

# DAS ISF - FINANCE

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE

BUDGET BRIEF

## SUMMARY

In FY 2012 the Legislature approved the transfer of the Purchasing Card program from the Division of Purchasing and General Services Internal Service Fund to a new Internal Service Fund administered by the Division of Finance.

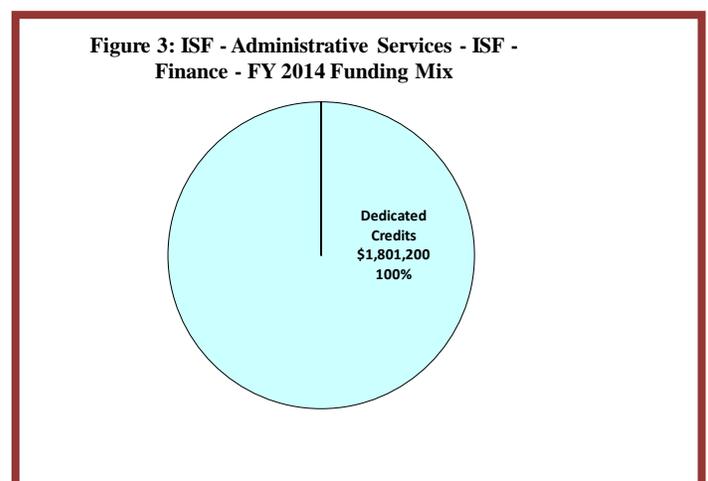
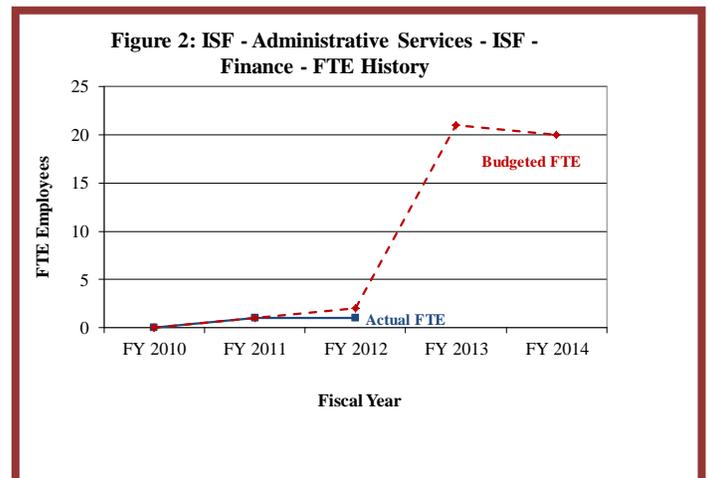
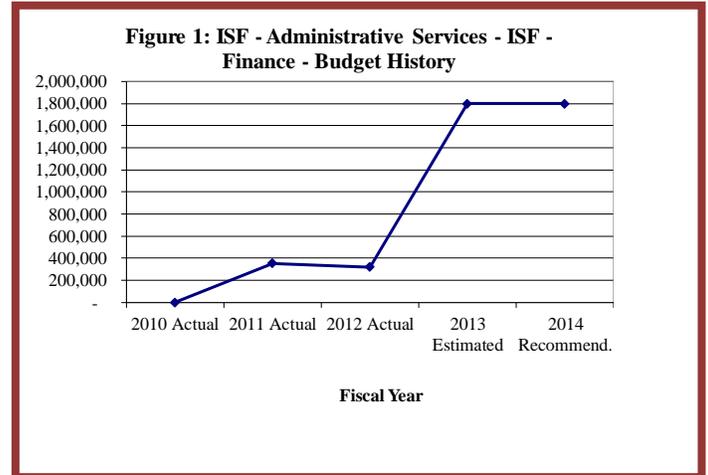
The Purchasing Card or P-Card is a Visa card that is designed to supplement or eliminate a variety of processes including petty cash, local check writing, low-value authorizations and small dollar purchase orders. It provides a more efficient, cost effective method of purchasing and payment for small dollar transactions.

The P-Card can be used for in-store purchases as well as mail, e-mail, telephone and fax orders. Each card carries pre-established transaction and monthly credit limits. Agencies may further limit transaction amounts and the number of daily transactions

## BACKGROUND

During the 2012 General Session, the Legislature also authorized the Department of Administrative Services to create a Consolidated Budget and Accounting (CBA) group as an internal service fund administered by the Division of Finance. This group performs accounting and budgetary procedures for the entire department and is organized to capitalize expertise within the department to perform accounting functions more effectively and efficiently. The CBA program will initially service only the divisions within the Department of Administrative Services; but being organized as an internal service fund allows the program to expand in the future, if needed, to service other agencies. Smaller agencies may benefit by divesting themselves of minimally-used accounting and budgeting functions and the expense of hiring full-time accounting staff.

