



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

May 20, 2016

OFM DIRECTIVE 16A-02

TO: Agency Directors and Policy Manual Users

FROM: /s/ Brian Tinney, Assistant Director
Accounting Division

SUBJECT: Chapter 20, Internal Control and Auditing; Chapter 25, Payroll; Chapter 50, Federal Compliance; Chapter 70, Other Administrative Regulations; Chapter 75, Uniform Chart of Accounts; Chapter 85 Accounting Procedures; Chapter 90, State Reporting and Chapter 95, Federal Assistance Reporting

We have revised several policies in the *State Administrative and Accounting Manual* (SAAM) effective June 1, 2016.

Key changes to the policies in SAAM include the following:

Chapter 20: Suspected Losses of Public Funds or Property
(Section 20.30)

- Removed section from Chapter 20 and relocated to Chapter 70.

Chapter 25: Payroll
(Sections 25.40, 25.50, and 25.70)

- Updated when to return unused shared leave per House Bill 2557. (25.40.10)
- Removed full-time employee premium calculation of actual hours worked times L&I rate. (25.50.20)
- Removed the requirement that a successor/claimant of a deceased employee's estate must state why he or she thinks he or she is a successor in cases which are handled through the affidavit method. (25.70.30)

Chapter 50: Federal Compliance
(Section 50.10)

- Updated IRS Forms W-2 and 1099-MISC filing requirements. (50.10.30)

Chapter 70: Other Administrative Regulations

(Section 70.75)

- Created section for Suspected Losses of Public Funds or Property.

Chapter 75: Uniform Chart of Accounts

(Sections 75.20, 75.30, 75.40, and 75.80)

- Removed Agency 5200 Fryer Commission. (75.20.10)
- Changed Threshold levels for Roll-up funds. (75.30.40)
- Added Accounts 20N, 20S, 20T, 20V, 21B, 21C, 21D, 463, 468, and 799. Retitled Accounts 09C, 16H, and 235. Changed budget type of Account 169. Changed expiration dates for Accounts 07A, 10V, 544. Removed Accounts 151 and 15G. (75.30.50)
- Added GL 5298 Other Obligations – Capital Related (75.40.20)
- Renamed Revenue Source Code 0292 Business License Fees (75.80.30)

Chapter 85: Accounting Procedures

(Section 85.90)

- Added OFM Statewide Accounting, Budgeting, and Forecasting to the list of central services agencies. (85.90.40)

Chapter 90: State Reporting

(Sections 90.20 and 90.40)

Revisions to Chapter 90 establish state reporting policies and procedures for fiscal year 2016. This directive also contains the timetable related to year-end reporting and the fiscal year-end closing schedule.

- Updated the fiscal year-end cut off dates for fiscal year 2016. (90.20.05)
- Added a year-end item for agencies to check: interagency and interfund receivables and payables in fiduciary fund type accounts (for example Account 035) must be eliminated for financial reporting purposes and the related asset or liability reported in the appropriate account. (90.20.70 #11).
- Added a year-end item for agencies to check: long-term obligations other than bonds, leases and COPs related to the acquisition of capital assets (purchased or constructed) should be reported in GL 5298 “Other Obligations – Capital Related.” (90.20.70 #16)
- Updated the disclosure form dates for fiscal year 2016. (90.40.10)
- Revised the Receivables form to remove other receivables and only include taxes receivable. Retitled the form to Taxes Receivable. (90.40.30)
- Revised the Liabilities to add a column for adjustments and comments, and added GL 5298 Other Obligations – Capital Related. (90.40.45.B)
- Revised the Unavailable and unearned revenues form to remove GL 5195 Deferred Expenditure Recoveries, and changed the choices available for “type of revenue”. (90.40.50)
- Revised the Bond debt by major class form to include 2 new questions about general revenue bonds. (90.40.55.B)
- Removed the Bond debt refunding activity form. (90.40.55.C)

- Added a new form for Bond sales to include information about current year bond sales, defeased bonds outstanding at year-end, and bonds issued subsequent to year-end. (90.40.55.C)
- Reinstated the Pension form for Department of Retirement Systems. (90.40.70.A)
- Removed the Pension form for Administrative Office of the Courts. (90.40.70.B)
- Revised the Pension form for Higher Education institutions to include significantly less required information. (90.40.70.C)
- Revised the State financial disclosure certification form item #2; a letter from the Attorney General's Office disclosing outstanding litigation is not required. Added a new item #24 asserting that all information requested by the State Auditor's Office (SAO) has been provided, and SAO has been notified whenever records or data containing information subject to any confidentiality requirement were made available. (90.40.95)

Timetable for Year-End Reporting and Closing:

Key Dates	Reporting Items
July 15, 2016	Disclosure form application opens
July 22, 2016	Mail out interagency billings (whether based on actuals or estimates).
July 29, 2016	Phase 1 Close, Agency Accrual Phase <ul style="list-style-type: none"> • Prioritize interagency receivable/payable reconciliations as many agencies have an early internal close date.
Aug. 19, 2016	Phase 1B Close <ul style="list-style-type: none"> • Due date for certain state disclosure forms, • Interagency receivable/payable balancing is due, • Pollution remediation site status report is due
Sept. 2, 2016	Phase 2 Close, Agency Adjustment Phase: <ul style="list-style-type: none"> • Agency adjustments completed • Remaining State and all Federal disclosure forms are due (not including certifications). • Disclosure form application closes • All agency adjusting entries made after Phase 2 require OFM approval.
Sept. 14, 2016	State Financial Disclosure Certification form, including attachments, is due.
Jan. 31, 2017	Federal Assistance Certification form is due.

Agencies are encouraged to establish an internal close prior to September 2nd in order to ensure that all entries are posted in AFRS and disclosure forms are completed by Phase 2 close. The Phase 2 close date is firm.

Chapter 95: Federal Assistance Reporting
 (Section 95.20)

Revisions to Chapter 95 establish federal reporting policies and procedures for fiscal year 2016. This directive also contains the timetable related to year-end reporting and the fiscal year-end closing schedule.

- Updated the disclosure form dates for fiscal year 2016. (95.20.10)
- Revised the Federal Analytical Review disclosure form to include all federal disclosure forms. (95.20.30)

- Added a new item #2 to the Federal assistance disclosure certification form asserting that all information requested by the State Auditor's Office (SAO) has been provided, and SAO has been notified whenever records or data containing information subject to any confidentiality requirement were made available. (95.20.90)

The update to Chapter 95, Federal Assistance Reporting, is pending release of this year's OMB Circular A-133 Compliance Supplement.

Additional year-end closing resources are available on OFM's Administrative and Accounting Resources website at: <http://www.ofm.wa.gov/resources/yearend.asp>.

If you have questions regarding the State or Federal disclosure forms, please contact your assigned OFM Accounting Consultant.

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>.