

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, January 21, 2004

In attendance: Randy Smith, H&W Don Robbins, IIC Merideth Hackney, SCO
 Ruth Ard, SCO Ray Ineck, LSO David Fulkerson, DFM
 Nancy Handzel, DWR

Agenda 1: Approve minutes. Randy made a motion to accept the minutes for December; David seconded the motion.

Agenda 2: Moving and Relocation Assistance Policies. Kathy Ewert was present to review these polices with committee members and to answer questions. Both polices were discussed thoroughly. Ruth will summarize FPAC's recommendations and Kathy will take them to the Board of Examiners.

Agenda 3: P-Card Policy. The committee discussed the comments that were received from agency fiscal officers. Merideth will incorporate changes and send to committee members for one final review.

Agenda 4: Worker's Comp Policy. Committee members agreed that the policy does not need any changes at this time.

Agenda 5: Accounting for National or Multi-State Conventions/Conferences. Concerns and comments from agency fiscal officers were discussed. Ray will incorporate changes and bring the policy to February's meeting.

Agenda 6: Prior Year Adjustments. Will be discussed at February's meeting.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, February 18, 2004

Current agenda items:

1. Approve minutes.
2. P-Card Policy (Merideth).
3. Use of P-Card by non-state employees (Merideth).
4. Accounting for National or Multi-State Conventions/Conferences feedback (Ray).
5. Prior year adjustments (Angie).

Future agenda items:

1. Returning retirees. Are they considered consultants or employees?
2. Reimbursement of travel expense for job candidates.

**STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, February 18, 2004**

In attendance: Randy Smith, H&W Don Robbins, IIC Merideth Hackney, SCO
 David Fulkerson, DFM Nancy Handzel, DWR

Agenda 1: Approve minutes. Nancy made a motion to accept the minutes for January; Don seconded the motion. Minutes accepted as written.

Agenda 2: P-Card Policy. Merideth reported the policy had been forwarded to Keith Johnson for signature. Merideth will follow up on the status.

Agenda 3: P-Card for Non State Employees. Merideth brought up to the group that some agencies are issuing Pcards to non-state employees under various circumstances. The question to the committee was whether the new Pcard policy should be modified to include guidance relating to the issuance of Pcards to non-state employees. The committee felt that would be appropriate. Suggestions/questions discussed were:

- ◆ The possibility of an agency employee being issued the card – similar to handling of a group card
- ◆ Could/should the non-state employee be bonded?
- ◆ Could the agency's bond with Risk Management cover them?
- ◆ Are any purchasing rules being violated?
- ◆ If the non-state employee is considered an independent contractor, does that make them closer to an employee employer relationship?

Merideth will follow up with purchasing, risk management, and agencies to gather information related to the discussion items.

Agenda 4: Accounting for National or Multi-State Conventions/Conferences. Deferred until next meeting.

Agenda 5: Prior Year Adjustments. Deferred until meeting.

Meeting adjourned 2:00.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, April 21, 2004

Current agenda items:

1. Approve minutes.
2. Purchase of PERSI Service (Steve Kenyon).
3. Use of P-Card by non-state employees (Merideth).
4. Accounting for National or Multi-State Conventions/Conferences feedback (Ray).

Future agenda items:

1. Returning retirees. Are they considered consultants or employees?
2. Reimbursement of travel expense for job candidates.

**STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, April 21, 2004**

In attendance: Merideth Hackney, SCO Ray Ineck, LSO Don Robbins, IIC
 David Fulkerson, DFM Ruth Ard, SCO Jan Bodine, AGRI

Agenda 1: Approve minutes. There was not a quorum; February's minutes will be approved at the May meeting.

