



STATE OF WASHINGTON

**OFFICE OF FINANCIAL MANAGEMENT**

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June 18, 2010

**OFM DIRECTIVE 10A-10**

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

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

**SUBJECT: Chapter 10 - Travel; Chapter 12 - Transportation; Chapter 25 - Payroll; Chapter 40 - E-Commerce; Chapter 50 - Federal Compliance; Chapter 60 - Moving Expenses; Chapter 65 - Financial Services Agreements; Chapter 70 - Other Administrative Regulations; Chapter 75 - Uniform Chart of Accounts; Chapter 80 - Accounting Policies; Chapter 85 - Accounting Procedures; and Index and Glossary**

We have revised several chapters of the *State Administrative and Accounting Manual (SAAM)*, effective July 1, 2010.

Key changes to the policies include:

**Chapter 10: Travel** (<http://www.ofm.wa.gov/policy/10.htm>)  
**(Section 10.50)**

- Aligned language related to transporting authorized passengers with that for rental vehicles (10.50.35.c).

**Chapter 12: Transportation** (<http://www.ofm.wa.gov/policy/12.htm>)  
**(Section 12.40)**

- Clarified the description of the Self-Insurance Liability Program (SILP) for auto liability claims and workers' compensation programs (12.40.10.a and b).
- Added language on insurance coverage for all state drivers of commercially rented vehicles (12.40.20.b).
- Added language on insurance coverage for student drivers of privately owned vehicles (12.40.20.d).

**Chapter 25: Payroll** (<http://www.ofm.wa.gov/policy/25.htm>)

**(Sections 25.20 and 25.40)**

- Clarified that payments to other state agencies should utilize the interagency payment process whenever possible (25.20.40.b).
- Added that, in accordance with Engrossed Substitute Senate Bill 6503, employees whose base salary is \$2,500 or less and have no vacation leave may use shared leave in lieu of a temporary layoff during the closure of an office of a state agency or institution of higher education. This is effective during the 2009-11 biennium only (25.40.10).

**Chapter 40: E-Commerce** (<http://www.ofm.wa.gov/policy/40.htm>)

**(Sections 40.10, 40.20, 40.30, 40.40 and 40.50)**

- Added remote deposit services for the deposit of checks to the state treasury or local bank accounts, and stored value cards (40.10.50, 40.20.10, and 40.20.30).
- Added language that automated clearing house (ACH) is the preferred method for agencies accepting funds.
- Added requirement that if a proposed application is limited to the acceptance of credit cards and/or debit cards and does not include ACH, the economic feasibility study (EFS) is required to explain why ACH is not a viable option (40.20.20, 40.20.30, and 40.40.30).
- Clarified methods of electronic funds disbursement (Section 40.30).
- Added requirement that the EFS must specify how funds/benefits will be accepted, and which card brands will be accepted (40.40.10).
- Relocated subsection on steps to request approval from OFM for an EFS (40.40.60).
- Relocated subsection on steps after approval of an EFS (40.40.70).
- Added requirement to comply with Payment Card Industry - Data Security Standards (PCI-DSS) to safeguard cardholder data (40.50.10).

**Chapter 50: Federal Compliance** (<http://www.ofm.wa.gov/policy/50.htm>)

**(Section 50.40)**

- Increased the threshold for programs subject to the Cash Management Improvement Act (CMIA) regulations to \$35 million or more in federal expenditures (50.40.30).

**Chapter 60: Moving Expenses** (<http://www.ofm.wa.gov/policy/60.htm>)

**(Sections 60.10, 60.20 and 60.30)**

- Clarified definition of new employees qualified for moving expenses (60.10.30).
- Added domestic partners of new or transferred employees to those included for allowable moving costs (60.20.10).
- Updated the listing of mandatory payroll deductions to be considered before determining the employee's share of moving costs (60.30.30).

**Chapter 65: Financial Services Agreements** (<http://www.ofm.wa.gov/policy/65.htm>)  
(Section 65.10)

- Added reference to RCW 39.58.080 regarding deposit of public funds (65.10.10).

