



Chapter 25 - Payroll

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4. For liquor control agency managers who receive a percentage of monthly liquor sales as part of their compensation; and
5. For a pay schedule of shorter duration than the official paydates established in WAC 82-50-021 provided that:
 - The agency still maintains a lagged, semi-monthly payroll, and
 - The official pay periods established by RCW 42.16.010(1) must be in effect.

25.30.20.c **Termination of Exceptions**

The director (or official designee) of OFM may terminate any paydate exceptions. Refer to RCW 42.16.010(2) and WAC 82-50-032.

1. The termination notice from the director (or official designee) of OFM to the agency head must be in writing.
2. The agency head shall receive the notice by July 1.
3. The agency shall conform to WAC 82-50-021 on January 1 of the following year.

25.30.20.d **RCW 42.16.010 permits agencies to pay overtime, penalty pay, and special pay on the next paydate if:**

1. The employee fails to make an accurate and timely report of the information needed to determine the payment; or,
2. The employer lacks reasonable opportunity to verify the claim.

25.30.30 Pay period, workdays, and rate computations

July 1, 2013

25.30.30.a **Full-Time Employees**

When employees work a full semi-monthly pay period (RCW 42.16.010 and WAC 82-50-021), their pay rate shall be one-half of the actual monthly gross pay. Time worked, for gross pay computations, includes paid leave and holidays.

Exceptions: Gross pay computations for full-time employees change when they work less than a full semi-monthly pay period, are on a leave-without-pay status, or their pay rate changes during the pay period.

25.30.30.a.(1)

Compute gross pay by:

- Calculating the ratio of time worked in days or hours to the scheduled time available for work in days or hours for that pay period.
- Scheduled time available for work includes paid leave and holidays.
- In cases of promotion or demotion, two calculations are done--one for each salary level. Both calculations are based on the percentage of the days or hours worked to total days or hours available for the pay period at each salary level.
- In addition to basic salary, gross pay includes remuneration for all other compensable services and *available to employees on designated paydates* (RCW 42.16.010). Refer to Subsection 25.30.20.d for a paydate exception provided by that statute. Other compensable services include overtime, assignment pay, call-back, standby, compensatory time, shift differential premium, performance pay, recognition payments, and other special pay provisions as provided for by law, civil service rules, agency policy or rule, or contract.

Note: In the 2011-2013 biennium only, refer to WAC Chapter 357-28 or collective bargaining agreements (CBAs) to determine the appropriate base salary rate for paying overtime or cashing out compensatory time.

25.30.30.a.(2)

Use the following formula to compute pay for fractional semi-monthly pay periods:

$$\frac{\text{Actual time (hours/days) worked in semi-monthly pay period}}{\text{Scheduled work time(hours/days) available in semi-monthly pay period}} \times \frac{\text{Monthly salary rate}}{2} = \text{Gross pay}$$

Example: If an employee with a monthly rate of \$2,400 works 24 hours in a pay period containing 88 scheduled working hours, the pay would be computed as follows:

$$\frac{24}{88} \times \frac{\$2,400}{2} = \$327.27$$

25.30.30.c **Payments to Commissioners and Board Members**

Commissioners and board members are classified in five groups.

25.30.30.c.(1) **Members of a Class 1 Group**

These members are generally volunteers and do not receive any compensation (refer to RCW 43.03.220). Contact the Department of Labor and Industries regarding the appropriateness of medical aid coverage for these volunteers. Refer to RCW 51.12.035.

25.30.30.c.(2) **Members of a Class 2, 3, 4, or 5 Group**

Consider members of a Class 2, 3, 4, or 5 groups as state employees and process their compensation through the payroll system. (Refer to RCW 43.03.230 through 43.03.265 for group definitions). For purposes of FTE computation, *each day of pay is considered equal to eight hours*.

25.30.30.c.(3) **Compensation**

Class 2, 3, 4, or 5 group members qualify for compensation for each calendar day they attend official group meetings and/or perform statutory duties approved by their chairperson. Maximum daily rates are defined in RCW 43.03.230 through 43.03.265. A calendar day of compensation includes all meetings or work performed on that day, regardless of how many hours worked or meetings attended. Compensation may only be paid to a member if it is authorized under the law dealing with the specific group to which a member belongs or dealing in particular with members of the specific group.

25.30.30.c.(4) **Exception**

If a member is employed full-time by the federal government, any Washington State agency, or local governments and receives any compensation from such government for working that day, the member is ineligible for compensation as a board or commission member.

Administering agencies of the Boards or Commissions are to require a written statement from the public employers that no compensation for work was paid for the same days a board or commission paid the member.

25.30.30.c.(5) **Expenditure Object Coding**

These payments are coded to Subobject AE - State Special.

25.30.30.c.(6) **The following deductions apply to the compensation paid to Class 2, 3, 4, and 5 group members:**

- Federal Withholding Tax.
- Old Age and Survivors Insurance (OASI) and Medicare -- Deduct the employee's portion of OASI and Medicare contributions.
- Labor and Industries -- Labor and Industry programs cover all compensated members of Class 2, 3, 4, and 5 groups.

For information regarding the appropriateness of retirement contributions, contact the Department of Retirement Systems at (360) 664-7000 or toll free at 1-800-547-6657.

25.30.40

July 1, 2015

Taxable fringe benefits

Any property or service that an employee receives from an employer in place of or along with regular wages is a fringe benefit that may be subject to federal employment taxes. If taxable, these benefits are included in gross income and subject to federal income, OASI, and Medicare taxes.

Refer to IRS regulations for the appropriate calendar year regarding specific taxation, valuation, and reporting information. IRS Publication 15-B "Employer's Guide to Taxable Fringe Benefits" provides detailed information on several types of benefits and is available at:
<http://www.irs.gov/pub/irs-pdf/p15b.pdf>.