Agenda 2: Purchase of PERSI Service. Steve Kenyon discussed tax issues concerning the purchase of PERSI Service. A letter has been written to the IRS concerning FICA tax liability on this employee benefit. The IRS has not responded with guidance. Employees and employers need to be aware that the amount of service purchased could be liable for FICA tax. Steve asked the committee if there should be a FPAC policy concerning this issue. Idaho is one of the first States to offer this and there are no other States policies to follow. Ray feels that the legal issues need to be settled before a policy could be considered. Merideth stated that the IRS might not honor a FPAC policy. The committee suggested that The State Controller's Office send a letter informing agencies and employees that they could be liable for FICA taxes. Steve will keep the committee informed.

Agenda 3: P-Card for Non State Employees. The committee discussed revising the P-Card policy concerning use by non-state employees. Merideth will do a draft after she receives comments from Ray and Dave.

Agenda 4: Accounting for National or Multi-State Conventions/Conferences. Ray handed out a revised copy of the policy. It is now ready to give to Keith Johnson for his approval.

Other Business: Sharon Weber (SCO) discussed third party reimbursements and how they should be handled. The issue: Agencies pay for work to be done before they are reimbursed from a third party (Feds). This money comes out of the agencies spending authority. When the agency is reimbursed from the third party, they would like their spending authority for that amount back. Dave Fulkerson (DFM) will research and report back to the committee in May.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, May 19, 2004

Current agenda items:

1. Approve minutes.
2. Third party reimbursements (Dave).
3. Use of P-Card by non-state employees (Merideth).
4. Review FPAC policies.

Future agenda items:

1. Returning retirees. Are they considered consultants or employees?
2. Reimbursement of travel expense for job candidates.
3. Purchase of PERSI Service.

**STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, May 19, 2004**

In attendance: Merideth Hackney, SCO Ray Ineck, LSO
 Kelly Nielsen, AGRI Randy Smith, H&W
 David Fulkerson, DFM Nancy Handzel, IDWR
 Don Robbins, ICC Anita Calhoun, SCO

Agenda 1: Approve minutes. Ray Ineck made a motion to accept the minutes for February and April; Don Robbins seconded the motion. Minutes accepted as written.

Agenda 2: Third party reimbursements. Dave discussed DFM's thoughts on the possibilities of establishing a new transaction code that would allow agencies to get back their spending authority for purchases that have been reimbursed by third parties. DFM's general consensus was that since they were approving the 10P (payroll reimbursement) transaction, they would also like to approve the 27R (third party reimbursement) transactions. The DFM budget staff would like the agencies to use the same notification method for the 27R transactions as they use for the 10P transactions (just an email to their DFM budget analyst). It was decided that this could be an administrative decision rather than actual policy. Merideth is going to research and report back on the possibility of flagging these transactions for automatic reporting to DFM.

Agenda 3: Use of P-Card by non-state employees. Merideth presented a draft of changes to the P-Card policy prohibiting issuing P-Cards to non-state employees. The policy has been revised to allow agencies to issue P-Cards to non-state employees under unique circumstances approved by the DFM, the LSO, and the SCO. Each agency would determine the number and limitations set on the cards. The suggestion was made to have the approval go through DFM alone with notification given to LSO and SCO on approvals. The group concurred and Dave agreed to discuss the issue with DFM while Merideth reviewed the issue with the State Controller.

Agenda 4: Review FPAC policies. Merideth suggested that Anita Calhoun, the new Communications Coordinator (SCO), choose one FPAC policy to present for review and discussion at each future FPAC Committee meeting. Anita agreed.

Other Business: Ray addressed questions and concerns brought forward by the State Controller regarding the revised policy on Accounting for National or Multi-State Conventions/Conferences. The State Controller questions whether or not stronger language should be included in the policy regarding how the money should be spent, and whether or not approval/oversight language was needed. Ray explained his intent in writing the policy was only to ensure funds were properly accounted for based on the way the agency intended the money to be spent. He suggested the use of stronger language be considered further, but did not believe approval/oversight language was warranted. The group concurred. Merideth will review the matter with the State Controller and report back.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, June 16, 2004

Current agenda items:

1. Approve minutes.
2. Third party reimbursements/Automatic reporting (Merideth).
3. Use of P-Card by non-state employees (Dave).
4. Accounting for National or Multi-State Conventions/Conferences policy language (Merideth).
5. Review of FPAC Policy.

