



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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December 24, 2003

**OFM DIRECTIVE 03A-06**

**TO:** Agency Directors and Policy Manual Holders

**FROM:** Sadie Rodriguez-Hawkins, Assistant Director  
Accounting Division

**SUBJECT: CHAPTER 10: TRAVEL, CHAPTER 25: PAYROLL, CHAPTER 50:  
FEDERAL COMPLIANCE, and CHAPTER 60: MOVING EXPENSES**

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 January 1, 2004. Please replace the applicable pages in your manual with these revisions.

Key changes to the policies include:

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

Subsection 10.50.45 reflects the changes in purchasing airfare in light of the new travel arrangement options available through the Department of General Administration.

Subsection 10.90.20 increases the mileage reimbursement rate for privately owned vehicles to the rate set by the United States Treasury Department as allowed by RCW 43.03.060. The rate for January 1, 2004, will be \$.375, an increase from \$.345. The state is also adopting the rates set by the United States Treasury Department for motorcycles and private aircraft.

Other minor changes can be identified by an effective date of January 1, 2004.

**CHAPTER 25: PAYROLL** <http://www.ofm.wa.gov/policy/25.htm>

Subsection 25.10.40.b has been expanded to include a chart depicting when full time equivalents (FTEs) should be recorded along with the associated payroll transactions. Guidance on the proper accounting for the state/federal work study program activity 690 is also added.

Subsection 25.20.40 adds health insurance reconciliations to the list of recommended monthly payroll reconciliations.

Subsection 25.30.40 is updated to provide contact information for the Internal Revenue Service (IRS) and Social Security Administration (SSA) to assist agencies in understanding taxability of fringe benefits.

Subsection 25.30.50 is added to provide state policy requirements for cash-out payments of compensatory time.

Subsection 25.40.10 is updated to reflect a change in state law and rules that expands the shared leave program to cover state employees called to service in the uniformed services. Additionally, the state fringe benefit rate used to determine the total cost of shared leave transactions has been lowered from 40% to 38% effective January 1, 2004.

Subsection 25.40.40 is updated to conform to laws, rules and policies related to the recovery of time loss compensation received by employees while absent from work and in approved disability status under the state workers' compensation program.

Subsection 25.60 reflects expanded wage assignment and garnishment policy prepared in conjunction with the Office of the Attorney General.

Subsection 25.70.30 is updated to reflect 2003 legislation to increase to \$10,000 the maximum that can be distributed for deceased employees. Additionally, new claim forms have been added allowing claimants the option of not having claims forms notarized when filing for amounts due.

Subsection 25.80 is a new section implementing 2003 legislation regarding wage overpayments and establishing 'due process' requirements for collecting amounts from employees who have been overpaid.

Other minor changes can be identified by an effective date of January 1, 2004.

In addition to the update to Chapter 25 discussed above, we have addressed numerous payroll related topics on our Administrative and Accounting Resources web site at <http://www.ofm.wa.gov/policy/resource.htm>. Among the additions to the web site are:

- A listing of state paydates, state and federal holidays, and deposit rules for payrolls having \$100,000 or more employment taxes.
- A sample case and optional worksheets for donation and reversion of shared leave.
- The extensive training handout that was developed by the Attorney General's Office for a recent training class on garnishments and other withholding documents. Also included are additional Excel calculation worksheets to determine disposable earnings subject to garnishment.
- A sample "Authorization for Electronic Funds Transfer (EFT) of Wages" direct deposit form.

- Detailed procedures on how to file claims for amounts due to deceased employees.

**CHAPTER 50 – FEDERAL COMPLIANCE** <http://www.ofm.wa.gov/policy/50.10.htm>

Section 50.10 updates federal requirements regarding annual U.S. information returns. Reference is provided to the important SSA and IRS taxpayer identification number (TIN) verification programs available to agencies to avoid risk of reporting incorrect TIN information to the federal agencies.

**CHAPTER 60: MOVING EXPENSES** <http://www.ofm.wa.gov/policy/60.10.htm>

Clarified responsibilities relating to moving expenses in Section 60.10.

Please replace the following pages as noted:

Chapter 10	Entire chapter
Chapter 25	Entire chapter
Chapter 50	Entire chapter
Chapter 60	Entire chapter
Glossary	All pages
Forms Index	All pages

Also replace the following pages due to a correction to federal revenue source codes effective July 1, 2003: Chapter 75, Subsection 75.80.30, pages 163-166.

- Added revenue source code 0355 Federal Revenue - Non-Assistance
- Renamed revenue source code 0397 Homeland Security

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/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 all other manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency.

Attachments