Additionally, refer to IRS publication 5137 "Fringe Benefit Guide" at:
<http://www.irs.gov/pub/irs-pdf/p5137.pdf>



25.40 Leave

25.40.10

July 1, 2015

Shared leave

25.40.10.a

General guidelines

Per RCW 41.04.650 through 670, the state's shared leave program allows a state employee to come to the aid of another state employee who is likely to take leave without pay or terminate his or her employment because:

- The employee suffers from, or has a relative or household member suffering from, an illness, injury, impairment, or physical or mental condition which is of an extraordinary or severe nature;
- The employee has been called to service in the uniformed services;
- The employee is a victim of domestic violence, sexual assault or stalking, or
- A state of emergency has been declared anywhere within the United States by the Federal or any state government and the employee has needed skills to assist in responding to the emergency or its aftermath and is volunteering with a governmental agency or a nonprofit organization to provide humanitarian relief in the devastated area.

When taken, this leave is classified as Shared Leave and tracked separately over the state career of the recipient employee (donee).

WAC 357-31-380 through 455, or collective bargaining agreements (CBAs), establishes the definition and eligibility requirements for the state leave sharing program.

Within these rules, the head of each agency determines the agency's level of participation in the program. Agencies are strongly encouraged to establish policies that encompass these rules and that set internal procedures for managing the program.

25.40.10.b **Definitions**

Employee – Any employee entitled to accrue sick, vacation, or personal holiday leave and for whom an agency has maintained leave records.

Donor – The employee making the donation of leave.

Donee – The employee receiving the donation of leave (recipient).

Donated leave – The dollar value of the leave hours a donor donates through the Shared Leave Program.

Shared leave – The donated leave converted to hours by the receiving agency at the donee's rate of pay. This may be more or less than the literal hours donated, depending on the relative salary rates of the respective employees.

25.40.10.c **Shared leave program requirements and restrictions****1. Salaries and wages**

Employees on shared leave continue to receive the same salary, wage, and employee benefits that they normally receive when using **accrued** leave. Refer to RCW 41.04.665(7).

2. Shared leave requester

a) An agency shall require the employee requesting shared leave to submit a medical statement supporting the request. A licensed physician (or health care practitioner) should:

- Verify the severity or extraordinary nature of the condition.
- Determine the expected duration of the condition.

The requirement for a medical statement may be waived in unusual circumstances where such a statement may not be available, such as a pandemic emergency.

In order for the requirement to be waived, an agency must establish a policy that, at a minimum, addresses the nature of the unusual circumstances under which a medical statement is not required; the limits, if any, imposed by the agency on the amount of shared leave that may be granted without a medical statement; and the agency official with authority to approve shared leave granted without a medical statement.

- b) An agency shall require an employee called to service in the uniformed services who is requesting shared leave to submit a copy of the military orders verifying the employee's required absence.
- c) An agency shall require an employee who is a victim of domestic violence, sexual assault or stalking to submit supporting documentation. WAC 357-31-405 provides a listing of acceptable types of documentation.
- d) An agency shall require an employee volunteering his or her services to either a governmental agency or a nonprofit organization to assist in disaster relief efforts in response to a declared federal or state emergency or its aftermath to submit proof of acceptance of the employee's services by the government agency or nonprofit organization.

Refer to WAC 357-31-390 and 405, or CBAs for other acceptable uses and associated documentation requirements.

3. **Types and limitations on leave donations**

a) **Vacation leave**

Employees may donate vacation leave if this does not cause their vacation leave balance to fall below eighty hours after the transfer. For part-time employees, requirements for vacation leave balances are prorated. Additionally, certain CBAs specify that an employee may not donate excess vacation leave (hours in excess of 240) that the donor would not be able to take due to an approaching anniversary date. Prior to the donation, the donor's supervisor (or equivalent) determines how much of the excess leave the employee could use prior to the employee's anniversary date.

Because only approved usable excess leave can be donated, affected employees do not need a second approval to receive any remaining excess donated leave back should a reversion occur.

b) Sick leave

Employees may donate any amount of sick leave provided the donation does not cause their sick leave balance to fall below 176 hours after the transfer.

Note: RCW 41.04.665 allows employees of higher education institutions who do not accrue vacation leave but do accrue sick leave to donate sick leave. The donation cannot cause the employee's sick leave balance to fall below 22 days.

c) Personal holiday

An employee may donate all or part of a personal holiday. Any portion of the personal holiday that is not used shall be returned to the donating employee, and may be used by the donor if the returned donation occurs and is then used in the same calendar year that it was donated. For represented employees, check CBA for returns that cross calendar years.

4. Limitations on receipt of shared leave**a) Maximum shared leave per person**

An employee may not receive more than 522 days of shared leave for the entire duration of state employment. For this purpose, eight hours shall constitute a day (RCW 49.28.010) unless otherwise required by statute, regulations, or employment contract.

An employer may authorize leave in excess of 522 days in extraordinary circumstances for an employee qualifying for shared leave because the employee is suffering from an illness, injury, impairment, or physical or mental condition which is of an extraordinary or severe nature.

b) When shared leave can be used

WAC 357-31-435 or CBAs require employees to use all compensatory time, recognition leave, personal holiday, and vacation leave that they have accrued before using shared leave.

4. Calculating reverting shared leave hours from **multiple donors**

Where more than one employee donated leave to an individual, calculate reverting leave on a prorated basis using either the shared leave hours provided or dollars received by the donee. The following example uses dollars received.

