

Electronic Payments, Exempted Payments, and List of Causes

Pursuant to the Transparency, Accountability and Innovation in Oklahoma State Government 2.0 Act of 2011 (the Act), the Oklahoma Legislature approved a requirement that all payments from the State Treasury shall be disbursed electronically. The Act further provides that the State Treasurer may provide an exemption from this requirement with cause and that the number of exempted payments and a corresponding list of causes shall be published on the State Treasurer's website.

Attached is a report that reflects by agency the nature of causes for which requests for exemption were submitted and granted for the fiscal year ending June 30, 2017. The report also reflects the number of warrants paid during the quarters ended September 30 and December 31, 2016, and the years ended June 30, 2013, 2014, 2015 and 2016.

Nature of Causes Resulting in Exemptions

System Limitations

System limitations exist when the current systems (technology, policies and procedures, laws and regulations, etc.) do not support the gathering, storing, processing and transmitting of the data required to process payments via an electronic mechanism.

Banking Data Limitations

Banking data limitations may arise when systemic support exists to process electronic payments however the agency does not have the valid banking data required.

International ACH Transactions

An IAT is a U.S. ACH entry that is part of a payment transaction involving a financial institution, or its branch or office that is not located in the territorial jurisdiction of the United States (referred to below as "foreign bank, branch or office"). Specifically, a foreign bank, branch or office is considered a part of a payment transaction if any one or more of the following transaction conditions is met:

- The foreign bank, branch or office holds an account that is credited or debited as part of a payment transaction; or
- The foreign bank, branch or office receives funds directly from a Person or makes payment directly to a Person as part of a payment transaction; or
- The foreign bank, branch or office serves as an intermediary in the settlement of any part of a payment transaction.

The Office of the State Treasurer does not process IAT transactions. Experts from the State's ACH origination bank have advised that the settlement risk remains high with these transactions in numerous countries as they have not yet received the international acceptance necessary to reduce the risk to acceptable levels. The Office of the State Treasurer does continue to monitor settlement risk and will notify state agencies to begin planning for IAT processing when volumes and acceptability by country warrants. The Office of the State Treasurer does process U.S. dollar denominated international wire transfers through the State's operating bank with a high degree of success but also with significantly higher per transaction cost.

Other

Agencies generally submitted requests for exemption citing “Other” as the cause for refunds (applicants, licensees, denials or overpayments, misdirected payments) and reimbursements associated with receipts for which they are not currently obtaining banking data from the remitter. Agencies also requested exemptions for other one-time payments such as garnishments, emergency and other situations requiring on-demand payment. Additionally, several agencies noted that they were required to issue a warrant to replenish their petty cash funds. Payments to minors or single payments to multiple payees present problems as well. One instance was presented where state law mandates that certain indemnity payments have language related to criminal penalties printed on the check.

Most state agencies noted that they were working or were willing to work on system, banking data and other limitations preventing the use of an electronic payment option where practicable. All exemptions will expire on June 30, 2017, agencies will be asked to reapply for exemptions and to provide updated information in connection with their ongoing efforts to increase their utilization of electronic payment options.

Electronic Payment Data

The Office of the State Treasurer has gathered the following data to present a more comprehensive picture of the use of electronic payments since the passage of HB1086.

FY 2016 Payment Summary:	Transaction Volume	% of total
OKDHS electronic payments	7,195,880	(1)
OESC electronic payments	1,049,301	(2)
Purchase card transactions	540,148	(3)
OST initiated ACH credit and wire transfer transactions	<u>7,804,200</u>	
TOTAL Electronic Payments	16,589,529	93.8%
Total warrants redeemed	<u>1,094,853</u>	6.2%
TOTAL Payments	<u><u>17,684,382</u></u>	

Sources other than OST:

- (1) Oklahoma Department of Human Services
- (2) Oklahoma Employment Security Commission
- (3) Office of Management and Enterprise Services, Central Purchasing Division