This action moves all accounting staff and related duties from each of the divisions within DAS (Fleet, Purchasing and General Services, Facilities Construction and Management,

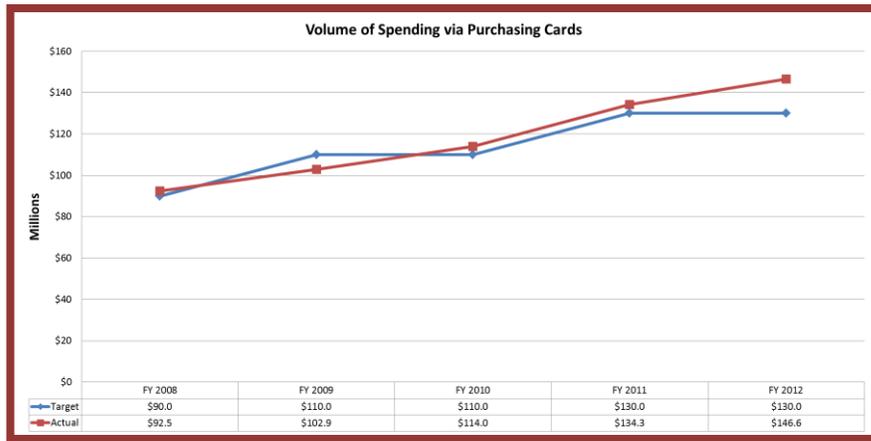


Finance, Administrative Rules, Risk Management, Archives, and the Executive Director’s Office) to the new internal service fund. For the first year the program is operating by charging a rate to the divisions equal to the salary, benefits, and current expenses of the 18 individuals moved to the new program. In the second year, when the program has more experience with actual costs, it will charge user divisions a rate for services and funding sources will be re-allocated accordingly.

**ACCOUNTABILITY DETAIL**

***P-Card Usage***

Since use of the P-Card has established itself as the most efficient way to make small purchases, the volume of P-Card purchasing is an indicator of statewide efficiency in making small transactions.



**Figure 4**

**LEGISLATIVE ACTION**

The Analyst recommends the Legislature approve the FY 2014 Budgeted FTE, Authorized Capital Outlay, and the Annual Revenue as presented in the following table as well as listed in the IGG Subcommittee’s Base Budget Bill:

	<b>DAS ISFs - FY 2014</b>	<b>Budgeted FTE</b>	<b>Authorized Capital Outlay</b>	<b>Annual Revenue</b>
	ISF - Finance	20.0	\$0	\$1,801,200
<b>1.</b>	<b>Totals</b>	<b>20.0</b>	<b>\$0</b>	<b>\$1,801,200</b>

2. Rates as presented separately in an Issue Brief.

**BUDGET DETAIL TABLE**

ISF - Administrative Services - ISF - Finance						
Sources of Finance	FY 2012 Actual	FY 2013 Appropriated	Changes	FY 2013 Revised	Changes	FY 2014* Recommended
Dedicated Credits - Intragvt Rev	321,100	1,850,000	(48,800)	1,801,200	0	1,801,200
<b>Total</b>	<b>\$321,100</b>	<b>\$1,850,000</b>	<b>(\$48,800)</b>	<b>\$1,801,200</b>	<b>\$0</b>	<b>\$1,801,200</b>
<b>Programs</b>						
ISF - Purchasing Card	321,100	250,000	70,000	320,000	0	320,000
Consolidated Budget and Accountin	0	1,600,000	(118,800)	1,481,200	0	1,481,200
<b>Total</b>	<b>\$321,100</b>	<b>\$1,850,000</b>	<b>(\$48,800)</b>	<b>\$1,801,200</b>	<b>\$0</b>	<b>\$1,801,200</b>
<b>Categories of Expenditure</b>						
Personnel Services	75,900	1,740,000	(304,100)	1,435,900	0	1,435,900
In-state Travel	0	100	(100)	0	0	0
Current Expense	109,400	90,000	17,300	107,300	0	107,300
DP Current Expense	1,400	100	42,300	42,400	0	42,400
Other Charges/Pass Thru	221,100	0	229,700	229,700	5,500	235,200
<b>Total</b>	<b>\$407,800</b>	<b>\$1,830,200</b>	<b>(\$14,900)</b>	<b>\$1,815,300</b>	<b>\$5,500</b>	<b>\$1,820,800</b>
<b>Other Data</b>						
Budgeted FTE	2	20	1	21	(1)	20
Actual FTE	1	0	0	0	0	0
Retained Earnings	93,319	123,800	(44,600)	79,200	(19,600)	59,600

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.