This is a three-step process:

Step 1: Calculate this percentage for each donor:

$$\text{Percentage of residual shared leave returned to donor} = \frac{\text{Shared leave dollars received from Employee 1}}{\text{Total dollar value of shared leave received}}$$

Step 2: Calculate the dollar value of shared leave reverting back to the donor:

$$\text{Dollar value of shared leave reverting back to donors} = \text{\% calculated in Step 1} \times \text{Remaining shared leave hours} \times \text{Donee's original total salary rate}$$

Step 3: Calculate leave hours returned to the donor:

$$\text{Converting the dollar value of returned shared leave into donor hours} = \frac{\text{Dollar value of reverting shared leave from Step 2}}{\text{Donor's current total salary rate}}$$

Note: A special reversion situation occurs when a donee depletes the initial shared leave hours received, and then receives additional donations. In this case, should there be a reversion of the additional leave received; do not include in the reversion proration *the donors(s) and the hours of the initial donation*. In effect, batches of donated shared leave are used on a first-in, first-out basis and reversion is limited to the remaining batch. Each batch (pool) is considered closed at the time its available shared leave balance reaches zero.

To comply with the cost containment provisions of RCW 41.04.670(3), accounting batches may be restricted to record only the amount of shared leave actually needed by donees on a payroll period by payroll period basis from a list of potential donors maintained on a first-in, first-out basis.

Agencies should communicate to potential donors the agency's shared leave policy in regard to how shared leave donations will be applied.

25.40.10.h **Donation and reversion calculation examples**

For a sample donation and reversion case, refer to OFM’s Payroll Resources website at: <http://www.ofm.wa.gov/resources/payroll.asp>.

25.40.10.i **Direct questions on shared leave calculations to OFM**

Direct any questions arising due to the transfer of funds or the adjustment of appropriation authority with regard to the Shared Leave Program to the agency’s assigned OFM financial consultant.

25.40.10.j **Formula for fringe benefit rate**

<u>Formula for Deriving the Fringe Benefit Rate:</u>	
Benefits (Object B) as a percentage of salaries and wages	32.2%
Accrued holidays, sick leave, vacation leave	+ 13.5% **
Total	45.7% (Rounded to 46%)
<p>**The additional 13.5% provides for holidays, sick leave, and vacation leave that an employee could potentially earn while on shared leave. The following formula is the method OFM has historically used to derive the percentage.</p>	
Holidays	11 days a year
Sick leave	12 days a year
Vacation leave	<u>12 days a year</u>
Total	35 days a year
	x <u>8 hours per day</u>
Total	280 hours
	280 ÷ 2,088 = 13.41% (rounded to 13.5%)

25.40.30 **Accrued sick leave buyout**

July 1, 2013

25.40.30.a **Authority**

In order to provide eligible state employees an attendance incentive program, RCW 41.04.340 establishes rules when monetary compensation may be paid for accrued sick leave. Compensation is permitted for only that portion of sick leave accumulated at a rate of one day (8 hours) per month.

WAC 357-31-150 or collective bargaining agreements (CBAs) provide additional rules and guidance.

25.40.30.b **Eligibility rules**

1. Continuing employees

- In January of the year following any year in which a minimum of sixty days (480 hours) of sick leave is accrued, and at no other time, an eligible employee may elect to receive compensation for the unused sick leave *accumulated only in the previous year*.
- Compensation is payable at 25% for any of the prior year's unused sick leave hours the employee elects to receive. However, no sick leave hours may be converted which would reduce the calendar year-end balance below 480 hours. Payment is based on the employee's current salary.
- Sick leave for which compensation has been received is deducted from accrued sick leave at the rate of 4 days for every 1 day paid.

2. Terminating employees

Eligible employees (or their estates) who separate from state service due to retirement or death may elect to receive compensation for unused sick leave at the rate of 25% of accumulated accrued sick leave. The compensation is based on the employee's salary at the time of separation.

25.40.30.c **Medical expense plans**

RCW 41.04.340 (7-9) authorizes retiring state employees to participate in medical expense plans, subject to conditions provided in statute, WAC 357-31-375, or CBAs. In lieu of remuneration for unused sick leave at retirement, agencies may, with equivalent funds, provide eligible employees with a benefit plan that provides for reimbursement for medical expenses.

25.40.30.d **Determination of the current hourly rate**

The appropriate current hourly rate for sick leave buyout compensation depends on how an eligible employee is paid. Most situations are addressed in the following examples.

- For an employee paid a monthly salary based upon an official Washington State Human Resource System Salary Schedule, divide the monthly salary rate by 174 (average number of hours in a month). The salary schedules can be found online at: <http://hr.wa.gov/CompClass/Compensation/Pages/SalarySchedules.aspx>.
- For an employee paid a salary based on a contract stating the number of contract days, divide the contracted salary by the number of contracted days to obtain a daily rate. Then divide the daily rate by the appropriate number of hours per day established for that contract to derive the hourly rate.
- For an employee paid a salary based on a *yearly* contract, divide the yearly salary by 12. The hourly rate is then calculated by dividing the computed monthly salary by 174 hours.
- If an employee is paid an hourly rate in accordance with an agreement negotiated between an employee organization and the state or based on an hourly rate from an official Washington State Human Resource System Salary Schedule, that hourly rate is the official rate for computing sick leave compensation. The salary schedules can be found online at: <http://hr.wa.gov/CompClass/Compensation/Pages/SalarySchedules.aspx>.

25.40.30.e **Exemption from retirement credit**

Do not take retirement contributions on payments for sick leave buyouts. Compensation for unused sick leave is not used in computing retirement allowances.

25.70.30
July 1, 2015

Amounts due to deceased employees

When an employee dies, promptly record the amount owed to the employee in GL Code 5145 “Due to Deceased Employees’ Estate.” Refer to Subsection 85.34.30 for accounting procedures related to amounts due to deceased employees.

The term “amount owed to the deceased” means amounts owed for labor or services performed by the deceased and/or expense reimbursements or allowances.

25.70.30.a

Cases in which the court has appointed a personal representative

If the deceased employee’s estate is in probate (a court action has been filed to distribute the deceased’s estate), and the court has appointed a personal representative, then the entire amount owing to the deceased employee is to be paid to the personal representative (personal representatives may also be referred to as executors or administrators).