FY2017 Exemption Categories

Agency Name	Agency Number	System Limitations	Banking Data Limitations	International		Warrants Paid During				Quarter Ended	
				ACH Transactions	Other	FY 2013	FY 2014	FY 2015	FY 2016	9/30/2016	12/30/2016
Oklahoma State University	010-016, 773, 775		X	X	X	74,152	73,530	70,792	71,829	18,140	18,970
Accountancy Board	20	X				220	170	176	163	28	40
Abstractors Board**	22					102	85	69	37	11	10
Military Department	25				X	3,165	1,430	1,103	991	220	227
Alcoholic Beverage Law Enforcement Commission	30				X	568	486	221	209	64	43
Boll Weevil Eradication Organization**	39					223	85	34	15	5	4
Agriculture, Food, and Forestry Department	40					1,898	1,149	970	912	215	147
Western Oklahoma State College	41	X	X		X	6,589	3,849	3,583	3,372	660	819
Board of Governors of the Licensed Architects, Landscape Architects, and Registered Interior Designers**	45					114	70	39	32	9	9
Indigent Defense System	47		X			1,431	592	411	307	54	71
Attorney General	49, 355	X	X		X	1,302	1,533	1,206	1,723	208	178
Arts Council**	55					633	421	317	286	47	58
Aeronautics Commission	60	X				157	118	122	67	22	18
Banking Department**	65		X			175	105	90	88	22	26
Office of Management and Enterprise Services**	90, 467, 548, 580, 815	X	X		X	5,446	4,347	3,643	13,135	4,981	5,617
Building Bonds Commission	91					1	1	1	1	-	0
Tobacco Settlement Endowment Trust Fund**	92					434	222	241	215	50	43
Cameron University	100		X		X	11,265	10,261	9,798	9,023	1,906	2,097
Capitol Improvement Authority**	105					166	63	53	26	2	6
Carl Albert State College	108	X			X	13,600	13,487	11,586	10,718	2,306	2,418
University of Central Oklahoma	120	X	X	X		9,924	9,633	9,179	8,787	1,978	1,932
Department of Mines**	125					488	361	288	270	66	46
Commission on Children and Youth**	127					294	237	236	206	47	49
Department of Corrections	131	X	X		X	69,235	58,336	49,344	47,326	9,535	8,733
Board of Podiatric Medical Examiners	140					0	2	2	3	2	0
Board of Chiropractic Examiners**	145					15	58	64	55	13	16
Board of Behavioral Health and Licensure**	148					0	52	98	76	15	14
University of Science and Arts of Oklahoma	150					7,753	7,650	6,459	6,455	1,348	1,885
Department of Commerce	160		X	X		1,974	956	738	673	159	128
Connors State College	165		X		X	9,238	7,999	7,154	4,594	1,420	1,667
Construction Industries Board**	170					385	243	353	313	97	99
Corporation Commission	185	X				6,137	5,610	5,456	5,013	1,265	1,231

Board of Cosmetology and Barbering**	190				188	187	210	225	39	65
Court of Criminal Appeals**	199				126	79	50	48	12	13
J. M. Davis Memorial Commission**	204				118	106	65	67	8	11
Board of Dentistry**	215				151	138	68	69	11	14
District Courts	219		X		340	121	136	139	39	26
District Attorneys Council	220	X	X		5,532	4,493	4,186	4,117	981	982
East Central University	230	X	X		14,655	13,955	13,591	12,836	2,098	2,743
Eastern Oklahoma State College	240	X	X		5,683	4,850	5,204	4,793	720	1,291
Redlands Community College	241		X		5,986	5,279	4,330	3,398	685	798
Department of Education	265		X		4,258	4,101	4,873	3,763	776	867
Educational Television Authority	266				611	422	549	610	82	114
Commission for Teacher Preparation***	269				650	463	38	0	-	0
Election Board**	270		X		789	250	355	259	64	59
Educational Quality and Accountability Board**	275				0	18	389	337	34	42
Funeral Board**	285				71	71	73	65	15	17
Employment Security Commission	290	X	X		9,636	6,640	6,624	7,029	1,626	1,343
Department of Environmental Quality	292	X	X		4,381	2,873	2,445	2,263	501	449
Ethics Commission**	296				39	14	19	16	12	7
Merit Protection Commission**	298				53	60	56	64	11	10
Office of the State Auditor and Inspector	300		X		346	260	149	166	43	39
Office of the Governor**	305				155	144	66	34	10	7
Pardon and Parole Board**	306				144	119	80	80	14	23
Interstate Oil Compact Commission**	307				53	69	98	87	11	10
Oklahoma State Bureau of Investigation	308				1,617	1,189	1,023	767	151	150
Department of Emergency Management	309		X		2,973	1,366	968	1,156	156	163
Fire Marshall Commission	310		X		202	165	151	140	39	38
Firefighters Pension and Retirement System	315	X	X		20,111	3,008	1,878	2,077	454	397
Wildlife Conservation	320		X		3,585	3,059	2,725	2,432	579	544
Office of Disability Concerns**	326				103	72	58	31	7	8
Department of Health	340		X		10,438	8,990	8,075	7,439	1,858	1,582
Board of Medicolegal Investigations**	342				944	788	756	635	152	140
Board of Examiners of Perfusionists	343				1	2	2	10	-	1
Department of Transportation	345		X		27,940	19,278	15,512	13,399	3,091	2,781
Space Industry Development Authority	346		X		514	207	180	163	54	47
Historical Society**	350				1,131	891	714	707	130	146
Horse Racing Commission	353	X	X		10,566	10,289	10,809	10,081	3,075	2,393
Energy Resources Board	359				903	464	366	510	95	46
Workers' Compensation Court of Existing Claims**	369				847	495	78	111	12	16
Industrial Finance Authority	370		X		47	38	22	23	3	4
Insurance Department	385	X			1,161	1,185	1,069	1,074	245	148
CompSource Mutual Insurance Company***	390				368,838	285,463	90,966	0	-	0