Future agenda items:

1. Returning retirees. Are they considered consultants or employees?
2. Reimbursement of travel expense for job candidates.
3. Purchase of PERSI Service

**STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, June 16, 2004**

In attendance: Merideth Hackney, SCO	Ray Ineck, LSO
Kelly Nielsen, AGRI	Randy Smith, H&W
David Fulkerson, DFM	Nancy Handzel, IDWR
Don Robbins, ICC	Anita Calhoun, SCO

Agenda 1: Approve minutes. Randy Smith made a motion to accept the minutes for May 19, 2004; Nancy Handzel seconded the motion. Minutes accepted as written.

Agenda 2: Third party reimbursements. DFM reviewed the possibility of reviewing and releasing spending authority to individual agencies flagged by the controller's office as having been reimbursed by third parties. It was determined that the current process of notification of reimbursement by agency to DFM was the better choice as flagging the transactions might lead to premature release of spending authority to agencies requiring further review.

Agenda 3: Use of P-Card by non-state employees. During the May FPAC committee meeting, Merideth presented a draft of changes to the P-Card policy prohibiting issuing P-Cards to non-state employees. The policy was revised to allow agencies to issue P-Cards to non-state employees under unique circumstances approved by the DFM, the LSO, and the SCO. Each agency would determine the number and limitations set on the cards. The suggestion was made to have the approval go through DFM alone with notification given to LSO and SCO on approvals. The group concurred and Dave agreed to discuss the issue with DFM while Merideth reviewed the issue with the State Controller. *As of the June FPAC committee meeting, this issue was still on hold pending Merideth's meeting with Keith and the affirmation of the Board of Director's willingness to review.*

Agenda 4: Accounting for National or Multi-State Conventions/Conferences policy language. During the May FPAC committee meeting, Ray addressed questions and concerns brought forward by the State Controller regarding the revised policy on Accounting for National or Multi-State Conventions/Conferences. *As of the June FPAC committee meeting, this issue was still on hold pending Merideth's meeting with Keith.*

Agenda 5: Review FPAC policies. Anita presented for review the fiscal policy for *funds establishment*. It was determined that overall the policy was sufficient but needed some minor revisions to bring the terminology and designated responsible parties up-to-date. It was also determined that a reference link should be incorporated within the policy procedure. Merideth will update the policy for review.

Other Business: No other business was addressed.

**STATEWIDE FISCAL POLICY AGENDA
For Wednesday, June 16, 2004**

Current agenda items:

1. Approve minutes.
2. Use of P-Card by non-state employees (Merideth and Dave).
3. Accounting for National or Multi-State Conventions/Conferences policy language (Merideth).
4. Review of FPAC Policy.

Future agenda items:

1. Returning retirees. Are they considered consultants or employees?
2. Reimbursement of travel expense for job candidates.
3. Purchase of PERSI Service.

Schedule of future policy reviews for 2004:

- | | |
|----------------|--|
| □ July 21 | Accounts Receivable: Credit, Collections, and Bad Debts |
| □ August 18 | Agency Billings Billed Central Services (Internal Service Funds) Billing Rate Calculations |
| □ September 15 | Expenditures: Independent Contractor/Employee |
| □ October 20 | Investments: Interest Earnings Internal Service Funds |
| □ November 17 | General Accounting: Expenditures Employee Entities/Associations, Etc. |
| □ December 15 | Expenditures: Prepayments |

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, July 28, 2004

In attendance: Merideth Hackney, SCO Ray Ineck, LSO
 Kelly Nielsen, AGRI Randy Smith, H&W
 David Fulkerson, DFM Nancy Handzel, IDWR
 Don Robbins, ICC Anita Calhoun, SCO

Agenda 1: Approve minutes. Ray Ineck made a motion to accept the minutes for June 16, 2004; Don Robbins seconded the motion. Minutes accepted as written.

