



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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OFM DIRECTIVE 11A-05

TO: Agency Directors and Policy Manual Users

FROM: /s/ Wendy Jarrett, Statewide Accounting Manager
Accounting Division

**SUBJECT: Chapter 12 - Transportation; Chapter 25 - Payroll; Chapter 40 - E-Commerce;
Chapter 50 - Federal Compliance; Chapter 60 - Moving Expenses; Chapter 75 -
Uniform Chart of Accounts; Chapter 80 - Accounting Policies; and Chapter 85 -
Accounting Procedures**

We have revised several chapters of the *State Administrative and Accounting Manual* (SAAM), effective July 1, 2011, unless otherwise noted in the policies.

Note: Updates to Chapters 10 (Travel), 15 (Personal Service Contracts), and 30 (Capital Assets) will be issued next week.

Key changes to the policies include:

Chapter 12: Transportation (<http://www.ofm.wa.gov/policy/12.htm>)
(Sections 12.20, 12.30, and 12.50)

- Added inter-agency payment (IAP) as the preferred payment method for *Good To Go!* accounts for agencies operating through treasury and/or treasury trust accounts. Replaced the term “transponders” with “passes.” (12.70.20)
- Added language that the SF 137 form can be submitted electronically as an alternative to being mailed. (12.30.20 and 12.30.40)
- Clarified language on recording the transfer of state-owned vehicles. (12.50.60)

Chapter 25: Payroll (<http://www.ofm.wa.gov/policy/25.htm>)
(Sections 25.30, 25.40, 25.60, and 25.70)

- Added reference to WAC 357-28 or CBAs regarding the base salary rate for overtime and compensatory time and added temporary salary reduction leave to the holiday calculation example for hourly paid employees. (25.30.30 and 25.30.50)

- Added language from Engrossed Substitute Senate Bill (ESSB) 5860. ESSB 5860 restricts compensation increases, monetary performance based awards, and recognition awards in the form of cash or cash equivalents. (25.30.60)
- Removed employees with a full time equivalent salary of \$2,500 or less from the list of employees eligible to receive shared leave, added temporary salary reduction leave to the list of leave that must be taken before shared leave and revised the fringe benefit rate to be used for shared leave transfers, and revised the benefits rate for shared leave calculations. (25.40.10)
- Added language from ESSB 5860 stating that monetary compensation for purposes of computing accrued vacation and sick leave buyouts shall not be reduced by any temporary salary reduction. (25.40.20 and 25.40.30)
- Added temporary salary reduction leave to the list of leave that does not affect eligibility for time loss. (25.40.40)
- Added a new subsection for temporary salary reduction leave (25.40.60).
- Added a reference to RCW 26.60.090 which, effective July 22, 2011, authorizes a legal union of two persons of the same sex that was validly formed in another jurisdiction, and that is substantially equivalent to a domestic partnership under state law, to be recognized as a valid domestic partnership and treated the same as a domestic partnership registered in the state of Washington regardless of whether it bears the name domestic partnership. (25.60.10 and 25.70.30)
- Added payroll cards as a payment option for employee payments. (25.70.10 and 25.70.25)
- Increased the payment limit to relatives of deceased employees. (25.70.30)

Chapter 40: E-Commerce (<http://www.ofm.wa.gov/policy/40.htm>)
(Sections 40.20 and 40.30)

- Modified language in the ACH transfers policy to indicate that ACH transfers work well for one-time transactions, as well as recurring transactions. (40.20.15)
- Clarified economic feasibility study requirements for payroll cards. (40.30)

Chapter 50: Federal Compliance (<http://www.ofm.wa.gov/policy/50.htm>)
(Section 50.40)

- Decreased the threshold for programs subject to the Cash Management Improvement Act (CMIA) regulations to \$30 million or more in federal expenditures. (50.40.30)

Chapter 60: Moving Expenses (<http://www.ofm.wa.gov/policy/60.htm>)
(Section 60.20)

- Updated language to acknowledge the change to RCW 26.60.090, effective July 22, 2011, which authorizes a legal union of two persons of the same sex that validly formed in another jurisdiction, and that is substantially equivalent to a domestic partnership under state law, to be recognized as a valid domestic partnership and treated the same as a domestic partnership registered in the state of Washington regardless of whether it bears the name domestic partnership. (60.20.10)

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 new agencies: 1350, Innovate Washington (effective 8/1/11); 1630, Consolidated Technology Services (effective 10/1/11); 1790, Department of Enterprise Services (effective 10/1/11); 3400, Council for Higher Education (effective 7/1/12); and 3820, Office of Student Financial Assistance (effective 7/1/12).
- Eliminated agencies: 3020, Home Care Quality Authority; 4080, Marine Employees' Commission; 4760, Growth Management Hearings Board; and 5500, State Convention and Trade Center.
- Changed the name of agency 4680 to Environmental and Land Use Hearings Office (previously Environmental Hearings Office); and agency 6920 to Lake Washington Institute of Technology (previously Lake Washington Technical College).
- Changed the materiality level amounts for certain rollup funds: Printing Services Fund, Judicial Retirement Fund, Judges Supplemental Retirement Defined Contribution Fund, and Judges Retirement Fund (75.30.40).
- Added a "Closing GL Code" column for all accounts. (75.30.50)
- Added new accounts: 153, 16M, 17M, 17N, 17R, 17T, 17V, 18A, 18B, 18C, 18E, 18F, 18G, 18H, 18J, 18M, 237, 264, 274, 296, 446, 561, 562, 595 (75.30.50 and 75.30.60)
- Deleted accounts: 01V, 112, 537, 728
- Changed name of accounts: 006, 10A, and 162
- Changed cash type of account: 162
- Changed rollup fund of account: 080, 16P, 16R, 16V, 17B, 17C, 17E, 17F, 748
- Changed administrative agency of account: 03N
- Added new general ledger codes: 9231, 9235 (effective date 6/1/11) (75.40.10 and 75.40.20)
- Deleted object code: AM, Initiative 732 Employees (75.70.10 and 75.70.20)
- Deleted revenue source code: 0214, Property Tax Exemption Application Fees (75.80.30 and 75.80.40)

Chapter 80: Accounting Policies (<http://www.ofm.wa.gov/policy/80.htm>)
(Section 80.30)

- Specified the order of spending of fund balance for restricted, committed, and assigned resources. (80.30.65)

Chapter 85: Accounting Procedures (<http://www.ofm.wa.gov/policy/85.htm>)
(Sections 85.32, 85.50, 85.52, and 85.60)

- Pursuant to Second Engrossed Substitute House Bill (2ESHB) 1087 and RCW 43.88.150, the requirement to charge expenditures in such a ratio to conserve appropriated funds applies to institutions of higher education during the 2011-13 biennium. (85.32.25)
- Pursuant to Substitute Senate Bill 6298 (2009-10), authorizes deposits of public funds with credit unions, under certain conditions. (85.50.10 and 85.50.40)
- Revised policy for accounting for permanent funds managed and invested by the State Investment Board. (85.52.50)
- Clarified language for assets transferred between state agencies. (85.60.30)
- Clarified language for accounting for the transfer of vehicles. (85.60.95)

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.

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>.