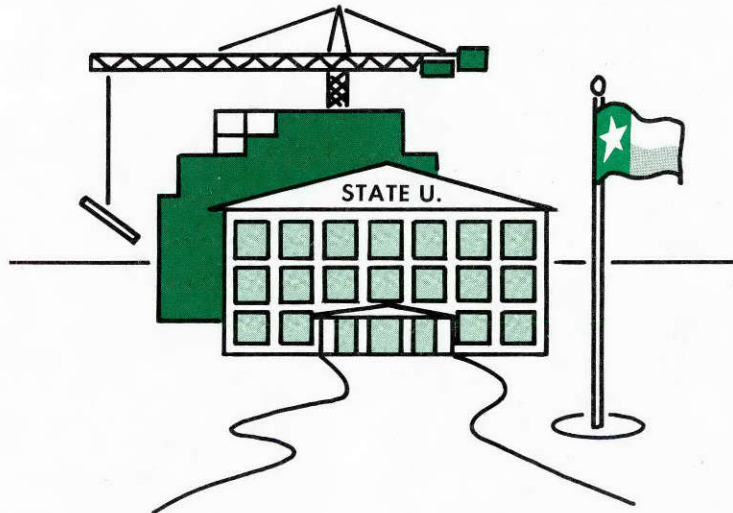
The Comptroller has set up a separate appropriation in the General Revenue Fund for retirement of bonds issued by these colleges and universities. Principal and interest payments on bonds issued to fund construction projects will be made from this debt service appropriation.

Before bonds are sold, the college or university should send the Comptroller's

Office a copy of the official statement of the sale, with an amortization schedule. Any supplemental changes also should be reported to the Comptroller's Office.

Once bonds are sold, the college or university should give the Comptroller's Office a final amortization schedule.

Call the Fund Accounting Division of the Comptroller's Office at 512/463-4900 or STS 255-4900 for further information.





Straight Facts

Texas has entered the Information Age--an age in which information itself is a valuable commodity.

Every day, Texas state government adds to its vast storehouse of data about the state, its economy and its people.

State agency heads and employees need to begin looking at this data in a new way--as the valuable commodity it actually is.

Agencies already use this data for their own purposes--to help project their needs and plan for the future.

But agencies need to be aware that the data they collect could provide useful information for others as well. With just a little additional thought, agencies can find new ways to present this data in forms that taxpayers can use.

After all, the public pays for the collection of this data with their tax dollars. So it's only fair to give taxpayers a return on their investment by turning this data into meaningful public information.

At the Comptroller's Office, we are continually looking for ways to share the information we collect.

For example, we issue gross sales reports because we think they are useful in determining whether a new business is needed in a community.

Of course, the public's right to know must be weighed against our duty to respect the confidentiality of information we require from businesses and individuals.

To provide--and yet protect--information. It's a delicate balance. But we in state government must recognize that opening our files to the public is an obligation, not a choice.

Construction Allocations *Continued*

Allocation of Construction Funds

Institution	Allocation
Midwestern State University	\$ 1,693,414
Texas College of Osteopathic Medicine	2,166,667
West Texas State University	2,263,930
Pan American University Including Pan American University at Brownsville	3,106,426
East Texas State University Including East Texas University at Texarkana	3,253,087
Texas Woman's University	3,586,150
South Texas System Administration for: Corpus Christi State University Laredo State University Texas A&I University	3,603,059
Texas Tech University Health Sciences Center	4,333,333
Stephen F. Austin State University	5,146,404
Texas Southern University	6,849,730
Lamar University Including Lamar University at Orange and Port Arthur	7,172,517
Texas Tech University	10,696,291
North Texas State University	10,949,820
University of Houston System Administration for: University of Houston-University Park University of Houston-Victoria University of Houston-Clear Lake University of Houston-Downtown	15,717,588
Texas State University System Administration for: Angelo State University Sam Houston State University Southwest Texas State University Sul Ross State University and Uvalde Study Center	19,461,584
TOTAL	\$100,000,000

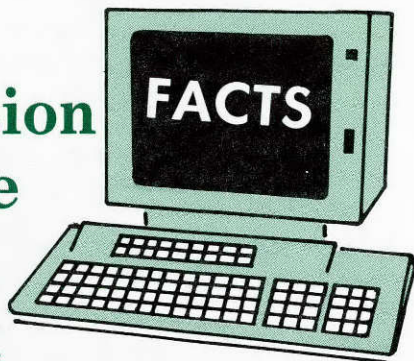
SOURCE: Senate Bill 578, 69th Legislature, Regular Session.

