

Office of the Comptroller General

Employees in Attendance

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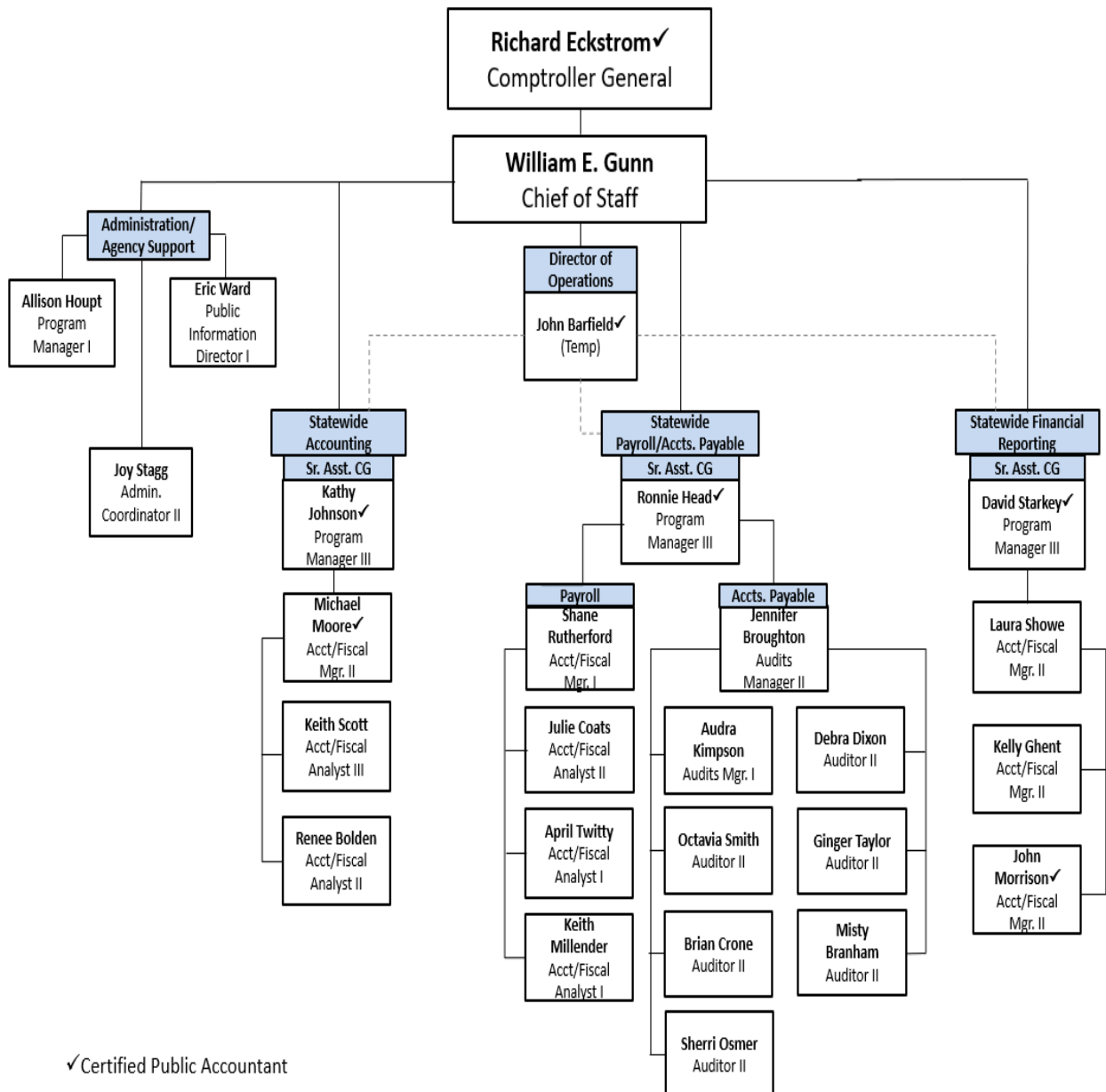
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Office of the Comptroller General Organizational Chart



Office of the Comptroller General Overview

Budget Request:

- Although the agency's workload has expanded significantly because of additional accounting and reporting functions associated with the Affordable Care Act and the Infrastructure Maintenance Trust Fund, we are not requesting a budget increase. However, we request that the agency's funding be maintained at current levels.
- We are requesting only one proviso change, to 118.1 (Year End Cutoff), to revise the dates for the closing of the state's books for fiscal 2019-20.

