

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 ended June 30, 2019. The report also reflects the number of warrants paid during each of the last six years.

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, 2019, 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 2019 Payment Summary:	Transaction Volume	% of total
OKDHS electronic payments	7,111,283	(1)
OESC electronic payments	655,657	(2)
Purchase card transactions	588,439	(3)
OST initiated ACH credit and wire transfer transactions	5,638,828	
TOTAL Electronic Payments	17,037,075	95.5%
Total warrants redeemed	699,125	4.5%
TOTAL Payments	17,832,126	

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

Note: numbers in red are preliminary.

FY2019 Exemption Categories

Agency Name	Agency Number	International				FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
		System Limitations	Banking Data Limitations	ACH Transactions	Other					
Employees Group Insurance Division**	516		X		X	131,963	157,303	112,313	39,765	1,892
Department of Rehabilitation Services	805	X				83,068	84,450	79,585	75,800	67,067
Multiple Injury Trust Fund**	391		X		X	84,593	82,118	78,080	74,149	63,667
Oklahoma State University	010-016, 773, 775		X	X	X	70,792	71,829	77,524	67,247	68,632
University of Oklahoma	760, 761		X	X	X	98,194	90,460	75,783	69,517	58,792
University of Oklahoma Health Sciences Center	770, 771		X	X	X	72,782	73,315	69,944	66,791	65,544
Department of Human Services	830	X	X			112,205	106,569	43,709	36,908	32,192
Department of Corrections	131	X	X		X	49,344	47,326	36,287	35,390	36,878
Tax Commission	695	X	X	X	X	23,053	26,194	25,998	20,888	22,293
Office of Management and Enterprise Services**	90, 467, 548, 580, 815									
Public Employees Retirement System	515	X			X	21,945	19,963	15,910	6,577	5,705
Office of the State Treasurer**	740	X	X		X	17,000	13,787	12,979	15,447	14,011
Department of Veteran Affairs	650		X			13,886	14,493	11,961	10,375	9,367
Department of Transportation	345		X			15,512	13,399	11,317	10,206	8,689
East Central University	230	X	X		X	13,591	12,836	10,901	9,329	8,490
Tulsa Community College	750	X	X		X	13,413	12,305	10,531	10,294	9,777
Department of Mental Health and Substance Abuse Services	452		X		X	11,308	10,690	10,381	9,579	7,853
Horse Racing Commission	353	X	X		X	10,809	10,081	10,149	10,077	6,352
Carl Albert State College	108	X			X	11,586	10,718	9,651	8,984	5,993
Southwestern Oklahoma State University	665	X	X			11,193	10,257	9,310	8,480	7,966
Southeastern Oklahoma State University	660	X	X			9,055	8,751	9,132	8,360	7,133
Cameron University	100		X		X	9,798	9,023	8,659	8,748	8,813
University of Central Oklahoma	120	X	X		X	9,179	8,787	8,330	8,406	8,181
Northwestern Oklahoma State University	505	X	X			9,673	8,970	8,286	5,461	5,494
Northeastern State University	485	X	X	X		10,373	8,969	7,945	5,949	5,165
Northern Oklahoma College	490	X	X		X	9,270	8,571	7,675	7,154	6,209
Department of Health	340		X		X	8,075	7,439	6,781	5,870	5,305
Connors State College	165		X		X	7,154	4,594	6,720	6,002	4,087
University of Science and Arts of Oklahoma	150		X			6,459	6,455	6,627	6,443	6,554
Employment Security Commission	290	X	X		X	6,624	7,029	6,375	6,044	5,973
Rose State College	531	X	X		X	6,816	6,344	6,316	6,545	6,444
Oklahoma City Community College	633	X	X		X	7,139	6,911	6,271	5,861	5,913
State Regents for Higher Education	605		X		X	6,411	6,278	5,574	5,113	2,861