The agency is to require a copy of the court order appointing the personal representative before paying the amount due the deceased employee. Generally, orders appointing personal representatives will come from the state superior court. If a tribal court is involved in an inheritance case and an agency is presented with a tribal court order, contact your agency’s OFM Accounting Consultant.

25.70.30.b

Cases in which no personal representative has been appointed

If no personal representative has been appointed by a court on behalf of the deceased’s estate, then certain relatives can claim the amount due to the deceased employee. The agency must require proof of the claimant’s relationship to the deceased employee before distributing any of the amounts owed to the deceased to the claimant. This proof is accomplished when the claimant completes the *Claim for Indebtedness of the State of Washington to Deceased Employee* form. Using the declaration form is easiest for most claimants, particularly those residing out of state, because it does not require the document to be signed in front of a notary public.

The specific relatives who can file a claim for indebtedness are set forth in RCW 49.48.120. They are as follows in the order of priority: the surviving spouse or domestic partner registered in the state of Washington of the deceased; if there is no surviving spouse or domestic partner registered in the state of Washington of the deceased, then the deceased’s surviving child or children; if the deceased had no surviving child or children, then the deceased’s parent or parents.

Refer to Subsection 25.70.30.d for instructions involving surviving spouses or domestic partners registered in the state of Washington who have a community property agreement. If none of these relatives survives the deceased, then the state can release the amount owed to the deceased only to the personal representative of the deceased's estate unless the provisions of Subsection 25.70.30.e apply.

Note: Effective July 22, 2011, RCW 26.60.090 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. Whenever "domestic partner" is used in this section, refer to this note for clarification.

The state of Washington does not permit the creation of common law marriages. Couples must obtain a license and the ceremony must be solemnized in order for the marriage to be valid (refer to RCW 26.04.050).

However, a common law marriage created in another state will be recognized as valid in the state of Washington if the common law marriage was recognized as a valid marriage in the state where created (refer to RCW 26.04.020(3)). The following jurisdictions recognize common law marriages: Alabama; Colorado; District of Columbia; Georgia (if created before 1/1/1997); Idaho (if created before 1/1/1996); Iowa; Kansas; Montana; New Hampshire; Ohio (if created before 10/10/1991); Oklahoma (if created before 11/1/1998); Pennsylvania (if created before 1/1/2005); Rhode Island; South Carolina; Texas; and Utah.

If the deceased has multiple surviving children, then the agency can pay only the representative portion of the amount owed to the deceased to a child, absent an agreement signed by all of the deceased's children that the child signing the Claim Form may accept the amount owed to the deceased on behalf of all the deceased's surviving children. For example, if the deceased has three surviving children, and only one child filed a claim form, the agency could pay that child only one-third of the total amount the agency owed the deceased, subject to the dollar restrictions in Subsection 25.70.30.c.

A child of the deceased employee who has been declared emancipated under Chapter 13.64 RCW may still file the claim form for the amounts due the deceased. While children who are minors (under 18) must have a guardian or other legal representative file the claim form on their behalf, an emancipated minor is considered an adult for these purposes.

If the deceased is survived by both parents who are divorced or the domestic partnership registered in the state of Washington has been dissolved – then each must file a claim form and the agency should pay each parent half of the total amount owed to the deceased, subject to the dollar restrictions in Subsection 25.70.30.c. If the parents are still married or domestic partners registered in the state of Washington, then either may file the claim form and the agency should pay the entire amount subject to the dollar restrictions in Subsection 25.70.30.c to that parent.

25.70.30.c

Payments to the relatives in Subsection 25.70.30.b are limited to \$13,000 or less

Even if the state owes the deceased more than \$13,000, the agency can only pay to the appropriate relative an amount not exceeding \$13,000, unless the provisions of Subsections 25.70.30.d or 25.70.30.e apply or a personal representative has been appointed by the court.

Starting July 1, 2005, and every biennium thereafter, the director of the Office of Financial Management (OFM) may adjust the amount of indebtedness that can be paid for a claim to a level not to exceed the percentage increase in the consumer price index for Seattle. Adjusted dollar amounts of indebtedness shall be rounded to the nearest five hundred dollar limit. Refer to RCW 49.48.120.

**CLAIM FOR INDEBTEDNESS OF STATE OF WASHINGTON TO DECEASED EMPLOYEE
RCW 49.48.120
(AFFIDAVIT FORM)**

STATE OF WASHINGTON
_____ COUNTY

Warrant/Check No(s) _____
Fund _____

1. In the matter of the amounts due to the deceased employee _____ employed by
(Print legal name of deceased employee)
_____ of the state of Washington at the time of his/her death.
(Name of state agency)

2. I am (check one of the following):

- The legally married spouse or domestic partner registered in the state of Washington of the deceased;
- A child of the deceased (if multiple children of the deceased, each child must sign a claim form to obtain proportionate share of the amounts due to the deceased employee unless all children sign a separate form that states one child, on behalf of all children, can take entire portion owed to the deceased); or
- A parent of the deceased (if parents of the deceased are married or domestic partners registered in the state of Washington, only one parent need sign the claim form; if parents are divorced or their domestic partnership registered in the state of Washington has been dissolved, each must sign separate claim forms and each will receive half of what is owed to the deceased).

3. No personal representative, executor or administrator of the deceased employee's estate has been appointed.

4. Check one of the following:

- Claim is made for the amount due to the deceased employee for labor, services performed and/or expense reimbursements or allowances, not exceeding the sum of \$13,000*, or

*Beginning July 1, 2015, an amount calculated pursuant to RCW 49.48.120(2) (increase based on the Seattle CPI).

- Claim is made for the full amount due to the deceased employee for labor, services performed or expense reimbursements or allowances which claim is allowed because the deceased employee and the claimant had entered into a community property agreement (CPA) (attach copy of the agreement), the CPA was executed in good faith, was not rescinded by the parties before the deceased employee's death, and upon the death of the deceased employee, the indebtedness owing to the employee became the sole property of the surviving spouse or domestic partner registered in the state of Washington.