Agency Overview: The Comptroller General's Office (CGO) is a "service and support" agency. In this role, it augments the "back office" capabilities of all other state agencies. Specifically, the CGO consists of the following five program areas (divisions) and functions:

- **Statewide Payroll/Accounts Payable:** Timely, efficient processing of vendor payments and other disbursement requests by state agencies – and timely, efficient processing of state payroll – to support agencies in serving the public
- **Statewide Accounting:** Timely, efficient accounting services for state agencies to support them in serving the public
- **Statewide Financial Reporting:** Producing and distributing the state's comprehensive annual financial report (CAFR) in a timely, accurate, and understandable format for use by credit rating agencies, underwriters, investors, and other key customers and stakeholders
- **Other Services/Online Outreach:** Timely providing financial transparency and other information to all stakeholders; and executive-level service on key panels supporting internal and external (public) state functions
- **Administrative Services:** Oversight and support for the agency's programs, which assist state agencies in serving the public

Agency Mission and Vision:

- **Mission:** To support state entities with essential services that include payroll, vendor payments, accounting support, general ledger maintenance, and statewide financial reporting, and to continuously monitor and improve these essential services to enable state government to better safeguard the financial resources entrusted to it and better serve the citizens of South Carolina
- **Vision:** To serve as state government's centralized source for transparent financial information leading to more open, accountable, and responsive government

Office of the Comptroller General Fiscal 2017-18 Accountability Report Summary

The Office of the Comptroller General is a “service and support” agency of state government. In that role, it augments the “back office” capabilities of all other state agencies. As detailed in the Office of the Comptroller General’s fiscal year 2017-18 Accountability Report, the Office’s key Strategic Planning goals are to:

- Verify the validity and legality of vendor payment requests by state agencies.
- Process statewide payroll accurately and timely (on the 1st and 16th of each month in addition to off-cycle payments, General Assembly payroll, and bonuses).
- Produce the State’s comprehensive annual financial report (CAFR) on a timely basis and oversee the State’s financial reporting operations.
- Perform centralized accounting of the State’s financial activities in accordance with the program structure mandated by the S.C. General Assembly.
- Monitor state government’s revenue collections for completeness by managing a multiagency working group.
- Serve the citizens and state government by providing requested financial and other information that promotes openness and accountability in government.
- Provide meaningful transparency in public spending by making information conveniently accessible to the public online on the S.C. Fiscal Transparency Website.
- Effectively manage the Office’s divisions, programs, and overall operations and actively support other statewide initiatives.

FY 19-20 Budget Priorities Summary

Office of the Comptroller General

Budget Priorities

Funding

FTEs

Priority No.	Priority Type (non-recurring/ recurring /other funds adjustment/ federal funds adjustment)	Priority Title	Priority Description	Non - Recurring	Recurring	Other	Federal	Total	State	Other	Federal	Total
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No Budget Request for FY 19-20



