



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

May 15, 2001

OFM DIRECTIVE 01A-01

TO: Agency Directors and Policy Manual Holders

FROM: Sadie Rodriguez-Hawkins, Assistant Director
Accounting Division

**SUBJECT: REVISIONS TO CHAPTER 75 UNIFORM CHART OF ACCOUNTS;
CHAPTER 80 ACCOUNTING POLICIES; CHAPTER 85 ACCOUNTING
PROCEDURES; CHAPTER 90 STATE REPORTING; AND CHAPTER 95
FEDERAL ASSISTANCE REPORTING**

We are revising several chapters of the state of Washington's *State Administrative and Accounting Manual* (SAAM), issued by the Office of Financial Management (OFM). The effective date of these revisions is June 1, 2001. These revisions implement the provision of Governmental Accounting Standards Board (GASB) Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions*, and update state reporting policies and procedures for Fiscal Year 2001. This directive also reiterates the timetables related to year-end reporting and includes the fiscal year end-closing schedule. Please replace the applicable sections in your manual with these revisions.

Chapter 75: Uniform Chart of Accounts (Section 75.40)

<http://www.ofm.wa.gov/policy/75.40.htm>

- New general ledger codes are added for donations/pledges receivables and for certificate of participation discounts and issue costs.

Chapter 80: Accounting Policies (Sections 80.20 and 80.30)

<http://www.ofm.wa.gov/policy/80.htm>

- The accounting policy on measurement focus and basis of accounting is changed to reflect language of GASB Statement No. 33. Exchange transactions are identified, and revenue from these transactions is to be recorded when the underlying exchange transaction occurs. Revenue recognition on non-exchange transactions is also described.

Chapter 85: Accounting Procedures (Sections 85.54 and 85.70)

<http://www.ofm.wa.gov/policy/85.htm>

- The accounting treatment for recognizing taxes receivable on fuel taxes and unemployment taxes is changed to when the underlying exchange transaction occurs.
- Accounting for receivables of private donation pledges is added. Pledges due within one year are short term; pledges not due within one year are long term. In governmental and expendable trust funds, revenue associated with long term pledges receivables is deferred.
- With prior approval from OFM, non-AFRS warrant producing agencies are allowed to use alternate coding other than GL 6505 for recording expenditure/expense accruals.

Chapter 90: State Reporting (<http://www.ofm.wa.gov/policy/90.htm>)

- Revenues that should be accrued are revised to include:
 - 1) taxes imposed on exchange transactions when the underlying exchange transaction occurs, if collectible within one year, and
 - 2) private donation pledges when eligibility requirements are met provided they are verifiable, probable of collection, measurable, and available.
- Agencies are required to complete and submit their state disclosure forms in an electronic format. For further information on electronic forms, please contact James Scheibe at (360) 664-7681 or james.scheibe@ofm.wa.gov.

Agencies are reminded to promptly notify their assigned OFM Accounting Consultant in the event a material prior period adjustment is deemed necessary to correct an error of a prior period. For further information on prior period adjustments, refer to Section 90.20.15.

Chapter 95 (Federal Assistance Reporting) Changes (<http://www.ofm.wa.gov/policy/95.htm>)

- There is a new requirement to report the **EIN numbers** covered by the state single audit. Refer to Section 95.10.40.g. This requirement is pursuant to federal clearinghouse Data Collection Form reporting instructions for FY 2001. OFM will be developing a new report screen in the electronic reporting module for the reporting of multiple EINs.
- Incorporation of new federal cluster requirements (March 2001 *Compliance Supplement*). There are three new cluster designations, Public Schools & Economic Development, Consolidated Health Centers, and HIV. Refer to Section 95.20.15.c for details. One new Catalog of Federal Domestic Assistance (CFDA) program has also been added to the renamed Section 8 cluster (14.871, Section 8 Housing Choice Vouchers) and four new CFDA programs have been added to the Highway Safety cluster (20.602, Occupant Protection; 20.603, Federal Highway Safety Data Improvements Incentive Grants; 20.604, Safety Incentive Grants for Use of Seatbelts; and 20.605, Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons).

Questions on these changes, or federal assistance reporting in general, should be addressed to Norm Johnson at (360) 664-7676 or norm.johnson@ofm.wa.gov.

Timetables Related to Year End Reporting

Displayed below is the timeline for reporting data to the Agency Financial Reporting System (AFRS) for closing the fiscal year:

Fiscal Year Closing Schedule

			AFRS <u>Reports</u>
Phase 1 (Agency Accruals)	Tuesday	July 31	Yes
Phase 2 (Final Adjustments)	Thursday	Sept. 13	Yes
Phase 3 (SAO Adjustments)	Thursday	Oct. 11	No
Phase 4 (Final Reports)	Friday	Dec. 21	Yes

Agency accrual activity is to be completed by **July 31, 2001**, and further agency adjustment activity is to be completed by **September 13, 2001**. This is the final opportunity for agencies to enter adjustments before data is sent to the State Auditor for audit.

Component units that do not submit data directly through AFRS are to submit audited financial statements to the OFM Accounting Division by **October 16, 2001**.

The cutoff date for submittal of SARS information is **August 17, 2001**.

Interagency billings, whether based on actuals or estimates, should be sent out to agencies by **July 16, 2001**.

Federal Assistance report forms (paper or electronic) and the agency certification form are due to OFM by **September 25, 2001**. Electronic forms are to be emailed to norm.johnson@ofm.wa.gov. The original and one copy of the agency certification form, any other forms not submitted electronically and any variance explanations are to be mailed to the Accounting Division, Attn. Fed Reporting, PO Box 43123, Olympia, WA 98504-3123.

Supplemental state reporting disclosure forms (forms A through K) are to be received by OFM by **October 11, 2001**. Email the completed forms, except Form K, to james.scheibe@ofm.wa.gov. Mail the signed original and one copy of Form K to the Accounting Division, PO Box 43123, Olympia, WA 98504-3123.

The policies and procedures prescribed in SAAM are the minimum requirements that state agencies must meet. An agency may adopt more restrictive or detailed policies as long as the agency meets the required minimum standards.

All OFM directives and policies are available on our web site at <http://www.ofm.wa.gov/policies.htm>. We encourage you to use the on-line version of SAAM, as it includes all technical corrections made between formal policy updates which are published under directives. The superseded policies and additional resources are also available on our Administrative and Accounting Resources web site at <http://www.ofm.wa.gov/policy/resource.htm>.

Questions regarding manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency.

Attachments