Signature of Claimant Date

Subscribed to and sworn before me this _____ day of _____, 20 _____.

Notary Public for the state of Washington, residing at

CLAIM FOR INDEBTEDNESS OF STATE OF WASHINGTON TO DECEASED EMPLOYEE
RCW 49.48.120
(DECLARATION FORM)

STATE OF WASHINGTON
_____ COUNTY

Warrant/Check No(s) _____
Fund _____

1. In the matter of the amounts due to the deceased employee _____ employed by
(Print legal name of deceased employee)
_____ of the state of Washington at the time of his/her death.
(Name of state agency)

2. _____ declares under penalty of perjury that he or she is:
(Name of Claimant)

- The legally married spouse or domestic partner registered in the state of Washington of the deceased;
- A child of the deceased (if multiple children of the deceased, each child must sign a claim form to obtain proportionate share of amounts due to the deceased unless all children sign a separate form that states one child, on behalf of all children, can take entire portion owed to the deceased); or
- A parent of the deceased (if parents of the deceased are married or domestic partners registered in the state of Washington, only one parent need sign the claim form; if parents are divorced or their domestic partnership registered in the state of Washington has been dissolved, each must sign separate claim forms and each will receive half of what is owed to the deceased).

3. No personal representative, executor or administrator of the deceased employee's estate has been appointed.

4. Check one of the following:

- Claim is made for the amount due to the deceased employee for labor, services performed and/or expense reimbursements or allowances, not exceeding the sum of \$13,000*, or

*Beginning July 1, 2015, an amount calculated pursuant to RCW 49.48.120(2) (increase based on the Seattle CPI).

- Claim is made for the full amount due to the deceased employee for labor, services performed or expense reimbursements or allowances which claim is allowed because the deceased employee and the claimant had entered into a community property agreement (CPA) (attach copy of the agreement), the CPA was executed in good faith, was not rescinded by the parties before the deceased employee's death, and upon the death of the deceased employee, the indebtedness owing to the employee became the sole property of the surviving spouse or domestic partner registered in the state of Washington.

Signature of Claimant

Date

**CLAIM FOR INDEBTEDNESS OF STATE OF WASHINGTON TO DECEASED EMPLOYEE
MULTIPLE CHILDREN
RCW 49.48.120
(AFFIDAVIT FORM)**

STATE OF WASHINGTON
_____ COUNTY

Warrant/Check No(s) _____

Fund _____

1. In the matter of the amounts due to the deceased employee _____ employed by _____ of the state of Washington at the time of his/her death.
(Print legal name of deceased employee)
(Name of state agency)
2. We are the children of the deceased.
3. We, the undersigned, agree that our sibling _____ shall accept the entire amount due to the deceased on our behalf.
(Name of sibling)
4. No personal representative, executor or administrator of the deceased employee's estate has been appointed.
5. Claim is made for the amount due to the deceased employee for labor, services performed and/or expense reimbursements or allowances, not exceeding the sum of \$13,000*.

*Beginning July 1, 2015, an amount calculated pursuant to RCW 49.48.120(2) (increase based on the Seattle CPI).

Signature of Claimant Date

Subscribed to and sworn before me this _____ day of _____, 20 ____ .

Notary Public for the state of Washington, residing at

Signature of Claimant Date

Subscribed to and sworn before me this _____ day of _____, 20 ____ .

Notary Public for the state of Washington, residing at

**CLAIM FOR INDEBTEDNESS OF STATE OF WASHINGTON TO DECEASED EMPLOYEE
MULTIPLE CHILDREN - continued**

Signature of Claimant Date

Subscribed to and sworn before me this _____ day of _____, 20 ____ .

Notary Public for the state of Washington, residing at

Signature of Claimant Date

Subscribed to and sworn before me this _____ day of _____, 20 ____ .

Notary Public for the state of Washington, residing at

Note: Additional signature lines may be added as needed.

**CLAIM FOR INDEBTEDNESS OF STATE OF WASHINGTON TO DECEASED EMPLOYEE
MULTIPLE CHILDREN
RCW 49.48.120
(DECLARATION FORM)**

STATE OF WASHINGTON
_____ COUNTY

Warrant/Check No(s) _____

Fund _____

1. In the matter of the amounts due to the deceased employee _____ employed by _____
(Print legal name of deceased employee)
_____ of the state of Washington at the time of his/her death.
(Name of state agency)
2. The undersigned claimants declare under penalty of perjury that they are the children of the deceased.
3. We, the undersigned, agree that our sibling _____ shall accept the entire amount due to the deceased on our behalf.
(Name of sibling)
4. No personal representative, executor or administrator of the deceased employee's estate has been appointed.
5. Claim is made for the amount due to the deceased employee for labor, services performed and/or expense reimbursements or allowances, not exceeding the sum of \$13,000*.

*Beginning July 1, 2015, an amount calculated pursuant to RCW 49.48.120(2) (increase based on the Seattle CPI).

_____ Signature of Claimant	_____ Date
_____ Signature of Claimant	_____ Date
_____ Signature of Claimant	_____ Date
_____ Signature of Claimant	_____ Date

Note: Additional signature lines may be added as needed.



Chapter 30 - Capital Assets

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30.10.60

July 1, 2001

Assets in use by subtenant agencies

The purchasing agency is the owner of and has responsibility for the proper accounting and reporting of capital assets acquired through a capital project. If the authorizing legislation for a capital project provides capital assets for more than one agency or for agencies other than the purchasing agency, the purchasing agency may, by agreement, condition the use of such capital assets by the subtenant agency. This agreement could include making the subtenant agency responsible for all reporting requirements for those capital assets. Upon vacation of the agreement, all ownership rights and responsibilities revert to the purchasing agency.