**Fiscal Year 2019-20
Agency Budget Plan**

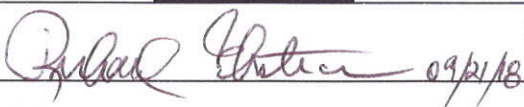
FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	<p>For FY 2019-20, my agency is (mark "X"):</p> <input type="checkbox"/> Requesting General Fund Appropriations. <input type="checkbox"/> Requesting Federal/Other Authorization. <input checked="" type="checkbox"/> Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	<p>For FY 2019-20, my agency is (mark "X"):</p> <input type="checkbox"/> Requesting Non-Recurring Appropriations. <input type="checkbox"/> Requesting Non-Recurring Federal/Other Authorization. <input checked="" type="checkbox"/> Not requesting any changes.
CAPITAL REQUESTS (FORM C)	<p>For FY 2019-20, my agency is (mark "X"):</p> <input type="checkbox"/> Requesting funding for Capital Projects. <input checked="" type="checkbox"/> Not requesting any changes.
PROVISOS (FORM D)	<p>For FY 2019-20, my agency is (mark "X"):</p> <input type="checkbox"/> Requesting a new proviso and/or substantive changes to existing provisos. <input checked="" type="checkbox"/> Only requesting technical proviso changes (such as date references). <input type="checkbox"/> Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	William E. Gunn	803-734-2121	EGunn@cg.sc.gov
SECONDARY CONTACT:	Allison W. Houpt	803-734-5011	AHoupt@cg.sc.gov

I have reviewed and approved the enclosed FY 2019-20 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:	 09/21/18	
TYPE/PRINT NAME:	Richard A. Eckstrom, Comptroller General	

This form must be signed by the agency head – not a delegate.

AGENCY NAME:	Office of the Comptroller General		
AGENCY CODE:	E120	SECTION:	97

FORM D – PROVISO REVISION REQUEST

NUMBER 118.1
Cite the proviso according to the renumbered list for FY 2019-20 (or mark "NEW").

TITLE Year End Cutoff
Provide the title from the FY 2018-19 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM II. Statewide Payroll/Accounts Payables & V. Statewide Accounting Services
Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST N/A
Is this request associated with a budget request you have submitted for FY 2019-20? If so, cite it here.

REQUESTED ACTION Amend
Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED All SCEIS agencies
Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION

Summary:
 Deadline for agencies to submit input documents and electronic workflow supporting their year-end expenditures to the Office of the Comptroller General for processing.

Explanation:
 To update the due date for state agencies to submit all current fiscal year input documents and electronic workflow for accounts payable transactions to the Office of the Comptroller General for processing.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

AGENCY NAME:	Office of the Comptroller General		
AGENCY CODE:	E120	SECTION:	97

None

FISCAL IMPACT

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

Unless specifically authorized herein, the appropriations provided in Part IA of this act as ordinary expenses of the State Government shall lapse on ~~July 31, 2019~~ **July 31, 2020**. State agencies are required to submit all current fiscal year input documents and all electronic workflow for accounts payable transactions to the Office of Comptroller General by ~~July 12, 2019~~ **July 14, 2020**. Appropriations for Permanent Improvements, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the State Fiscal Accountability Authority and Joint Bond Review Committee, toward the accomplishment of the purposes for which the appropriations were provided. Appropriations for other specific purposes aside from ordinary operating expenses, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the State Fiscal Accountability Authority, toward the accomplishment of the purposes for which the appropriations were provided.

PROPOSED PROVISIO TEXT

Paste FY 2018-19 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

AGENCY NAME:	Office of the Comptroller General		
AGENCY CODE:	E120	SECTION:	97

**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
CONTINGENCY PLAN**

TITLE Agency Cost Savings and General Fund Reduction Contingency Plan

AMOUNT \$74,498
What is the General Fund 3% reduction amount (minimum based on the FY 2018-19 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS 1
How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM/ACTIVITY IMPACT Statewide Accounting Services

What programs or activities are supported by the General Funds identified?

AGENCY NAME:	Office of the Comptroller General		
AGENCY CODE:	E120	SECTION:	97

SUMMARY

The Office of Comptroller General would attempt to absorb a 3% general fund reduction by delaying to fill a vacant position in our Statewide Accounting Services division. The previous employee to hold the position earned an annual salary of \$64,874, plus employer costs for retirement \$12,365 and FICA \$4,963 for a total cost to the agency of \$82,202.

