



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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May 24, 2012

OFM DIRECTIVE 12A-03

TO: Agency Directors and Policy Manual Users

FROM: /s/ Wendy Jarrett, Assistant Director
Accounting Division

SUBJECT: Chapter 10, Travel; Chapter 12, Transportation; Chapter 15, Personal Services Contracts; Chapter 25, Payroll; Chapter 30, Capital Assets; Chapter 45, Purchase Cards; Chapter 75, Chart of Accounts; Chapter 85, Accounting Procedures

We have revised several policies in the *State Administrative and Accounting Manual* (SAAM). The effective dates for the affected policies are noted below.

Key changes to the policies include the following:

Chapter 10 – Travel

(Subsection 10.10.05 – effective June 7, 2012)

- Pursuant to Third Substitute House Bill (3SHB) 2585, added language to allow institutions of higher education greater flexibility in making and paying for travel arrangements.

Chapter 12 – Transportation

(Subsection 12.50.20 – effective May 2, 2012)

- Pursuant to 3SHB 2127, added language requiring agencies to receive written approval from the Director of the Department of Enterprise Services for the purchase of passenger motor vehicles as defined in RCW 43.19.560. This is effective May 2, 2012 through June 30, 2013.

Chapter 15 – Personal Service Contracts

(Subsections 15.20.20 and 15.20.30 – effective June 7, 2012)

- Pursuant to 3SHB 2585, added language to reflect new informal and formal competitive thresholds for institutions of higher education when using state funds. Also added the requirement for institutions of higher education to include at least one each certified minority and certified woman-owned firms when conducting informal competition for personal services contracts when using state funds.

Chapter 25 – Payroll

(Sections 25.60 and 25.70 – effective June 7, 2012)

- Pursuant to Substitute House Bill (SHB) 1552, changed the requirements for the writs of garnishment. SHB 1552 removed the requirement for creditors to provide self-addressed stamped envelopes; increased the calculation to compare against seventy-five percent of disposable earnings to thirty-five times the federal minimum wage; and removed the forty percent exemption amount from child support writs of garnishments. The exempt amount for all child support writs is fifty percent. (25.60.10, 25.60.20, and 25.60.50)
- Pursuant to 3SHB 2585, added language stating that institutions of higher education are authorized to require certain payment methods as defined in RCW 28B.10.016. (25.70.10)

Ch. 30 – Capital Assets

(Subsections 30.20.60 and 30.50.10 – effective June 1, 2012)

- Removed emergency airfields from the state highway system which is reported using the modified approach to depreciation. (30.20.60)
- Deleted class code A600 (Intangible Land Use Rights) and changed the title of class code 0310 to Intangible Assets with Indefinite Useful Lives. Also, deleted class code 0120 (Emergency Airfields). (30.50.10)

Ch. 45 – Purchase Cards

(Subsection 45.20.35 – effective June 7, 2012)

- Pursuant to 3SHB 2585, added language to allow institutions of higher education to make payments up to 60 months in advance for equipment maintenance services.

Chapter 75 – Chart of Accounts

(Subsection 75.30.40 – effective June 1, 2012)

- Changed the fund statement code: FI, Other Activities Fund to 2Z.
- Added new rollup fund: FK, State Guaranteed Education Tuition Program Fund.

(Subsections 75.30.20, 75.30.50 and 75.30.60 – effective June 7, 2012)

- Changed name of account: 12E to Assisted Living Facility Temporary Management Account
- Added new accounts: 18T, 18V, 19A, 19B, 19H, 535
- Deleted account: 140, Automatic Fingerprint Information System Account
- Changed rollup fund code: 14F, 16R, 17P, 18A, 18G, 296, 432, 788
- Changed fund type code: 14F, 17P, 18A, 296, 432
- Changed budget type code: 149, 16R
- Changed cash type: 16R
- Changed administrative agency of account: 833

Chapter 85 - Accounting Procedures

(Subsections 85.32.25 and 85.32.50 – effective June 7, 2012)

- Pursuant to 3SHB 2585 and RCW 43.88.150, clarified the requirement to charge expenditures in such a ratio to conserve appropriated funds applies to institutions of higher education only to operating fee accounts. (85.32.25)

- Pursuant to 3SHB 2585, added language to allow institutions of higher education to make payments up to 60 months in advance for equipment maintenance services. (85.32.50)

(Subsection 85.36.20 – effective June 1, 2012)

- Updated the disbursement mechanisms policy to reflect the change to the AFRS ACH effective date from the third working day to the second working day after initial processing.

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>.

Questions regarding policy content and proper interpretation of the contract policies in Chapter 15 should be directed to the following DES Contract staff:

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All other 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>.