Agenda 2: Use of P-Card by non-state employees. During the May FPAC committee meeting, Merideth presented a draft of changes to the P-Card policy prohibiting issuing P-Cards to non-state employees. After meeting with the State Controller the policy changes have been revised and finalized to state that, “if an agency has unique circumstances where they wish to issue a card to a non-state employee, they may do so with approval from the State Controller’s Office, Division of Statewide Accounting. Generally exceptions will only be approved when the cardholder is an employee of another governmental entity functioning as a state employee. Each agency determines the number and limitations set on the cards.” The policy will be sent back out to the fiscal officers with revisions for a 30-day review and response period.

Agenda 3: Accounting for National or Multi-State Conventions/Conferences policy language. After careful consideration, the State Controller has decided to accept the revised policy on Accounting for National or Multi-State Conventions/Conferences. The policy will be update, the fiscal officers will be sent notice of the new implementation, and the on-line policy manuals will be given to Kelly Hausken to update appropriately.

Agenda 4: Review FPAC policies. Merideth presented to the committee an updated policy on “Funds Establishment” and also on “Accounts Receivable: Credit Collections, and Bad Debts”. The language and references within the policies were brought up-to-date and a copy of the procedures was created as a separate document to be added as a supplement to the policy manual. Merideth will make arrangements with Kelly Hausken to update on-line policy manual with updated information, dates, and format.

Other Business: The committee discussed the need for policy guidance for “notes receivable” write-offs. Kelly Nielsen agreed to review the issue and prepare the preliminary draft for the new policy.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, September 15, 2004

Current agenda items:

1. Approve minutes.
2. Review new policy for Notes Receivable write-offs.
3. Review of FPAC Policy.

Future agenda items:

1. Returning retirees. Are they considered consultants or employees?
2. Reimbursement of travel expense for job candidates.
3. Purchase of PERSI Service.

Schedule of future policy reviews for 2004:

- September 15 Agency Billings Billed Central Services (Internal Service Funds) Billing Rate Calculations
- October 20 Expenditures: Independent Contractor/Employee
- November 17 Investments: Interest Earnings Internal Service Funds
- December 15 General Accounting: Expenditures Employee Entities/Associations, Etc.
- January 19 Expenditures: Prepayments

- August FPAC meeting postponed to September

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, September 15, 2004

In attendance: Merideth Hackney, SCO Tom Haddock, LSO
 Kelly Nielsen, AGRI Randy Smith, H&W
 David Fulkerson, DFM Anita Calhoun, SCO
 Don Robbins, ICC

Agenda 1: Approve minutes. Don Robbins made a motion to accept the minutes for July 28, 2004; Kelly Nielsen seconded the motion. Minutes accepted as written.

Agenda 2: New policy for Notes Receivable write-offs: Postponed to October 20, 2004 FPAC meeting.

Agenda 3: Review FPAC policies (Agency Billings Billed Central Services (Internal Service Funds) Billing Rate Calculations): Dave Fulkerson (DFM) noted several changes had been made in the processing of Agency Billings Billed Central Services since the policy was originally written. He requested additional time to review the policy and make appropriate changes. Review of the policy is postponed to the October 20, 2004 FPAC meeting.

Other Business: The Committee reviewed *future agenda* items one and three:

- Returning retirees. Are they considered consultants or employees?
- Purchase of PERSI Service.

Per Steve Kenyon, the state has already addressed these issues by adding an expenditure sub-object in STARS for the purchase of services. This will allow the state to consistently track payments made. The original concern was that the purchase of such services might be subject to FICA tax. It is Steve's belief that the issue is addressed satisfactorily under section 3121 (5). The Committee agreed to drop the items from the future agenda list.

The Bureau of Reporting and Review requested the FPAC committee consider implementing a policy for 'due to' and 'due from' disputes between agencies. (For example: Where should the disputes be taken?) The committee members agreed to consider the issue and review possible actions at the next meeting.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, October 20, 2004

Current agenda items:

1. Approve minutes.
2. Review new policy for Notes Receivable write-offs. (Kelly)
3. Review FPAC policy *Agency Billings Billed Central Services (Internal Service Funds) Billing Rate Calculations*. (Dave)
4. Review *Future agenda items*.