By further delaying to fill this position, it would lessen the capacity of our Statewide Accounting Services division to achieve its overall goal in accordance with the agency's FY 2017 – 2018 Accountability Report. This goal calls for the division to provide centralized accounting and support for the State's financial activities in accordance with the program structure mandated by the S.C. General Assembly by providing accounting direction and support to other state agencies.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS

As a contingency, we would delay filling a position in our Statewide Accounting Services division, which would reduce agency costs about \$80,000. However, these funds will be needed to fill this vacant position.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE

Reduction/Termination of Agency Fees, if absolutely required.

Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS

Approximately \$50,000 for citizens making court-supervised child support payments

What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

<input type="checkbox"/>	Repeal or revision of regulations.
<input checked="" type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.
<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.
<input type="checkbox"/>	Other

METHOD OF CALCULATION

Fees collected for FY 2017 – FY 2018

Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES

Child Support Processing Fee
Enabling authority for the fee is Code §63-17-1460 (C)

Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION

N/A

Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

AGENCY NAME:

Office of the Comptroller General

AGENCY CODE:

E120

SECTION:

97

This fee helps support our Statewide Payroll staff, which is a staff of four employees, that process payroll for state employees.

These four employees ensure that retirement, deferred compensation, bonuses, special payments, special voluntary deductions (premiums for insurance products not offered by state government, elective credit union deposits, tax liens, and court-ordered wage garnishments), and regular compensation is processed correctly and timely for approximately 47,000 state employees. They are also responsible for issuing approximately 55,700 W-2s annually, and depositing state and federal tax withholdings.

To reduce or lose this fee, would significantly impact our ability to perform these vital functions.

SUMMARY

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?

Constitutional Subcommittee Proviso Request Summary FY 2019/20

Proviso # in FY 18-19 Act	Renumbered FY 19-20 Proviso #	Proviso Title	Short Summary	Agency Recommended Action (keep, change, delete, add)
118.1	118.1	Year End Cutoff	Cutoff date for agencies to submit input documents and electronic workflow supporting their year-end expenditures to the Office of the Comptroller General for processing.	Change (Update dates for new fiscal year)

Office of the Comptroller General

Agency Provisos			
Proviso # FY 19-20	Proviso Title	Proviso Language	Agency Recommended Action (keep, change, delete, add)
97.1	Signature Authorization	The Comptroller General is hereby authorized to designate certain employees to approve, in his stead, disbursement documents authorizing payment, and the State Treasurer is hereby authorized to accept such approved disbursement documents when notified by the Comptroller General. This provision shall in no way relieve the Comptroller General of responsibility.	Keep
97.2	GAAP Implementation & Refinement	It is the intent of the General Assembly that the State of South Carolina issue financial statements in conformance with Generally Accepted Accounting Principles (GAAP). To this end, the Comptroller General is directed, as the State Accounting Officer, to maintain an Enterprise Information System for State Government (SCEIS) that will result in proper authorization and control of agency expenditures, including payroll transactions, and in the preparation and issuance of the official financial reports for the State of South Carolina. Under the oversight of the General Assembly, the Comptroller General is given full power and authority to issue accounting policy directives to state agencies in order to comply with GAAP. The Comptroller General is also given full authority to conduct surveys, acquire consulting services, and implement new procedures required to implement fully changes required by GAAP.	Keep
97.3	Payroll Deduction Processing Fee	There shall be a fee for processing payroll deductions, not to exceed twenty-five cents, for insurance plans, credit unions, deferred compensation plans, benefit providers, and professional associations per deduction per pay day. This fee shall not be applied to charitable deductions. Vendors and other third parties receiving payroll deductions shall bear the entire cost of this fee, at no cost to state employees. The revenues generated from these fees and those provided for child support deductions in accordance with Section 63-17-1460(C), South Carolina Code of Laws, 1976, as amended, may be used to support the operations of the Office of Comptroller General and any unexpended balance may be carried forward from the prior fiscal year to the current fiscal year and utilized for the same purposes.	Keep

