



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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June 24, 2003

OFM DIRECTIVE 03A-03

TO: Agency Directors and Policy Manual Holders

FROM: Sadie Rodriguez-Hawkins, Assistant Director
Accounting Division

SUBJECT: CHAPTER 10 TRAVEL; CHAPTER 15, PERSONAL SERVICE CONTRACTS; CHAPTER 16 CLIENT SERVICE CONTRACTS; CHAPTER 50, FEDERAL COMPLIANCE; CHAPTER 75, UNIFORM CHART OF ACCOUNTS; CHAPTER 80, ACCOUNTING POLICIES; AND CHAPTER 85 ACCOUNT PROCEDURES

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 July 1, 2003. These revisions include numerous policy updates. Please replace the applicable sections in your manual with these revisions.

Key changes to the policies include:

CHAPTER 10: TRAVEL (<http://www.ofm.wa.gov/policy/10.htm>)

Subsection 10.30.20 Exceptions to the maximum allowable lodging rates

Subsection 10.40.20 Exception to the meal allowance

- Added an exception for lodging and meal rates for any county that is part of a metropolitan statistical area (MSA), the largest city of which is in another state. This exception is valid only during the 2003-05 biennium.

CHAPTER 15: PERSONAL SERVICE CONTRACTS

Please note information related to the new and exclusive way to file and report contracts through the Personal Service Contract Database implemented by OFM on June 1, 2003.

Section 15.10 (<http://www.ofm.wa.gov/policy/15.10.htm>)

- Added limitations on personal service contracts that have been in effect, but not previously included in this policy.
- Clarified training requirements related to management-level contract training.

Section 15.20 (<http://www.ofm.wa.gov/policy/15.20.htm>)

- Added minimum requirements related to documentation for both informal and formal competitive procurement processes.
- Added requirement that agencies provide opportunity for debriefing conferences to unsuccessful bidders.
- Added information on master personal service contracts offered through the Department of General Administration.
- Added new section on managing/monitoring personal service contracts.

Section 15.30 (<http://www.ofm.wa.gov/policy/15.30.htm>)

- Clarified filing requirements applicable to institutions of higher education related to fund source.
- Added new requirement related to exclusive use of the Personal Service Contract Filing Database (PSCD) for filing personal service contracts and amendments effective June 1, 2003. New required data element is the Taxpayer Identification Number (TIN).
- Added examples of emergency contracts.
- Added requirement to report both personal service contracts and architectural and engineering agreements using the PSCD. New required data element is the TIN.
- Clarified requirements related to personal service contracts that are reported to OFM by institutions of higher education and added applicable emergency contracts.
- Clarified requirements relating to reporting of contract procedures to OFM.

CHAPTER 16: CLIENT SERVICE CONTRACTS (<http://www.ofm.wa.gov/policy/16.htm>)

- Added clarification to definition of client services.
- Added requirement to document in file rationale for any decision to deviate from best practices in Guidelines.
- Added subsection on managing/monitoring client service contracts.
- Clarified training requirements related to management-level contract training.
- Clarified requirements relating to reporting of contract procedures to OFM.

CHAPTER 50: FEDERAL COMPLIANCE (<http://www.ofm.wa.gov/policy/50.htm>)
(Subsections 50.20.65, 50.30.25, and 50.40.30)

- Added to the responsibilities of internal service activities the provision to adhere to the requirements of Circular A-87 related to annual adjustments between revenue and allowable actual costs.
- Raised the dollar threshold for requirement of a single audit to \$500,000 or more, and the threshold for OMB designation of a federal cognizant agency to \$50 million in accordance with Circular A-133 revisions.
- Increased threshold for programs subject to CMIA regulations to \$55 million or more.
- Clarified eligible interest calculation costs.

CHAPTER 75: UNIFORM CHART OF ACCOUNTS
(<http://www.ofm.wa.gov/policy/75.htm>)
(Sections 75.30, 75.40, 75.70 and 75.80)

- Added new agency: 3410.
- Added new accounts: 06G, 06H, 06J, 06K, 06M, 06N, 06P, 06T, 06V, 06W, 07A, 07B, 07C, 07E, 07F, 07G, 07H, 07K, 07L, 07M, 07N, 357, 441, 470, 471, 548, 549, 550, 796, and 797.
- Inactivated accounts: 05V, 094, and 329
- Changed the sub-object for non-capitalized furnishing, equipment and software from EQ to JA.
- Reorganized revenue source codes. Crosswalks are located on the Administrative and Accounting Resource web site at <http://www.ofm.wa.gov/policy/misc.htm>.
- Deleted certain unused revenue source codes: 0102, 0131, 0132, 0138, 0142, 0193, 0194, 0235, 0241, 0243, 0267, 0273, 0288, 0412, 0435, 0447, 0615, 0634, 0653, 0662, 0663, 0664, 0665, 0708, and 0746.

CHAPTER 80: ACCOUNTING POLICIES (<http://www.ofm.wa.gov/policy/80.htm>)
(Subsection 80.30.88)

- Clarified policy related to requirements for agencies implementing, maintaining, or modifying accounting or reporting systems.

CHAPTER 85: ACCOUNTING PROCEDURES (<http://www.ofm.wa.gov/policy/85.htm>)

- Updated for changes to revenue source codes.
- Updated for change from sub-object EQ to JA.
- Clarified policies related to statutorily cancelled warrants, accounting for bonds and certificates of participation.

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.

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All OFM directives and policies are available on our web site at <http://www.ofm.wa.gov/accounting/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 policy content and proper interpretation of the contracting policies in Chapters 15 and 16 should be directed to the following OFM Contract staff:

Susan Johnsen	360-725-5258	susan.johnsen@ofm.wa.gov
Laura Nelson	360-725-5259	laura.nelson@ofm.wa.gov
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Questions regarding all other manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency.

Attachments