Future agenda items:

1. Reimbursement of travel expense for job candidates.
2. Policy creation for 'due to/due from' disputes.

Schedule of future policy reviews for 2004:

- | | |
|---------------|--|
| □ October 20 | Agency Billings Billed Central Services (Internal Service Funds) Billing Rate Calculations |
| □ November 17 | Expenditures: Independent Contractor/Employee |
| □ December 15 | Investments: Interest Earnings Internal Service Funds |
| □ January 19 | General Accounting: Expenditures Employee Entities/Associations, Etc. |
| □ February 16 | Expenditures: Prepayments |

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, October 20, 2004

In attendance: Merideth Hackney, SCO Ray Ineck, LSO
 Jan Bodine, AGRI Don Robbins, ICC
 David Fulkerson, DFM Randy Smith, H&W
 Nancy Handzel, IDWR Anita Calhoun, SCO

Agenda 1: Approve minutes. Randy Smith made a motion to accept the minutes for September 15, 2004; Nancy Handzel seconded the motion. Minutes accepted as written.

Agenda 2: New policy for Notes Receivable write-offs: Jan Bodine presented procedural notes for *Notes Receivable: Collections and Write-Offs*, prepared by Kelly Nielsen of AGRI. Jan noted that some of the TCs needed to be reviewed and probably revised. Further discussion was postponed until the November 17th FPAC meeting, for needed adjustments and preparation of a policy section.

Agenda 3: Review FPAC policies (Agency Billings Billed Central Services (Internal Service Funds) Billing Rate Calculations): Dave Fulkerson (DFM) presented updates to the policy. The committee reviewed and agreed to changes. Anita will make revisions to policy and procedure and prepare copy for submission to State Controller.

Other Business:

- The Committee reviewed *future agenda* items one and two:
 - Reimbursement of travel expense for job candidates
 - Merideth will review for policy options and report back.
 - Policy creation for ‘due to/due from’ disputes
 - Issue currently under review by Steve Allison, Ray Ineck, and Steve Kenyon.
- Expenditures: Independent *Contractor/Employee*
 - *Ray Ineck distributed an article, Independent Contractor or Not*, pertaining to next month’s policy review, **Expenditures: Independent Contractor/Employee.**

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, November 17, 2004

Current agenda items:

1. Approve minutes.
2. Review new policy for Notes Receivable write-offs. (Kelly)
3. Review status of *reimbursement of travel expense* issue. (Merideth)
4. Review status of *'due to/due from' disputes* issue. (Ray)
5. Review FPAC policy (Expenditures: Independent Contractor/Employee)

Future agenda items:

1. All future agenda items cleared or are currently in review status.

Schedule of future policy reviews for 2004:

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> November 17 | Expenditures: Independent Contractor/Employee |
| <input type="checkbox"/> December 15 | Investments: Interest Earnings Internal Service Funds |
| <input type="checkbox"/> January 19 | General Accounting: Expenditures Employee Entities/Associations, Etc. |
| <input type="checkbox"/> February 16 | Expenditures: Prepayments |

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, November 17, 2004

In attendance: Merideth Hackney, SCO Bob Curl, DHW
 Kelly Nielsen, AGRI Don Robbins, IIC
 David Fulkerson, DFM Anita Calhoun, SCO
 Nancy Handzel, IDWR

Agenda 1: Approve minutes. Dave Fulkerson made a motion to accept the minutes for October 20, 2004; Nancy Handzel seconded the motion. Minutes accepted as written.

Agenda 2: New policy for Notes Receivable write-offs: Kelly Nielsen presented policy notes for *Notes Receivable: Collections and Write-Offs*. The Committee reviewed policy notes, recommended the option of reporting collections of previously written-off loan receivables as miscellaneous receipts be added to the reinstatement section, and then released the notes for fiscal officer review.