Office of the Comptroller General

Agency Provisos			
Proviso # FY 19-20	Proviso Title	Proviso Language	Agency Recommended Action (keep, change, delete, add)
97.4	Unemployment Compensation Fund Administration	The lesser of two percent or \$200,000 of the fund balance of the Unemployment Compensation Fund shall be paid out annually to the Office of Comptroller General to be used by that agency to recover the costs of administering the fund. The Unemployment Compensation Fund is provided for in Section 41-31-820, South Carolina Code of Laws, 1976, as amended. Any unexpended balance may be carried forward from the prior fiscal year to the current fiscal year and used for the same purposes.	Keep
97.5	Purchasing Card Rebate Program	The Office of Comptroller General is authorized to retain the first \$100,000 of rebate associated with the Purchasing Card Program and \$200,000 of agency incentive rebates. The funds retained may be used to support the operations of the Office of Comptroller General and any unexpended balance may be carried forward from the prior fiscal year into the current fiscal year and be utilized for the same purposes.	Keep
117.1	Revenues, Deposits Credited to General Fund	Each institution, department or agency, in remitting such income to the State Treasurer, shall attach with each such remittance a report or statement, showing in detail the sources itemized according to standard budget classification from which such income was derived, and shall, at the same time, forward a copy of such report or statement to the Comptroller General and the Executive Budget Office. In order to facilitate the immediate deposit of collections, refunds of such collections by state institutions where properly approved by the authorities of same, may be made in accordance with directions from the State Comptroller General and State Treasurer.	Keep
117.9	Transfer of Appropriations	Agencies and institutions shall be authorized to transfer appropriations within programs and within the agency with notification to the Executive Budget Office and Comptroller General. No such transfer may exceed twenty percent of the program budget.	Keep

Office of the Comptroller General

Agency Provisos			
Proviso # FY 19-20	Proviso Title	Proviso Language	Agency Recommended Action (keep, change, delete, add)
117.15	Allowance for Residence & Compensation Restrictions	Salaries paid to officers and employees of the State, including its several boards, commissions, and institutions shall be in full for all services rendered, and no perquisites of office or of employment shall be allowed in addition thereto, but such perquisites, commodities, services or other benefits shall be charged for at the prevailing local value and without the purpose or effect of increasing the compensation of said officer or employee. The charge for these items may be payroll deducted at the discretion of the Comptroller General or the chief financial officer at each agency maintaining its own payroll system.	Keep
117.20	Travel - Subsistence Expenses & Mileage	The Office of Comptroller General is authorized to promulgate and publish rules and regulations governing travel and subsistence payments.	Keep
117.26	Travel Report	Annually on November first, the Comptroller General shall issue a report on travel expenditures for the prior fiscal year which shall be distributed to the Senate Finance Committee, the House Ways and Means Committee, and the Statehouse Press Room.	Keep
117.58	Year-End Financial Statements	Agencies, institutions, and other reporting entities required to submit annual audited financial statements for inclusion in the State's Comprehensive Annual Financial Report must submit final audited financial statements to the Comptroller General not later than October first for those with fiscal year-end June thirtieth. The South Carolina Retirement Systems, Insurance Benefits, and Other Post-Employment Benefits Trust Funds administered by the South Carolina Public Employee Benefit Authority must submit their final audited financial statements no later than October fifteenth. For institutions and reporting entities with fiscal year-ends other than June thirtieth, final audited financial statements must be submitted to the Comptroller General within 120 days of that fiscal year-end. The Comptroller General shall provide a written report of each agency, institution, or other reporting entity not in compliance with this provision to the State Fiscal Accountability Authority by November thirtieth.	Keep