Bonds Issued Against Construction Appropriations As of December 31, 1985

Institution	Bond Issue
University of Houston System	\$55,700,000
Lamar University System	25,815,000
Texas Tech University	37,720,000
Texas Tech University Health Sciences Center	10,000,000
Texas Woman's University	13,180,000
Board of Regents for Texas State University System	71,630,000
TOTAL	\$214,045,000

SOURCE: Bob Bullock, Comptroller of Public Accounts.

FACTS Information Available Through Network



A Comptroller's Office pilot project that recently marked its first anniversary has helped 18 state agencies answer thousands of questions quickly and easily through in-house computer terminals linked directly to FACTS, the state's accounting system.

FACTS stands for the Financial Accounting and Control for Texas System. The system has been in existence since the late 1970s, but agencies have only had direct computer access to it in the past year.

In the past, agencies had to telephone the Comptroller's Office to check a vendor number, confirm a name or address, find out where a voucher was or get a fund balance.

Today, through the FACTS Reciprocal Networking System, agencies can answer these questions themselves through a computer terminal located in their agency, but connected to the Comptroller's computer.

Agencies hooked into the Reciprocal Networking System can view information in the FACTS vendor file, the voucher tracking system and the accounting inquiry system. These files include information on agency vendors, vouchers being processed and agency funds.

These data are available almost instantly. For instance, sending a vendor name and a search code to the Comptroller's computer results in the name and vendor number flashing on the agency's computer screen within seconds.

An agency can track the progress of a voucher simply by sending the agency voucher number through the system. The screen displays all the information about the voucher, including the Comptroller voucher number, the date and time the voucher was received in this office, and its current status.

Agency cash managers can check the balanc-

es of funds, cost centers and appropriations. For example, up-to-date information can show when an agency deposit was made and if it was posted correctly.

So far, 18 state agencies are taking advantage of this information-sharing network. During November, more than 50,000 transactions were processed for those agencies. More than half of those transactions involved vendor number research. Close to 3,000 vouchers were tracked through the system.

Agencies do need to plan on using the system extensively to make hooking up cost effective. Equipment costs include the lease or purchase of a compatible terminal and modem. There is a monthly charge for running a dedicated phone line from the Comptroller's computer to the agency computer. And there is a monthly maintenance charge.

The average amount spent by agencies that leased modems last fiscal year was between \$1,000 and \$2,000.

Agencies that would like more information about this system should call the Comptroller's Claims Division, research section, at 512/463-4857 or STS 255-4857.

Comptroller Provi

Where does Texas get its money? And where does that money go? Ever wonder about these things but figure no one would answer your questions?

Actually, under the Texas Open Records Act, a good deal of information about state revenue and spending is available simply for the asking.

There are certain exceptions to the Open Records Act--those exceptions are designed to protect individuals' and businesses' right to privacy. But for the most part, much of the information collected by the state is public information.

This includes, of course, a great deal of information collected by the Comptroller's Office in the course of collecting state taxes and paying state bills.

The amount of raw information in the Comptroller's Office is almost overwhelming.

How To...

Format Tapes for Automated Payrolls

Many state agencies furnish payroll information to the Comptroller on computer tape.

Payroll tapes sent to the Comptroller must include several specific pieces of information known as "records" and be in specific formats.

Records include a header ("H") record which summarizes the total payroll amount for each agency. One or more detail ("D") records detail specific information for each employee--such as the amount deducted for employee retirement. Up to five name/address ("A") records list the name, and sometimes the address, for each D record. More than one A record may be needed to complete an employee's name or to include an address.

Each set of D and A records make up an employee's pay transaction and is given a line number. Each tape turned in by an agency should be in ascending line number order.

Because the H record is a summary of the agency's total payroll, the total amount on the H record should equal the total amount of all

of the agency's D records. Net and gross pay totals of all the D records also should match the total net and total gross pay amounts on the H record.

There are specific formats required for the tapes sent to the Comptroller's Office. All tapes must be nine track, 800, 1600 or 6250 BPI. For those not familiar with the lingo, this refers to how densely information is packed on the tape. File format is 80 bytes in length and blocksize is 600 bytes--this simply defines length measures for information on the tape.

If the agency uses IBM tapes, a standard IBM label should be used. On non-IBM tapes, don't use a label or beginning tape mark. The end of a file is indicated by a tape mark put on by the computer operating system when the file is closed.

If an agency needs to submit a supplemental payroll, the same procedures and formats apply except all documents and tapes must be labeled "supplemental."

des Public Information

As an example, about 5,000 vouchers arrive to be paid by the Comptroller's Office daily.

Computers allow the Comptroller's Office to sort that information in a variety of ways that are useful to the public. In fact, the Comptroller's Claims Division handled 223 official requests for information during fiscal 1985.

