NEWSLETTER

December 2024

Inactivate eMARS Users - Retired/Transferred

eMARS Security Leads should regularly review their agencies' list of eMARS/eMARS Reporting Users to ensure that access is revoked when an employee departs from the agency. This will not only ensure that agency data is protected but can reduce your eMARS bill for accounts that are no longer needed.

Please make sure to review the active employees listed for your department on a regular basis. To revoke security, a UDOC will need to be processed in the administrative application of eMARS.

Office of Financial Management (OFM) 2024 Reflections

The Commonwealth received a ratings upgrade from Moody's. With this upgrade, the Commonwealth received tightened credit spreads in the market and saved more than $10 million on our latest SPBC bond issuance.

-OFM's investment team oversees 3 portfolios that saw record earnings of over $5 Billion on 6/28/24.

eMARS
KY Management, Administrative and Reporting System

Wishing you all a joyful holiday season and a Happy New Year!

Customer Resource Center
Ph: 502-564-9641
Toll free: 877-973-4357
Finance.CRCGroup@ky.gov

A Look Back at 2024: Celebrating a Year of Achievements

As the year draws to a close, the Office of Statewide Accounting Services (SAS) extends its gratitude to the eMARS users and the broader Commonwealth community for a productive and impactful year. Here's a recap of key accomplishments from our three branches:

General Accounting

Under the leadership of Jason Mach, the General Accounting branch oversaw critical statewide accounting functions, ensuring compliance with statutory regulations and supporting financial reporting initiatives.

- Facilitated over **$55 billion** in statewide expenditures, including $8.8 million in payments and $3.2 million in wires to local governments, universities, and others.
- Filed over **12,000 IRS 1099 forms** for vendors.
- Successfully implemented a major upgrade to the eMARS accounting system, transitioning to Version 4.0 in April.

Customer Resource Center (CRC)

Led by Division Director Bethany Crockett, the CRC continued its tradition of exceptional service through:

- Training and supporting the Commonwealth's **4,000 eMARS users**, with tailored courses and materials.
- Assisting **11,000 vendors** with account creation and verifying **40,000 vendor account updates.**
- Managing the Procurement Card Program, enabling **$74 million** in agency spending in compliance with policy.
- Overseeing **$1.2 billion** in ACHPay transactions for efficient electronic fund transfers.

Financial Reporting

The Financial Reporting branch ensured transparency and accountability by meeting all reporting requirements:

- Published the **Annual Comprehensive Financial Report (ACFR),** a cornerstone of financial transparency.
- Submitted the **Schedule of Expenditures of Federal Awards (SEFA),** reflecting over **$19 billion** in federal expenditures.
- Prepared critical reports, including the **Cash Management Improvement Act (CMIA) Report** and the **Statewide Cost Allocation Plan (SWCAP).**
- Compiled **27 legislative claims** totaling $308,685.51 for submission to the 2024 legislative session.

Looking Forward

2024 was a remarkable year for innovation and collaboration, including the seamless eMARS upgrade. Thank you to all users and partners for your dedication and support. Together, we look forward to another successful year ahead!

Happy Holidays and best wishes for 2025!

Office of Procurement Services (OPS) 2024 Reflections

Buyer of the Year: Carrie Willard was named Kentucky Public Procurement Association (KPPA) Buyer of the Year.

KPPA Board of Directors: Mike Marr was elected to the KPPA Board of Directors.

NASPO News:
Stacy Blank and Daniel Salvato issued a Maintenance, Repair & Operation (MRO) solicitation as the National Association of State Procurement Officials (NASPO) Lead State. Six (6) cooperative contracts were awarded.

CPP Awardees:
The following OPS staff attained NIGP-CPP (NIGP - Certified Procurement Professional) certification:

- Kathy Robinson
- Stacy Blank
- Amy Monroe
- Jodyi Hall
- Daniel Salvato
- Brandon Milby

Wishing Kathy Robinson a Wonderful Retirement

It is with mixed emotions that we announce the upcoming retirement of Kathy Robinson, who will be leaving the Office of Procurement Services on December 31st after an incredible 18 years of dedicated service.

Since joining the office in 2006, Kathy has been a guiding force in procurement for the Commonwealth, providing invaluable expertise and unwavering support. Her vast knowledge and steady leadership have made her an indispensable asset to the team and the agencies she has assisted over the years.

