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To: Agency Finance Directors and Agency SCEIS Coordinators

Date: July 25, 2012

Subject: Conversion of Contingent Payments from STARS to SCEIS

On Friday, August 24, 2012, the State Treasurer's Office, the Comptroller General's Office and SCEIS will convert the processing and issuance of contingent payments from STARS to SCEIS. Contingent payments include all vendor payments with the exception of Inter-Departmental Transfer (IDT) payments. This conversion is a continuation of the movement of the State's financial activity from STARS to SCEIS.

On Wednesday, August 22, 2012, the last contingent payment run will be processed through STARS. On Thursday, August 23, 2012, the Comptroller General's Office will work with state agencies to clear transactions on the contingent payment exception files (Outbound Interface error files). **To ensure this process is as smooth as possible for state agencies, please begin reviewing and resolving these exceptions as soon as possible.**

If exceptions are not corrected by close of business on Thursday, August 23, 2012, these payment transactions will be reversed and reset. These transactions will then be picked up in a future payment run in SCEIS. The first contingent payment run to be processed through SCEIS will occur on Friday evening, August 24, 2012.

As a result of the conversion of contingent payments to SCEIS, the Comptroller General's Office and State Treasurer's Office have implemented policy changes that will impact the processing of these payments by your agency. The changes are outlined in the list below.

Important Note:

A copy of this memo and all of the supporting documents noted in the list below are available on the SCEIS website at the following link: <http://sceis.sc.gov/page.aspx?id=236>. To access this page from the SCEIS homepage, select the "STO Contingent Check Go-Live 2012" menu item in the left-hand navigation bar.

1. Electronic payments will no longer be assigned a check number, nor will these payments be displayed on the SCEIS Check Register. These payments will instead be displayed on the new Payment Register. This report is a Business Warehouse report that is still in development. Instructions and a report sample will be provided at a future date, and posted on the STO Contingent Check Go-Live 2012 web page.

2. As a result of the conversion from STARS to SCEIS for payment medium generation, the reports currently used to determine the payments completed on a specific date will no longer reflect all payments (only checks). In order to obtain a complete list of payments made, you will need to run the Z_PAYMENT_LIST transaction in SCEIS Production. A new payment report (Payment Register) is being created in BW as well. To better use the Z_PAYMENT_LIST transaction, a detailed instruction sheet, "Instructions: Z_PAYMENT_LIST Transaction," is available at the following link: <http://sceis.sc.gov/page.aspx?id=236>.
3. Validations have been added in SCEIS for vendor payment methods. These validations will prevent the changing of the default vendor payment method in certain situations. If the validation is violated, an error will occur and agency personnel will have to make the correction before the specific invoice can be completed (or saved). You may download a document explaining the payment method validations entitled, "Vendor Payment Method Validation Rules," at the following link: <http://sceis.sc.gov/page.aspx?id=236>.
4. As a reminder, the General Ledger (G/L) accounts used for the Contingent Checking Account are structured as follows: 10113000XX. The SCEIS Team distributed descriptions of these accounts in an email to agencies with the subject line "SCEIS Changes Resulting from STO's Statewide Functionality" on Wednesday, June 22, 2011. For your convenience, we have posted this message on the STO Contingent Check Go-Live 2012 web page at <http://sceis.sc.gov/page.aspx?id=236>.

It is important to understand that the State Treasurer's Office is actively using the Electronic Bank Statement (EBS) functionality provided by the SCEIS system and the banks involved in the contingent payment process. As such, you will notice that there are "clearing" documents associated with many of the lines in payment documents relating to the 1011300001 G/L account (WACH_E16_STO_Contingent_CLRG_CKS OUT). This allows the State Treasurer's staff to reconcile the bank account more efficiently and effectively. (This will not affect the cash available for the Cash By Fund Edit.) These clearing documents will be in the 38XXXXXXXX series (similar to the clearing documents used in the payroll G/L cash accounts). For example, an invoice paid with a check will show the following:

- **DR** - 2010000000
- **CR** - 1011300001

As the check is cleared through the Federal Reserve Banking System, the EBS processing will move the cash from the 1011300001 G/L account to 1011300000 G/L account indicating that it is a cleared item and not an open item. Uncleared checks will show on the Outstanding Check Register for the State Treasurer's staff.

5. If an issued check needs to be cancelled, agencies should still submit the request to the State Treasurer's Office, ATTN: Ms. Mary Ann Stone. Checks will be canceled based on the situation, as follows:

- **If the check to be cancelled was issued in the current FY**, the check will be canceled, the Payment Document will be reversed and reset and the invoice will be canceled. If the agency prefers that the invoice be re-paid, they will have to re-process the invoice.
 - **If the check was issued in a prior FY**, the check will be canceled and a journal entry will be generated debiting the Contingent Checks out cash account and crediting 45200100000 Refund Prior Year Expenditure account for checks issued from an original expenditure invoice, or 4890450000 Refund Prior Year Revenue for checks issued as a refund of revenue received in a previous fiscal year.
 - **Note:** SCEIS cannot reverse an expenditure or revenue from a prior fiscal year, as the expenditures and revenues are FY-dependent.
 - **Note:** If a previously issued check is cancelled, the invoice will no longer have a B Block placed on it. The invoice will be reversed. If your agency prefers the invoice to be paid, the agency staff will have to re-enter the invoice in the SCEIS system and it will flow through the approval workflow processes. The next payment run after all approvals have been met will pick up the invoice and process the payment document.
6. The IF383A AP Direct Pay Invoices Inbound Interface and the IF389 AP Outbound Interfaces have had file format changes due to the Contingent Payment process moving from STARS to SCEIS. Information regarding these changes was provided to all agencies via the July 16, 2012 [SCEIS Weekly Update](#), and to specific agencies that currently use one or both of these interfaces via a targeted e-mail. The Weekly Update item, and supporting Interface Operational Guides are posted at <http://sceis.sc.gov/page.aspx?id=236>, for your convenience.
7. Any agency using the multiple payee vendor (SCEIS Vendor #999900052) should be aware that space allocated for Payee Names is now restricted to three 70-byte (character) free-form lines (as opposed to the twenty 40-byte lines previously offered). This change is due to the restriction in the space available on the face of the check.
8. Check distribution will continue to be performed by the State Treasurer's Office. Agencies will receive their checks in the same manner as previous to this change, with one exception. When SCEIS is processing the payment run and printing checks, the checks will be separated into two batches as follows:
- Checks with a payment method of C (vendors with multiple invoices rolled into one check)
 - Checks with a payment method of S (vendors with a single check for each processed invoice)

The SCEIS system will not allow payments to be sorted with the two payment methods merged. The State Treasurer's Check Distribution staff will provide both batches to your agency's courier if applicable. (The courier will have to sign in two places for receipt).

Beginning on Wednesday, August 22, 2012, the Comptroller General's Office, the State Treasurer's Office and SCEIS will have personnel available to answer questions and provide support for your agency. There will be sufficient staff to respond promptly to your questions and/or issues. Please contact the SCEIS Service Desk with all questions to help our team ensure all agencies can benefit from our responses. You can contact the SCEIS Service Desk as follows:

- **Phone:** (803) 896-0001(select option 1 for SCEIS help)
- **Email:** <http://www.sceis.sc.gov/requests/>

Again, thank you for your patience and support as we move forward together to retire STARS.

cc: Senior Staff Comptroller General's Office
Senior Staff State Treasurer's Office
Senior Staff SCEIS