30.20

Valuing, Capitalizing, Depreciating, and Reconciling Capital Assets

30.20.10

July 1, 2015

How to value capital assets

Capital assets should be valued at cost including all ancillary charges necessary to place the asset in its intended location and condition for use.

Determine the value of capital assets in the following manner:

30.20.10.a

Purchased assets. Use historical costs including all nonrefundable purchase taxes (e.g., sales taxes), and all appropriate ancillary costs less any trade discounts or rebates. If the historical cost is not practicably determinable, use the estimated cost.

If land is purchased, the capitalized value is to include the purchase price plus costs such as legal fees, filing, and excavation costs incurred to put the land in condition for its intended use. The cost of the land also includes indefinite land use rights, such as easements, mineral, timber, and water rights, acquired with the purchase of the underlying land. Land use rights acquired separately from a land purchase and those with definite useful lives are classified as intangible assets.

Building costs include both acquisition and capital improvement costs, including, in enterprise and trust funds, net construction period interest. Capital improvements include structures (e.g., office buildings, storage quarters, and other facilities) and all other property permanently attached to, or an integral part of, the structure (e.g., loading docks, heating and air-conditioning equipment, and refrigeration equipment). Agencies have the option of capitalizing buildings by components when the useful lives of the components vary.

Furniture, fixtures, or other equipment not an integral part of a building are not considered capital improvements and should be classified as equipment. The cost for this asset type reflects the actual or estimated cost of the asset.

Software, licenses of commercially available software, patents, and other purchased intangible assets that do not meet the definition of an investment are valued at historical cost, including all appropriate ancillary costs.

- Appraisal and negotiation fees;
- Damage payments;
- Site preparation costs; and
- Costs related to demolition of unwanted structures.

For infrastructure:

- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Surveying fees;
- Appraisal and negotiation fees;
- Damage payments;
- Site preparation costs; and
- Costs related to demolition of unwanted structures.

For buildings and improvements other than buildings:

- Professional fees of architects, engineers, attorneys, appraisers, financial advisors, etc.;
- Damage payments;
- Costs of fixtures permanently attached to a building or structure;
- Insurance premiums, interest in certain situations (refer to Subsection 30.20.10.a), and related costs incurred during construction; and
- Any other costs necessary to place a building or structure into its intended location and condition for use.

For furnishings, equipment, intangibles, collections, and other capital assets:

- Transportation charges;
- Sales tax;
- Installation costs;
- Warranties; and
- Any other normal or necessary costs required to place the asset in its intended location and condition for use.

30.20.10.d **Donated capital assets, including donated intangible assets and those acquired through non-exchange transactions.** Use the estimated acquisition value at the time of acquisition plus all appropriate ancillary costs.

30.20.10.e **Capital assets for income purposes.** Capital assets acquired or created primarily for the purpose of obtaining income or profit should be valued pursuant to the investment policy in Section 85.52.

30.20.20

July 1, 2012

When to capitalize assets

The state's capitalization policy is as follows:

- All land, including land use rights with indefinite lives acquired with the purchase of the underlying land, and ancillary costs;
- The state highway system operated by the Department of Transportation;
- Infrastructure, other than the state highway system, with a cost of \$100,000 or greater;
- Buildings, building improvements, improvements other than buildings, and leasehold improvements with a cost of \$100,000 or greater;
- Intangible assets, either purchased or internally developed, such as land use rights not acquired with the purchase of land, software, patents, and trademarks, with a cost of \$1,000,000 or more that are "identifiable" by meeting either of the following conditions:
 - The asset is capable of being separated or divided and sold, transferred, licensed, rented, or exchanged; or
 - The asset arises from contractual or other legal rights, regardless of whether those rights are transferable or separable;
- All other capital assets with a unit cost (including ancillary costs) of \$5,000 or greater, or collections with a total cost of \$5,000 or greater, unless otherwise noted; and
- All capital assets acquired with Certificates of Participation (COP).

For capital assets acquired by and used in the operations of **governmental fund type accounts**, record the value of the assets in the General Capital Assets Subsidiary Account (Account 997). Refer to Subsection 85.60.30.a.

For capital assets acquired by and used in **proprietary and trust fund type accounts**, record the value of the assets in the account itself. Refer to Subsection 85.60.30.b.

Although small and attractive assets do not meet the state's capitalization policy above, they are considered capital assets for purposes of marking and identifying capital assets (refer to Section 30.30), inventory records requirements (refer to Section 30.40), and physical inventory counts (refer to Section 30.45).

Close out the construction in progress and capitalize the costs into the appropriate asset classification when a project is substantially complete, accepted, and placed into service. Refer to Subsection 85.65.64.

30.20.20.a **New acquisitions.** Capitalize new acquisitions that meet the state's capitalization policy as stated above. Additions, improvements, repairs, or replacements to existing capital assets are not considered new acquisitions and are discussed below.

30.20.20.b **Additions.** Capitalize expansions of or extensions to an existing capital asset that meet the state's capitalization policy above.

30.20.20.c **Extraordinary repairs, betterments, or improvements.** Capitalize outlays that increase future benefits from an existing capital asset beyond its previously assessed standard of performance if they meet the state's capitalization policy as stated above. Increased future benefits typically include:

- An extension in the estimated useful life of the asset.
- An increase in the capacity or efficiency of an existing capital asset.
- A substantial improvement in the quality of output or a reduction in previously assessed operating costs.

Leasehold improvements that meet the state's capitalization policy are recorded to General Ledger Code 2350 "Leasehold Improvements."

30.20.20.d **Replacements.** For buildings and improvements other than buildings, capitalize the cost of outlays that replace a part of the asset when the cost of the replacement is \$100,000 or more **and** at least 10 percent of replacement value of the asset.