Multiple Injury Trust Fund**	391					0	76,385	84,593	82,118	20,453	19,629	
Office Of Juvenile Affairs	400	X	X			X	5,667	4,674	4,306	4,403	798	927
Department of Labor	405						239	941	244	266	65	40
Commissioners of Land Office	410		X				624	487	501	530	147	141
Council on Law Enforcement Education and Training**	415						664	405	318	364	82	62
Law Enforcement Retirement System	416					X	629	500	518	497	115	107
Langston University	420		X			X	6,461	6,323	5,029	4,606	1,142	1,205
State Senate	421						792	741	676	674	60	82
State House of Representatives	422		X				1,007	927	816	827	98	100
Legislative Service Bureau	423		X				136	76	64	62	10	7
Department of Libraries	430		X			X	1,656	1,026	848	730	215	111
Lottery Commission	435		X				3,066	2,742	2,653	2,806	664	559
Office of the Lieutenant Governor**	440						20	11	9	3	2	5
Liquified Petroleum Gas Research, Marketing and Safety Commission***	444						145	51	28	1	-	0
Liquified Petroleum Gas Board**	445						149	78	59	79	12	17
Commission on Marginal Producing Oil and Gas Wells***	446						157	10	0	0	-	0
Board of Licensed Alcohol and Drug Counselors	448		X				66	76	67	65	17	20
Board of Medical Licensure and Supervision	450					X	384	275	242	244	51	43
Department of Mental Health and Substance Abuse Services	452		X				18,596	12,489	11,308	10,690	2,473	2,522
Rogers State University	461	X	X			X	8,015	7,702	6,943	5,769	717	1,238
Murray State College	470	X	X				7,731	8,432	7,426	3,701	815	819
Motor Vehicle Commission**	475						147	183	145	105	34	26
Bureau of Narcotics and Dangerous Drugs Control	477					X	1,377	1,008	894	800	161	156
Northeastern Oklahoma A&M College	480		X				6,614	6,329	5,646	5,119	1,020	1,363
Northeastern State University	485	X	X		X		9,024	8,445	10,373	8,969	1,754	2,197
Northern Oklahoma College	490	X	X			X	8,598	8,781	9,270	8,571	1,795	1,892
Northwestern Oklahoma State University	505	X	X				10,267	10,166	9,673	8,970	1,900	2,132
State Board of Examiners for Long-Term Care Administrators**	509						105	89	79	73	18	20
Board of Nursing**	510	X	X				414	250	262	171	40	30
Public Employees Retirement System	515	X				X	26,565	23,892	21,945	19,963	4,760	4,798
Employees Group Insurance Division	516						319,745	110,005	131,963	157,303	32,644	37,990
Board of Examiners in Optometry**	520						110	554	106	82	19	21
Board of Osteopathic Examiners**	525						137	97	132	123	37	30
Oklahoma Panhandle State University	530		X			X	4,348	3,808	3,684	3,963	854	1,051
Rose State College	531	X	X			X	6,965	7,416	6,816	6,344	1,565	1,504
Peanut Commission***	535						49	52	13	0	-	0
Police Pension and Retirement System	557	X					1,318	1,284	1,256	990	211	211
Board of Pharmacy	560	X	X			X	124	79	92	83	16	15
Board of Private Vocational Schools**	563						65	44	51	50	11	9
Tourism and Recreation Department	566						7,752	5,202	4,777	4,503	1,056	1,030
Scenic Rivers Commission**	568						69	51	27	33	-	1