Corporation Commission	185	X			X	5,456	5,013	5,387	2,418	1,647
Langston University	420		X	X	X	5,029	4,606	4,882	4,814	3,660
Northeastern Oklahoma A&M College	480		X			5,646	5,119	4,784	6,229	7,528
Department of Public Safety	585	X	X			5,909	5,300	4,741	4,355	4,059
Eastern Oklahoma State College	240	X	X		X	5,204	4,793	4,250	4,143	4,207
Tourism and Recreation Department	566					4,777	4,503	4,149	4,021	3,748
Rogers State University	461	X	X		X	6,943	5,769	4,122	3,959	3,917
Department of Education	265		X			4,873	3,763	4,047	4,400	4,974
Office Of Juvenile Affairs	400	X	X			4,306	4,403	3,903	3,511	3,001
District Attorneys Council	220	X	X		X	4,186	4,117	3,900	4,027	3,963
Oklahoma Panhandle State University *	530		X		X	3,684	3,963	3,735	3,446	3,110
Seminole State College	623	X	X			4,772	4,155	3,560	3,813	3,891
Murray State College	470	X	X			7,426	3,701	3,262	3,124	3,050
Redlands Community College	241		X		X	4,330	3,398	3,220	1,679	1,480
Western Oklahoma State College	41	X	X	X	X	3,583	3,372	3,178	2,726	2,861
Secretary of State**	625		X			5,654	3,687	3,064	2,900	2,784
Health Care Authority	807	X	X		X	3,042	2,886	2,766	2,456	2,529
Lottery Commission	435		X			2,653	2,806	2,416	3,025	3,062
Teachers Retirement System	715		X	X		2,560	2,369	2,314	2,460	2,291
Wildlife Conservation	320		X			2,725	2,432	2,234	2,073	2,012
Department of Career and Technology Education	800		X			2,462	1,900	1,910	1,297	1,292
Department of Environmental Quality	292	X	X			2,445	2,263	1,859	1,581	1,487
Firefighters Pension and Retirement System	315	X	X		X	1,878	2,077	1,612	1,636	2,102
Board of Trustees for the Quartz Mountain Arts and Conference Center and Nature	620	X	X			2,010	1,630	1,287	1,192	1,171
Physician Manpower Training Commission**	619				X	1,224	1,345	1,218	1,039	429
Military Department	25					1,103	991	935	839	732
Police Pension and Retirement System	557	X				1,256	990	850	891	904
Attorney General	49, 355	X	X		X	1,206	1,723	823	857	882
State House of Representatives	422		X			816	827	788	587	353
Agriculture, Food, and Forestry Department	40					970	912	761	725	614
Bureau of Narcotics and Dangerous Drugs Control	477				X	894	800	676	448	459
Insurance Department	385	X			X	1,069	1,074	674	603	537
Department of Emergency Management	309		X		X	968	1,156	624	873	320
State Senate	421					676	674	619	562	580
Historical Society**	350		X		X	714	707	571	498	498
Oklahoma State Bureau of Investigation	308				X	1,023	767	570	540	503
Board of Medicolegal Investigations**	342		X		X	756	635	567	529	413
Department of Libraries	430		X		X	848	730	557	415	372
Commissioners of Land Office	410				X	501	530	557	469	451
Department of Commerce	160		X	X		738	673	551	481	409
Supreme Court	677		X			758	646	536	715	694
Educational Television Authority	266					549	610	500	255	309
Law Enforcement Retirement System	416				X	518	497	457	472	1,357
Water Resources Board	835					613	523	454	427	358
Cerebral Palsy Commission (JD McCarty Center **)	670		X		X	485	441	443	742	690
Construction Industries Board**	170		X		X	353	313	433	503	374
Energy Resources Board	359		X			366	510	380	885	457
Ardmore Higher Education Center**	606		X		X	387	354	369	296	274
Council on Law Enforcement Education and Training**	415		X		X	318	364	302	362	416
University Center of Ponca City	758		X		X	343	315	274	257	181
Conservation Commission	645					567	299	259	184	150