Requests come from a variety of sources--special interest groups, businesses, private individuals and often from reporters researching stories on state government.

The law says state employees can't ask what the information will be used for or why it's wanted. But, Comptroller employees can help define a request, sort out what information really is needed and put it into a usable form.

The most common requests concern salaries and travel costs.

But, whatever the question, it is the public policy of the state that, unless otherwise ex-

pressly forbidden by law, the public has the right to full and complete information about the official business of state government and the official acts of public officials and state employees.

The law clearly recognizes government as the servant of the people and notes, "The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created."

The Comptroller's Office takes this charge seriously and places a high priority--and a lot of effort--into answering requests for public information.

So, if you do wonder where the state's money comes from and where it goes, feel free to ask. It's your right to know.



Q. What changes does the Claims Division plan to make over the next year?

A. The Comptroller's Claims Division plans to make several changes over the next year--mainly as a result of a recent survey of state agencies.

Streamlining the payment process will be one of the most important of these changes. We will be considering new ways to do this, including new procedures for auditing travel claims, for receiving and sorting incoming vouchers, for batching vouchers and for moving vouchers through the payment process.

We will keep you posted on any changes we put in place.

Q. Are the unexpended balances of the building fund set aside for schools outside of the University of Texas and Texas A&M systems reappropriated at the end of the fiscal year?

A. No. The first \$100 million of non-dedicated revenue that comes into the Treasury each year is appropriated to the Constitutional College Building Fund for colleges and universities without access to Permanent University Funds. No provision of the constitutional amendment creating this building fund, of the legislation setting up distribution of the fund or of the General Appropriation Act says that money left over one fiscal year can be reappropriated for the next fiscal year.

Q. Can salaries be paid out of the Constitutional College Building Fund?

A. Yes, if the salary is directly related to an activity authorized by the constitutional amendment setting up the fund. An example could be a school employee who helps draft plans for the construction, repair or rehabilitation of a building.

Replays...A Summary of Recent Comptroller Notices

Comptroller Seeks Comments

The Comptroller's Claims and Fund Accounting divisions have made many changes over the past year--both internal and inter-agency.

Input from other agencies is an important part of the move toward improving the state's accounting system and payment process.

Questionnaires recently were sent to other agencies to get an idea of what changes or improvements are needed. Answers to those surveys will form the basis for more changes in this office. But this is an on-going project and additional comments or suggestions are welcome.

Send ideas and suggestions to the Claims Division, P.O. Box 13528, Austin, Tx. 78711. Or call Claims at 512/463-4850, STS 463-4850, or Fund Accounting at 512/463-4900, STS 463-4900.

Your input is appreciated.

Tax Tips

Here are some tips that may be helpful with tax season quickly approaching.

- **Reporting and Withholding:** The IRS has ruled that fringe benefits should be included in gross income as compensation for services. Fringe benefits are subject to income and employment taxes. Employees can treat fringe benefits--for the purposes of tax withholding--as having been paid every pay day, quarterly, semi-annually, annually or on any other time basis (not less than annually). All of the employees working for one employer are not required to treat fringe benefits in the same way.
- **Employer-Provided Vehicle:** The value of an employer-provided vehicle, used by an employee for commuting, must be included in the employee's wages for tax purposes. Either a fair market value of the vehicle or a flat rate of \$3 per day can be used in figuring the amount added to wages. To use the flat rate, the employer must require that the employee use the vehicle

Continued

Replays...Continued

for business purposes only or uses the vehicle for personal reasons only to commute back and forth to work. The employee cannot be a public official--such as an appointed or elected state official.

- Agency Reports: To help agencies comply with IRS reporting requirements, the Comptroller's Office has sent the following reports for each employee:
 1. A report showing the total mileage paid, and the approximate number of miles traveled, for each worker.
 2. A report showing partial per diem payments made for in-state or out-of-state travel. Agency voucher numbers and date of payment are included for internal bookkeeping purposes.
 3. A report showing service and rent payments of more than \$600 to any individual.

The first and second reports include information for employees' W-2 forms. The third report is for completing Forms 1099.

Comptroller Reports Interest Payments

To comply with Internal Revenue Service regulations, the Comptroller is reporting certain interest payments made on tax refunds.

IRS regulations require the Comptroller to report interest payments totaling \$600 or more during the calendar year to any recipient. The amount paid will be reported on IRS Forms 1099-INT as interest income.

SECOND NOTICE

If you want to continue to receive this publication, and have not already notified us, please fill out and return this notice to the Comptroller at:

111 East 17th Street
 P.O. Box 13528
 Austin, Texas 78711

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