Example: A \$120,000 replacement of a heating system in a building having a replacement value of \$1.5 million would not be capitalized. In this case \$120,000 is not at least 10 percent of the building's replacement value. Had the building's replacement value been less than \$1.2 million, the \$120,000 heating system replacement would have been capitalized.

Exceptions to this policy are:

- Replacement roof coverings are not capitalized (whether or not the replacement is with superior materials) unless the replacement extends the useful life of the building.
- Replacement floor coverings and window coverings are not capitalized.
- Costs to remodel (convert) a building to a different use are not capitalized, where the remodeling does not extend the useful life of the structure itself, unless the conversion increases the capacity or efficiency of the existing asset.

Remove the capitalized value and the associated accumulated depreciation of the replaced capital asset or original building component from the accounting records if the amounts are determinable, and capitalize the cost of the replacement. Refer to Subsection 85.60.50.

30.20.20.e

Bulk purchase. For proprietary fund type accounts, bulk purchases of like capital assets with unit costs of less than \$5,000 may be capitalized as a group where the allocation of costs for the bulk assets over time is matched to the corresponding revenue generated by the bulk assets. For other fund type accounts, bulk purchases are capitalized when the purchase is made using the Office of the State Treasurer's (OST) Certificate of Participation (COP) program. Refer to Subsection 30.20.50.

30.20.20.f

Collections. Capitalize art collections, library reserve collections, and museum and historical collections when the conditions described in Subsection 30.20.22 are not met. Agencies meeting these conditions have the option of capitalizing their collections. Library resources are capitalized and may be carried on the agency's property records as a single item.

30.20.22

July 1, 2001

Assets not capitalized

30.20.22.a

Art collections, library reserve collections, and museum and historical collections that are considered inexhaustible, in that their value does not diminish over time, are not required to be capitalized if all of the following conditions are met:

- The collection is held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to an agency policy that requires the proceeds from sales of collection items to be used to acquire other items for the collections.

Agencies must be able to provide descriptions of the collections and the reasons the collections are not capitalized.

30.20.22.b

While these collections are not required to be capitalized, they are to be catalogued per Subsection 30.40.10.

30.20.30

July 1, 2014

Definition of a capital lease

A capital lease is a lease that transfers substantially all the benefits and risks inherent in the ownership of property to the state. A lease must meet one or more of the following four criteria to qualify as a capital lease:

1. Ownership of the leased property is transferred to the state by the end of the lease term; or
2. The lease contains a bargain purchase option; or
3. The lease term is equal to 75 percent or more of the estimated useful life of the leased property. However, if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property, including earlier years of use, this criterion should not be used for purposes of classifying the lease.; or

4. If, at the inception of the lease, the present value of the future minimum lease payments, excluding executory costs (usually insurance, maintenance, and taxes paid in connection with the leased property, including any profit thereof) is 90 percent or more of the fair value of the leased property. However, if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property, including earlier years of use, this criterion should not be used for purposes of classifying the lease. The interest rate to be used in the computation of the present value is available by contacting the Debt Management Division of OST, and is the rate in effect at the execution date of the lease.

30.20.40

March 17, 2010

Accounting for capital leases

30.20.40.a

When the state's capitalization policy (refer to Subsection 30.20.20) is met:

- Account for a capital lease as an acquisition of a capital asset and the incurrence of a liability. If a lease involves the acquisition of more than one asset, each asset is to be capitalized if its fair value meets the state's capitalization threshold. Refer to Subsections 85.60.70 and 85.72.30.
- If title to a leased asset transfers to the state at the conclusion of an operating lease (refer to Subsection 30.20.30), capitalize the fair value of the asset upon receiving title.

30.20.40.b

If a lease meets the requirements of a capital lease per Subsection 30.20.30, record a capital lease between state agencies as follows:

- The lessor agency is to treat the lease as a sales type lease (record a sale on account and remove the asset from inventory).
- The lessee agency is to treat the lease as a capital lease (record the acquisition of a capital asset and the incurrence of a liability).

30.20.40.c

Capital leases are to be used only to acquire capital assets. Refer to Subsection 30.20.20.

30.20.50
July 1, 2009

Capital assets acquired through Certificates of Participation (COP)

Capital assets acquired through OST's Certificate of Participation (COP) program are to be capitalized. Refer to Subsections 30.20.20.e, 85.60.80, and 85.72.40.

30.20.60
June 1, 2012

Accounting for infrastructure

30.20.60.a

In accordance with the Governmental Accounting Standards Board Statement Number 34, acquisitions of capital assets defined as infrastructure, which meet the state's capitalization policy, are to be capitalized.

30.20.60.b

The state highway system operated by the Department of Transportation is classified by the state as Transportation Infrastructure-Modified Approach. Refer to Subsection 30.20.80.

30.20.60.c

All transportation-related infrastructure not included in Subsection 30.20.60.b and all non-transportation infrastructure assets are required to be depreciated. Refer to Subsection 30.20.70.

30.20.70
July 1, 2012

Depreciation policy

30.20.70.a

Calculate and record depreciation or amortization for all depreciable capital assets. Refer to Subsection 85.60.40.

Non-depreciable capital assets include:

- Land;
- The state highway system operated by the Department of Transportation, which is classified as Transportation Infrastructure-Modified Approach (refer to Subsection 30.20.80);
- Art collections, library reserve collections, and museum and historical collections that are inexhaustible (refer to Subsection 30.20.22);
- Construction in progress; and
- Intangible assets with indefinite useful lives.

30.20.70.b

Depreciation normally begins when an asset is purchased or completed, and accepted. However, if it is not placed into service immediately, depreciation should begin when the asset begins to lose value. Either option should be applied consistently and should be reasonable in the circumstance. Depreciation may be calculated using either the straight-line or composite method.

- To calculate depreciation using the **straight-line method**:

$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Asset Useful Life}}$$

Salvage value is an estimate of the amount that will be realized at the end of the useful life of a depreciable asset.