Board of Registration for Professiona Engineers and Land Surveyors**	570					213	211	72	105	32	33
Board of Examiners of Psychologists**	575					77	59	26	32	15	10
Bond Advisor	582		X		X	114	60	53	45	12	6
Department of Public Safety	585	X	X			7,882	6,104	5,909	5,300	1,212	1,145
Real Estate Commission**	588					188	88	80	62	28	35
State Regents for Higher Education	605		X		X	7,349	6,754	6,411	6,278	1,509	1,418
Ardmore Higher Education Center**	606					604	453	387	354	86	93
Regional University System of Oklahoma	610				X	202	111	109	103	26	30
Physician Manpower Training Commission**	619					1,546	1,361	1,224	1,345	265	383
Board of Trustees for the Quartz Mountain Arts and Conference Center and Nature	620	X	X			581	1,302	2,010	1,630	339	298
Board of Licensed Social Workers**	622					65	61	62	41	9	6
Seminole State College	623	X	X		X	5,586	4,820	4,772	4,155	770	1,017
Secretary of State**	625					2,879	3,546	5,654	3,687	738	657
Center for the Advancement of Science and Technology	628		X			926	514	469	317	58	36
School of Science and Mathematics	629		X			346	233	214	225	72	58
Securities Commission**	630					299	218	228	137	74	40
Board of Examiners for Speech-Language Pathology and Audiology**	632					62	59	45	39	7	12
Oklahoma City Community College	633	X	X		X	8,000	8,437	7,139	6,911	1,602	1,469
Commission on Consumer Credit**	635					173	140	115	128	25	31
Conservation Commission	645					1,320	877	567	299	60	61
Department of Veteran Affairs	650		X			17,463	14,597	13,886	14,493	3,317	3,026
Southeastern Oklahoma State University	660	X	X			8,970	8,361	9,055	8,751	1,949	2,546
Southwestern Oklahoma State University	665		X			12,675	12,397	11,193	10,257	2,656	2,297
Cerebral Palsy Commssion (JD McCarty Center **)	670					835	693	485	441	112	98
Self-Insurance Guaranty Fund Board**	675								31	24	25
Supreme Court	677		X			1,405	890	758	646	136	165
Council on Judicial Compliants**	678					56	43	30	32	5	4
Tax Commission	695	X			X	73,571	38,227	23,053	26,194	3,251	4,222
Teachers Retirement System	715		X	X		19,248	5,368	2,560	2,369	722	636
Oklahoma of the State Treasurer**	740					16,219	14,520	17,000	13,787	3,583	3,178
Tulsa Community College	750	X			X	12,893	13,723	13,413	12,305	2,433	2,363
Uniform Building Code Commission**	753					110	89	132	98	23	14
Used Motor Vehicle and Parts Commission**	755					142	179	170	143	28	18
University Center of Ponca City	758		X		X	211	351	343	315	71	77
University of Oklahoma	760/761		X	X	X	88,897	96,270	98,194	90,460	20,478	19,087
University of Oklahoma Health Sciences Center	770-771		X	X	X	112,908	98,344	72,782	73,315	17,564	17,816
Board of Chemical Tests for Alcohol/Drug Influence**	772					69	67	40	52	15	11
Board of Veterinary Medical Examiners**	790					179	141	114	89	21	20
Department of Career and Technology Education	800		X			3,501	2,745	2,462	1,900	448	746
Statewide Virtual Charter School Board**	803								24	16	18

Department of Rehabilitation Services	805					80,127	88,844	83,068	84,450	21,758	19,016
Health Care Authority	807	X	X		X	6,024	3,713	3,042	2,886	756	754
University Hospitals Authority	825					35	1	0	0	-	0
Department of Human Services	830	X	X		X	146,835	116,800	112,205	106,569	13,739	9,892
Water Resources Board	835		X		X	818	664	613	523	113	121
Worker's Compensation Commission**	865					0	226	323	215	41	48
Wheat Utilization, Research, and Market Development Commission	875					1,040	949	477	5	-	0
Will Rogers Memorial Commission**	880					503	332	276	344	12	0
Turnpike Authority	978		X		X	278	223	170	176	43	43
						1,836,391	1,451,053	1,198,074	1,094,853	238,872	239,324

** Agencies that are included in OMES exemption requests

***No longer issuing warrants as a state agency

-