**Chapter 70: Other Administrative Regulations** (<http://www.ofm.wa.gov/policy/70.htm>)  
(Section 70.20)

- Added the Washington State Investment Board may pay travel expenses for qualified prospective employees being considered for investment officer positions (70.20.20).

**Chapter 75: Uniform Chart of Accounts** (<http://www.ofm.wa.gov/policy/75.htm>)  
(Sections 75.20, 75.30, 75.40, 75.70 and 75.80)

- Added language regarding the timing of modifications for the Governmental Accounting Standards Board (GASB) Statement No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*” (75.30.10, 75.40.10, and 75.40.20).
- Eliminated Agency 1440, Municipal Research Council (Section 75.20).
- Changed rollup fund materiality level amounts: Transportation Revenue Bond Fund, Printing Services Fund, Public Safety Employees’ Retirement System Plan 2 Fund, Judicial Retirement Fund, Judges Supplemental Retirement Defined Contribution Fund, and Judges Retirement Fund (75.30.40).
- Added new accounts: 16L, 16N, 16P, 16R, 16T, 16V, 16W, 17A, 17B, 17C, 17E, 17F, 17H, and 17P (75.30.50 and 75.30.60).
- Reactivated accounts: 01F and 748.
- Deleted accounts: 05B, 05P, 06P, 074, 07M, 10J, 11C, 127, 137, 238, 286, 287, 288, 509, 556, 741, 744, 758, 762, 765, 767, 791, 792, 794, 836, and 858.
- Changed name of accounts: 01B, 04F, and 150.
- Changed rollup fund of account: 12V, 14L, and 15C.
- Changed budget type of accounts: 411, 420 and 600.
- Changed administrative agency of account: 01E, 05K, 06C, 09T, 15C and 525.
- Added new general ledger codes: 1960 and 9559 (Section 75.40).
- Added new revenue source codes: 0131, 0267, and 0640 (Section 75.80).
- Changed name of revenue source code: 0209.

**Chapter 80: Accounting Policies** (<http://www.ofm.wa.gov/policy/80.htm>)  
(Sections 80.20 and 80.30)

- Revised definitions of governmental funds in accordance with GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*” (80.20.35).
- Added classifications of fund equity to reflect GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*” (80.30.65).
- Added definition for Project Type Code (80.30.82).

**Chapter 85: Accounting Procedures** (<http://www.ofm.wa.gov/policy/85.htm>)  
(Sections 85.34, 85.36, 85.40, 85.50, 85.52, 85.54, 85.58, 85.60, 85.65, 85.80, and 85.90)

- Added state employees eligible for shared leave per Engrossed Substitute Senate Bill 6503 (84.34.20). Refer also to 25.40.10.
- Clarified disbursement mechanisms and added stored value cards (85.36.20).
- Added that agencies may retain required documentation in paper or electronic form (85.36.30 and 85.36.40).
- Modified the belated claims policy (85.40.10).
- Added the use of stored value cards to the petty cash policy (85.50.50 and 85.50.60)
- Changed reporting of real estate held as an investment to fair value (85.52.30).
- Clarified accounting for losses in permanent funds (85.52.50).
- Added accounting policy for travel advances (85.54.44).
- Added new subsection and illustrative entries for travel advances receivable (85.54.44 and 85.65.33).
- Revised illustrative entry for non-current investments in permanent funds (85.65.26).
- Added classifications of fund equity to reflect GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*” (85.80.10).
- Modified description of central service agency charges for the State Auditor’s Office and deleted Central Stores under the Department of General Administration (85.90.40).

Questions regarding manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency. You can find your agency’s OFM Accounting Consultant at: <http://www.ofm.wa.gov/accounting/swa/swacontactsbyagency.asp>.

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.

Please be aware that in addition to the SAAM policies, all OFM directives, technical corrections, and superseded policies are available online on OFM’s website at:  
<http://www.ofm.wa.gov/policy/default.asp>.

Additional administrative and accounting resources are also available on OFM’s website at:  
[www.ofm.wa.gov/resources/default.asp](http://www.ofm.wa.gov/resources/default.asp).

If you are maintaining a hardcopy manual, a link to the replacement pages is available at:  
<http://www.ofm.wa.gov/policy/replacement-pages.asp>.