FY2019 Exemption Categories

Agency Name	Agency Number	International				FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
		System Limitations	Banking Data Limitations	ACH Transactions	Other					
Indigent Defense System	47		X			411	307	239	280	250
Arts Council	55					317	286	234	192	178
School of Science and Mathematics	629		X			214	225	231	200	172
Securities Commission**	630		X		X	228	137	230	117	117
Commission on Children and Youth**	127		X		X	236	206	226	232	159
Election Board**	270		X		X	355	259	220	313	173
Department of Mines**	125		X		X	288	270	214	141	105
Department of Labor	405					244	266	210	172	190
Center for the Advancement of Science and Technology	628		X			469	317	208	221	180
Space Industry Development Authority	346		X			180	163	198	150	117
Educational Quality and Accountability Board**	275		X		X	389	337	196	146	173
Alcoholic Beverage Law Enforcement Commission**	30		X		X	221	209	195	186	363
Board of Cosmetology and Barbering**	190		X		X	210	225	193	344	443
Tobacco Settlement Endowment Trust Fund**	92		X		X	241	215	190	171	170
Board of Medical Licensure and Supervision	450					242	244	188	80	208
Turnpike Authority	978		X		X	170	176	188	165	186
Worker's Compensation Commission**	865		X		X	323	215	159	198	215
Office of the State Auditor and Inspector	300		X			149	166	148	141	135
Board of Registration for Professional Engineers and Land Surveyors**	570		X		X	72	105	147	165	167
Fire Marshall Commission	310		X			151	140	146	143	129
Board of Nursing	510	X	X			262	171	145	247	250
Accountancy Board	20	X				176	163	127	116	125
Commission on Consumer Credit**	635		X		X	115	128	119	106	1,217
Motor Vehicle Commission**	475		X		X	145	105	116	104	97
District Courts	219		X			136	139	115	81	82
Funeral Board**	285		X		X	73	65	114	58	52
Board of Osteopathic Examiners**	525		X		X	132	123	111	123	109
Real Estate Commission**	588		X		X	80	62	107	97	99
Regional University System of Oklahoma	610				X	109	103	106	100	110
Aeronautics Commission	60	X				122	67	103	119	81
Banking Department**	65		X		X	90	88	95	89	139
Self-Insurance Guaranty Fund Board**	675		X		X		31	85	55	42
Board of Veterinary Medical Examiners**	790		X		X	114	89	82	77	79
Used Motor Vehicle and Parts Commission**	755		X		X	170	143	79	88	63
Board of Examiners in Optometry**	520		X		X	106	82	77	76	83
Pardon and Parole Board**	306		X		X	80	80	76	73	60
State Board of Examiners for Long-Term Care Administrators**	509		X		X	79	73	76	78	64
Workers' Compensation Court of Existing Claims**	369		X		X	78	111	73	110	74
Uniform Building Code Commission**	753		X		X	132	98	67	58	64
Board of Pharmacy	560	X			X	92	83	63	68	60
Board of Dentistry**	215		X		X	68	69	63	69	69
Board of Chiropractic Examiners**	145		X		X	64	55	62	42	40
Statewide Virtual Charter School Board**	803		X		X		24	61	135	177
Board of Behavioral Health and Licensure**	148		X		X	98	76	59	51	50
Board of Licensed Alcohol and Drug Counselors	448		X			67	65	59	38	44
Liquified Petroleum Gas Board**	445		X		X	59	79	57	36	78
Abstractors Board**	22		X		X	69	37	50	35	47
Board of Chemical Tests for Alcohol/Drug Influence**	772		X		X	40	52	47	53	41
Court of Criminal Appeals**	199		X		X	50	48	47	53	44
J. M. Davis Memorial Commission**	204		X		X	65	67	44	52	63
Board of Private Vocational Schools**	563		X		X	51	50	43	43	46
Board of Examiners for Speech-Language Pathology and Audiology**	632		X		X	45	39	41	45	35
Merit Protection Commission**	298		X		X	56	64	40	39	41
Bond Advisor	582					53	45	39	19	
Board of Examiners of Psychologists**	575		X		X	26	32	39	23	24
Interstate Oil Compact Commission**	307		X		X	98	87	38	44	26
Legislative Service Bureau	423		X			64	62	36	39	33
Board of Licensed Social Workers**	622		X		X	62	41	36	38	34
Ethics Commission**	296		X		X	19	16	35	26	55
Office of the Governor**	305		X		X	66	34	32	64	65
Board of Governors of the Licensed Architects, Landscape Architects, and Registered Interior Designers**	45		X		X	39	32	32	24	29
Office of Disability Concerns**	326		X		X	58	31	26	15	17
Capitol Improvement Authority**	105		X		X	53	26	20	41	92
Boll Weevil Eradication Organization**	39		X		X	34	15	20	15	12
Council on Judicial Complaints**	678		X		X	30	32	17	15	25
Industrial Finance Authority	370		X		X	22	23	17	20	17
Office of the Lieutenant Governor**	440		X		X	9	3	15	17	11
Will Rogers Memorial Commission	880					276	344	12		
Board of Examiners of Perfusionists	343					2	10	3	4	3
Board of Podiatric Medical Examiners	140					2	3	3	1	1
Native American Cultural and Education Authority	361									6
Scenic Rivers Commission***	568					27	33	1		
Wheat Utilization, Research, and Market Development Commission***	875					477	5			
Building Bonds Commission***	91					1	1			
Liquified Petroleum Gas Research, Marketing and Safety Commission***	444					28	1			
Commission for Teacher Preparation***	269					38				
CompSource Mutual Insurance Company***	390					90,966				
Commission on Marginal Producing Oil and Gas Wells***	446					0				
Peanut Commission***	535					13				

FY2019 Exemption Categories

Agency Name	Agency Number	System Limitations	Banking Data Limitations	International		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
				ACH Transactions	Other					
University Hospitals Authority	825					0	0	0	1	2
						1,198,074	1,094,853	932,764	793,035	699,124

* Exemption Request Pending Approval

** Agencies that are included in OMES

*** No longer issuing warrants as a state agency