Agenda 3: New policy for Job Candidate Travel Reimbursement: Merideth Hackney presented policy notes for *Job Candidate Travel Reimbursement*. The committee reviewed the policy notes and recommended a section be added encouraging prudent prescreening steps be taken; such as, phone and/or video interviews. Merideth will update policy with suggested section and committee will review at December 15th FPAC meeting.

Agenda 4: Policy for “due to/due from” disputes: Issue postponed until December 15th FPAC meeting.

Agenda 5: Expenditures: Independent Contractors/Employee: The committee reviewed the current policy and recommended adding guidance for expenditure coding for contractor services. The committee agreed to poll agencies for current coding practices (sub and summary objects) and review responses at December 15th meeting.

Other Business:

- The committee reviewed Travel Reimbursement policies of the State; specifically, increased hours spent at airports for security reasons. It was determined reimbursement should depend on actual required hours spent (for meal and work-day) at airport or depot. Merideth will update current policy for submission to Board of Examiners.
- Kelly introduced *Reverse Trade Mission Reimbursement Policy* for future agenda item.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, December 15, 2004

Current agenda items:

1. Approve minutes.
2. Review status of new policy for Notes Receivable write-offs. (Kelly)
3. Review status of *reimbursement of travel expense* issues:
 - a. Job Candidate Travel Reimbursement (Merideth)
 - b. Travel Reimbursement—Increased time requirements due to national security concerns (Merideth)
4. Review status of *'due to/due from' disputes* issue. (Ray)
5. Review FPAC policy (Expenditures: Independent Contractor/Employee (Group))
6. Review FPAC policy (Investments: Interest Earnings Internal Service Funds)

Future agenda items:

1. *Reverse Trade Mission Reimbursement Policy.*

Schedule of future policy reviews for 2004:

- | | |
|---------------|---|
| □ December 15 | Investments: Interest Earnings Internal Service Funds |
| □ January 19 | General Accounting: Expenditures Employee Entities/Associations, Etc. |
| □ February 16 | Expenditures: Prepayments |

Agenda 5: Expenditures: Independent Contractors/Employee: At the previous FPAC committee meeting, the committee reviewed the current policy and recommended adding guidance for expenditure coding for contractor services. The committee agreed to poll agencies for current coding practices (sub and summary objects). The results of that polling were not yet available, the committee suggested a link be added to page 6 (www.irs.gov/pub/irs-pdf/fss8.pdf) and that further discussion be postponed until polling results could be provided. (Merideth)

Agenda 6: Investments: Interest Earnings Internal Service Funds: The committee reviewed the current policy and procedure for Investments: Interest Earnings Internal Service Funds. It was decided that STO only follows Idaho Code and FPAC policy cannot direct contrary to Idaho Code. No changes were made.

Other Business:

Darla Rankin, SCO Reporting and Review, requested the committee put “Software Capitalization” on the next FPAC agenda.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, January 19, 2005

Current agenda items:

1. Approve minutes.
2. Review status of new policy for Notes Receivable write-offs. (Kelly)
3. Review status of *reimbursement of travel expense* issues:
 - a. Job Candidate Travel Reimbursement (Merideth)
 - b. Travel Reimbursement—Increased time requirements due to national security concerns (Merideth)
4. Review status of *'due to/due from' disputes* issue. (Follow-up)
5. Review FPAC policy (Expenditures: Independent Contractor/Employee) (Merideth)
6. Review *Software Capitalization* along with FPAC policy (Capital Assets) (Darla Rankin and Kristi Kelly)

Future agenda items:

1. *Reverse Trade Mission Reimbursement Policy.*

Schedule of future policy reviews for 2004:

- | | |
|---------------|---|
| □ January 19 | Capital Assets |
| □ February 16 | General Accounting: Expenditures Employee Entities/Associations, Etc. |
| □ March 16 | Expenditures: Prepayments |