Office of the Comptroller General

Agency Provisos			
Proviso # FY 19-20	Proviso Title	Proviso Language	Agency Recommended Action (keep, change, delete, add)
117.82	Commuting Costs	State government employees who use a permanently assigned agency or state owned vehicle to commute from their permanently assigned work location to and from the employee's home must reimburse the agency in which they are employed for commuting use in accordance with IRS regulations based on guidance from the Office of Comptroller General which must use the Cents per mile Rule, unless they are exempted from such reimbursement by applicable IRS regulations.	Keep
117.83	Bank Account Transparency and Accountability	<p>Each state agency, except state institutions of higher learning, which has composite reservoir bank accounts or any other accounts containing public funds which are not included in the Comptroller General's South Carolina Enterprise Information System shall prepare a report for each account disclosing every transaction of the account in the prior fiscal year. The report shall be submitted to the State Fiscal Accountability Authority by October first of each fiscal year. The report shall include the name(s) and title(s) of each person authorized to sign checks or make withdrawals from each account, the name and title of each person responsible for reconciling each account, the beginning and year-end balance of funds in each account, and data related to both deposits and expenditures of each account.</p> <p>The report shall include, but not be limited to, the date, amount, and source of each deposit transaction and the date, name of the payee, the transaction amount, and a description of the goods or services purchased for each expenditure transaction. To facilitate review, the State Fiscal Accountability Authority shall prescribe a common format for the report which agencies must use. In order to promote accountability and transparency, a link to the report shall be posted on the Comptroller Generals website as well as the agency's homepage.</p>	Keep

Office of the Comptroller General

Agency Provisos			
Proviso # FY 19-20	Proviso Title	Proviso Language	Agency Recommended Action (keep, change, delete, add)
118.1	Year-End Cutoff	<p>Unless specifically authorized herein, the appropriations provided in Part IA of this act as ordinary expenses of the State Government shall lapse on July 31, 2019 July 31, 2020. State agencies are required to submit all current fiscal year input documents and all electronic workflow for accounts payable transactions to the Office of Comptroller General by July 12, 2019 July 14, 2020. Appropriations for Permanent Improvements, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the State Fiscal Accountability Authority and Joint Bond Review Committee, toward the accomplishment of the purposes for which the appropriations were provided.</p> <p>Appropriations for other specific purposes aside from ordinary operating expenses, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the State Fiscal Accountability Authority, toward the accomplishment of the purposes for which the appropriations were provided.</p>	Change (Update Dates)
118.3	Contingency Reserve Fund	Upon determination by the Comptroller General as to the amount to be deposited in the Contingency Reserve Fund, the Comptroller General shall notify the Board of Economic Advisors and the board shall recognize that amount as surplus funds.	Keep
118.8	Agency Deficit Notice	The Comptroller General or the Executive Budget Office shall (1) provide written notice to each member of the General Assembly when it makes a report concerning an agency, department, or institution that is expending authorized appropriations at a rate which predicts or projects a general fund deficit for the agency, department, or institution, and (2) make monthly progress reports concerning an agency's, department's, or institution's plan to reduce or eliminate the deficit.	Keep

Office of the Comptroller General

Carryforward Information

General Fund Carryforward for Fiscal Year 2019 \$212,025.83

Header
Additional Data

Document	1000567333	Status	Posted	Document Year	2019
Process	Carry Over	Total Sender	95,868,769.47	USD	
BCS Value Type	Budget	Total Receiver	95,868,769.47	USD	
Budget Category	Payment	Version	0	Sender Year	2018
Document type	CFGF	Document Date	08/16/2018	Receiver Year	2019

Year
Periods

Line	-/+	Funds ctr	Funded Program	Func. Area	Fund	Cmmt item	Grant	Amount	Type	Text
000009	-	E1200000	8900.000000X000	0000000000...	10010000	561000	NOT RELEVANT	212,025.38	CFGF	10% Carry Fwd (FY19 Prov. 117.23)
000070	+	E1200000	8900.000000X000	0000000000...	10010000	561000	NOT RELEVANT	212,025.38	CFGF	10% Carry Fwd (FY19 Prov. 117.23)

Office of the Comptroller General

FTEs

	Authorized State Fund	Authorized Other Fund	
Filled	23.50	2.50	26.00
Vacant	5.00	6.00	11.00
Total:	28.50	8.50	37.00