Kathy's contributions have left an indelible mark on the Commonwealth, and while her retirement is well-earned, her presence will be deeply missed.

As Kathy embarks on this exciting new chapter, we extend our heartfelt gratitude for her years of service and wish her all the best for a fulfilling and joyful retirement. Kathy, you will always have a place in the hearts of your colleagues and the Commonwealth family!

Kentucky Vendor Self Service
VSS

Please encourage your vendors to register themselves on our Vendor Self Service website. By registering and activating their account on VSS, they will be able to add/update Addresses and Contacts, as well as add/update Commodity codes for potential business opportunities. If eligible, 1099s will also be available for download in February. Links to updated user guides will be provided in next quarter's newsletter as well as posted on the VSS Home Page.

Keep in mind - EFT/Direct Deposit updates can only be completed by Finance CRC utilizing the SAS-63 form located Here.

* The eMARS financial link resolves to Vendor Self Service when outside the COT firewall.

Password Resets

1. Send all requests to our group email box: Finance.CRCGroup@ky.gov

2. In your **subject line** please state: Password Reset AND 4.0 eMARS OR the older 3.10 eMARS OR if it is for Reporting.

3. In the email body **please provide** your **User ID** and your name or at least have an email signature please.

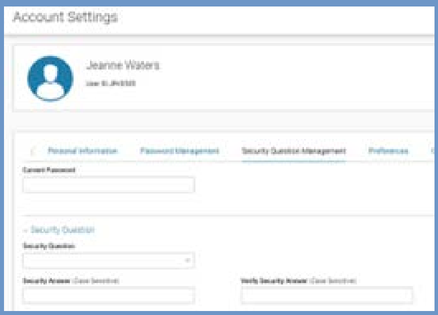
Your ID is **required** for the Reporting reset requests.

You can save yourself time in the future by setting up for a future password reset by doing this below.

***Once successfully logged into eMARS 4.0, complete the steps below so that you can reset your password in the future.

- Click on your profile in the top right corner and click Account Settings.

- Click the Security Question Management tab and complete the section.



You must use the following criteria when changing your password:
8-16 characters (must contain letters, numbers and special character combination)
Must have at least one lower case and one upper case character
Must contain one of the following special characters: . @ # $ % - (period, at sign, pound sign, dollar sign, percent sign, dash)

The new password cannot be similar to your previous 12 passwords.

DO NOT ALLOW YOUR BROWSER TO SAVE YOUR PASSWORD.

Keep in mind eMARS 3.10, eMARS 4.0, and eMARS Reporting all have different logon credentials.

Form 1099: Why it's important and how to pay 1099 contractors

<u>It is important to know that it is the agency's responsibility to understand the types of payments being made to a vendor, and to properly record the correct object code.</u>

The object code classifies a financial transaction as an income, expense, asset, liability, or fund balance, depending on how the object is classified. Object codes store information about financial transactions and categorize activity based on the nature of the transactions. Object codes that are flagged as 1099 reportable trigger tax reporting, such as miscellaneous income on Tax Form 1099. Proper coding of the object code is key in external financial and tax reporting. Improperly categorizing Kentucky's financial transactions impacts what is reported on tax forms submitted to local, state, and federal organizations which can result in fines, negative IRS findings, and additional audit implications.

Entities that provide certain kinds of income to reportable vendors must file an information return (Form 1099) with the IRS. The information return shows how much reportable income the vendor earned during the course of the tax year. A 1099 is a tax form that is used to record nonemployee income. There are several types of 1099s used by the Commonwealth of KY and it is used for different purposes. The Commonwealth currently issues the following 1099 Tax forms:

1099-MISC
Form 1099-MISC is used to report miscellaneous payments such as rent, awards, royalties, medical and health care payments, and more. This form is typically used by anyone who has paid at least $600 in one of these categories in the past year.

1099-NEC
Form 1099-NEC is used to report non-employee income. Form 1099-MISC was used for independent contractors in prior years, but the 1099-NEC is used for tax years 2020 and beyond. You will only need a 1099-NEC for payments totaling $600 or more for the calendar year.

1099-G
Form 1099-G is for certain government payments. This form is used by government agencies to report income paid to taxpayers— typically tax refunds and unemployment.

1099-S
Form 1099-S is for proceeds from real estate transactions. This form is used to report income from the sale or exchange of real estate and may also be used for income from certain royalty payments.

