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OBM

Timothy S. Keen
Director

To: Fiscal Officers of State Agencies, Boards, and Commissions, Legislative Agencies, and Judicial Agencies

From: Christopher A. Whistler, Assistant Director, Office of Budget and Management

Date: June 3, 2011

Re: July 1, 2011 Paycheck Processing

As you know, OAKS FIN payroll processing occurs several days before pay day. However, agency appropriations for FY 2011 did not include payment of the July 1, 2011 paycheck, which, if processed normally at the end of June, would be a 27th paycheck to process against FY 2011 appropriations. (The 27th paycheck is an occurrence that happens approximately once a decade.) Unlike in FY 2010 and FY 2011, OAKS FIN will process the July 1, 2011 paycheck normally—that is, at the end of June against the current year's appropriations instead of processing it against the new year's appropriations.

Section 509.30 of House Bill 114, the transportation budget bill, allows the OBM director to authorize additional expenditures, increase appropriations, and transfer cash between funds if necessary in FY 2011 to pay agency payroll costs for the July 1, 2011 paycheck, which was not included in agencies' appropriations for this fiscal year. (This authority also applies for employees not paid on a biweekly basis for similar pay periods not included in agencies' appropriations for FY 2011.)

Posting the July 1, 2011 paycheck in the current fiscal year will result in the state paying for the FY 2011 obligation in FY 2011. The key determinate for proceeding is whether current-year GRF revenues provide sufficient cash to support these unbudgeted payroll expenditures in FY 2011.

OBM has determined that GRF revenues, which have been over the estimate for the year, do provide sufficient cash to exercise the authority given in H.B. 114. As a result, OBM will do the following to effect posting of the July 1, 2011 paycheck against FY 2011 appropriations:

- Use OAKS FIN posted payroll for PPE 6/4/11 (the June 17, 2011 paycheck) to determine how much will post for payroll by line item for the July 1, 2011 paycheck. (For monthly charges, OBM will add May expenses to the PPE 6/4/11 OAKS FIN posted payroll data. OBM will do the same for monthly payrolls for REP and SEN.)
- Assess the amount of unused allotments available in 5-- (e.g. 500, 510, 520, 530, 550, 560, etc.) and 6-- (e.g. 601, 602, 603, 604, 610, 620, 630, etc.) series allotment accounts to determine any appropriation increases necessary by line item.
- Move available allotments into account 500 for budget period 2011Q4.
- Increase appropriations in OAKS FIN as necessary and post budget allotment journals to allot these additional amounts to account 500 for budget period 2011Q4.

OBM anticipates that agencies with lapsed payroll savings in accounts 601, 602, 603, and 604 will not require appropriation increases for those line items in order to post the July 1, 2011 paycheck against FY 2011 appropriations.

Your OBM budget analyst will contact you with the estimated amount of the July 1, 2011 paycheck by line item so that you can adjust your OAKS FIN agency track and agency control budgets as necessary. (This can occur before State Accounting loads any necessary appropriation increases in OAKS FIN, as there is no parent-child tie between FIN appropriations and agency track or agency control budgets.) In particular, ***please note that agencies must adjust their agency control budgets before June 25***, or the July 1, 2011 paycheck will fail budget check in OAKS FIN and not post.

For corresponding HCM and FIN chartfield information, please note the following:

- Continue to use FY 2011 HCM Chartfields and combo codes for the pay period ending June 18 as this payroll will be run June 25 or June 26 and posted to FY 2011.
- HCM Chartfield changes effective for FY 2012 apply to the pay period starting June 19 and should be submitted according to the DAS scheduled due date.
- FIN Chartfields for FY 2011 that will not be used in FY 2012 should have effective dates for deactivation after all FY 2011 payrolls have posted, i.e. perhaps July 2 to be safe.
- If you have already inactivated any Chartfield values using an effective date prior to 7/2/2011 and you need to change the effective date to 7/2/2011, please send a revised Chartfield request form at your earliest convenience to OBM.Chartfield@obm.state.oh.us with the new effective date.

For payroll correction due dates for the July 1, 2011 paycheck, please note the following:

- Corrections to be processed within the original payroll journal, as a "P" or "C" journal, must be completed and posted no later than Tuesday, June 28 in the early afternoon.
- Spreadsheet Journal Entry corrections must also be completed and posted no later than Tuesday, June 28 in the early afternoon.

For FY 2012 allotments due to OBM by Friday, June 10, agencies should continue to follow that guidance to allot for 27 pay periods. OBM will issue later instructions for allotment adjustments based on a later version of the operating budget bill, as is customary.

OBM understands that this procedure for the July 1, 2011 paycheck is different from what agencies have planned for the current fiscal year, necessitates some adjustments, and requires tight timeframes for payroll journal changes in order to close the fiscal year. If you have questions or concerns about this process, please contact your OBM budget analyst.