1099-I
Form 1099-I is for reporting Interest earnings in excess of $10 or more for the calendar year.

Reminder to eMARS Users: Review Transactions Thoroughly Before Approval

Attention eMARS users: As a key participant in the Commonwealth's financial operations, your role in approving transactions is critical to ensuring accuracy and efficiency.

Before applying your approval to any transaction, please take the time to **thoroughly review all sections** of the transaction. This step is essential to confirm that the details align with your expectations and meet the requirements of your agency.

Key Areas to Check:

- **Vendor Information:** Ensure the correct vendor code and address are selected.
- **Accounting Elements:** Verify that the accounting strings (fund, department, object codes, etc.) are accurate and reflect the appropriate allocation of funds.
- **Other Transaction Details:** Double-check all other relevant information to ensure compliance and completeness.

By taking these precautionary steps, you can help reduce errors, prevent rework, and minimize the workload for all parties involved. This not only saves valuable time but also ensures the accuracy and integrity of the Commonwealth's financial processes.

Thank you for your diligence and continued commitment to excellence in managing eMARS transactions

Upcoming eMARS Training

January 21, 2025 - Intro to eMARS for Beginners – TEAMS

February 18, 2025 - Intro to eMARS for Beginners – TEAMS

March 12, 2025 - Intro to eMARS for Beginners – In Person

March 18, 2025 - Intro to eMARS for Beginners – TEAMS

These sessions are intended for new users to eMARS.

The CRC will begin offering other training sessions in the Spring of 2025. Users should watch for these trainings to be posted in MyPURPOSE.

Reminder: Legislative Claims for the 2025 Session Due by January 15, 2025

The Finance and Administration Cabinet's Office of the Controller reminds agencies that all Legislative Claims for the 2025 legislative session must be submitted to the Office of Statewide Accounting Services (SAS), Financial Reporting Branch, no later than January 15, 2025.
Legislative Claims are claims against the Commonwealth submitted by vendors for goods and services provided to agencies but not received on time or purchased without proper authority. These claims require agencies to submit a Legislative Claim Request Form along with all supporting documentation.

Examples of Legislative Claims:

- Purchases made prior to the two preceding fiscal years where invoices were not received during the fiscal year of purchase or the following fiscal year.
- Services provided without a required personal service contract, regardless of when they occurred.
- Payments requested for personal service contracts after the contract period has ended.
- Payments requested for unauthorized purchases, regardless of when they occurred.

Legislative Authority
The process for submitting Legislative Claims is governed by KRS 45.231.

For more details and to access the Legislative Claim Request Form, visit the Legislative Claims webpage.

Please ensure timely submission of all claims to meet the January 15, 2025, deadline.

Corporate Travel Card Program Launch

The Finance and Administration Cabinet's Office of the Controller is excited to announce the launch of the **Corporate Travel Card Program**, designed to streamline travel expenses for employees conducting official state business.

Key Features of the Program:

- **Financial Support for Travel:** Corporate Travel Cards will alleviate financial hardships for employees by covering authorized travel expenses.

- **Distinct Card Design:** The Corporate Travel Card features a unique design, differentiating it from traditional Procurement Cards (PCards).

- **Restricted Use:** These cards are exclusively for travel expenses and cannot be used for goods or services typically purchased with traditional PCards.

Transition Details:
This program replaces the existing American Express program and will be managed by agency PCard Administrators in alignment with current PCard programs. As part of this transition:

- Agencies must complete the **Agency Travel Card Agreement**, signed by the Agency/Department Head, and submit it to the Controller's Office to Bethany Crockett.

- Traditional PCards with open travel Merchant Category Codes (MCCs) for employee travel will be reassigned as Corporate Travel Cards, with travel MCCs closed on the traditional PCards.

Training and Policies:
The Controller's Office will provide training for agency PCard Administrators to ensure a smooth onboarding process. Agencies are encouraged to review the updated **Procurement Card Policies and Procedures**, which include comprehensive details on the Corporate Travel Card Program.

- Agency Travel Card Agreement: Access Here

- Procurement Card Policies and Procedures Guide: Access Here

We look forward to your participation in the Corporate Travel Card Program to enhance the efficiency and accountability of employee travel. For questions, contact the Controller's Office at Bethany Crockett.