- Calculate the **composite method** based on weighted average estimated lives or an estimate of the useful life of the grouping of assets, such as library resources. The assessment could be based on condition assessments or experience with the useful lives of the groupings of assets. A consistent composite depreciation rate should generally be used throughout the life of the grouping of assets, but the rate should be recalculated if the composition of the assets or estimate of the useful lives changes significantly. For example, if the average useful life of library resources, or portion thereof, was estimated to be 25 years, an annual depreciation rate of 4 percent would be used. The annual depreciation expense would be calculated by multiplying the annual depreciation rate by the cost of the collection.

30.20.70.c

Useful life for capital assets. Agencies are required to use the useful life shown in Schedule A, Capital Asset Class Codes and Useful Life Schedule (Subsection 30.50.10.a) for capital assets acquired in new condition. For energy efficiency equipment and products, refer to the Addendum to Schedule A (Subsection 30.50.10.b).

However, a shorter or longer estimated life may be used depending on factual circumstances, replacement policies, or industry practices. Proposed deviation in useful life from Schedule A requires prior written approval from the OFM Accounting Division.



30.30 Marking and Identifying Capital Assets

30.30.10

July 1, 2001

Mark all inventoriable capital assets

Inventoriable capital assets are described in Subsection 30.40.10.

Mark all inventoriable capital assets upon receipt and acceptance to identify that the property belongs to the state of Washington, except as noted in Subsection 30.30.30 below.

This identification should:

- Facilitate accounting for the asset;
- Aid in its identification if the asset is lost or stolen;
- Discourage theft; and ultimately,
- Reduce the magnitude of the state's property losses.

30.30.20

July 1, 2001

How capital assets should be marked

30.30.20.a

Permanently affix the identification information to the asset by using a standardized adhesive tag or inscribing the asset according to the following format:

- WASHINGTON STATE (or state seal insignia),
- AGENCY NAME (or authorized abbreviation or agency number),
- OPTIONAL BAR CODE, and
- ASSIGNED CONTROL NUMBER

If an existing capital asset displays only a state control number, which has been assigned, properly affixed, and recorded on an authorized inventory system pursuant to Subsection 30.40.10, it does not need to be retagged.

30.30.20.b

Agencies may determine where to place the "Washington State" identification and control number on the capital asset. However, the identification and control number should be located on the principal body of the asset, rather than a removable part.

30.30.30

July 1, 2009

When it is OK not to mark a capital asset

Occasionally, an agency will find it is impractical or impossible to mark some of its inventoriable capital assets according to these standards. For example, where a capital asset:

- Would lose significant historical or resale value (such as art collections or museum and historical collections);
- Would have its warranty negatively impacted by being permanently marked;
- Is stationary in nature and not susceptible to theft (such as land, infrastructure, buildings, improvements other than buildings, and leasehold improvements);
- Has a unique permanent serial number that can be used for identification, security, and inventory control (such as vehicles); or
- Is an intangible asset that lacks physical substance.

In these cases, the identification “Washington State” or state seal insignia is not required, and the agency is to apply alternative procedures to inventory and identify such assets as “Washington State.”

Leased assets (capital or operating) should only be permanently marked with the identification upon formal transfer of ownership to the state.

30.30.40

July 1, 2015

Capital asset inventory tags

Agencies are required to use tags that include the format detailed in Subsection 30.30.20.a. For ease of inventory control, agencies may use tags bearing a bar code.

30.30.50

July 1, 2001

Capital asset inventory tags and control numbers need to be controlled

Responsibility for controlling capital asset control numbers rests with the agency’s inventory officer. Agencies are to ensure that adequate controls for safeguarding unissued, mutilated, and voided capital asset inventory tags are established.



Chapter 50 - Federal Compliance

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Federal Compliance

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50.40 Cash Management Improvement Act

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Federal Compliance

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- Entitlements are recorded as revenue at the time of receipt or earlier if the accrual criteria are met. Entitlements are restricted more in form than in substance. Generally, only a failure on the part of the recipient to comply with prescribed regulations will cause a forfeiture of the resources.
- Generally, revenue associated with expenditure driven assistance programs is recognized when the related expenditure is made. If cost sharing or matching requirements exist, revenue recognition depends upon compliance with these requirements.

Revenue associated with federal assistance awards for which the eligibility requirements are met but which is not available, should be recorded as Unavailable Revenue, GL codes 5192 or 5292, and, subsequently, recorded as revenue when the availability criteria is met.

50.30.60.b **Proprietary and Trust Fund Type Accounts.** Federal assistance revenue received in proprietary and trust fund type accounts is recognized as revenue in the accounting period in which it is earned and becomes measurable (accrual basis).

50.30.60.c **Unearned Revenue.** Receipts from federal assistance awards received before the applicable revenue recognition criteria is met are to be recorded as Unearned Revenue, GL codes 5190 or 5290, and, subsequently, recorded as revenue when the revenue recognition criteria is met.

50.30.70
January 1, 2015

Use the CFDA number to record federal revenue activity

50.30.70.a Record federal assistance program revenues by the unique code assigned each federal financial assistance program in the Federal Catalog of Domestic Assistance (CFDA) or, in the absence of a catalog defined number, the number defined by instructions from the federal audit clearinghouse. Refer to Subsection 95.20.20. Preferably, this is to be done as an integral part of the agency's accounting system to enable the system to produce reports by catalog number. However, this may be accomplished by maintaining a crosswalk of federal programs to catalog numbers.

50.30.70.b When catalog numbers have not been provided in the federal grant contract and cannot reasonably be determined by other means, agencies should first contact the federal agency or pass-through entity to obtain the appropriate catalog number. In the event a number cannot be obtained, identify federal programs with a number consisting of the two-digit federal agency number and a three-digit federal program of 999 "Other Federal Assistance." Refer to example in Section 95.20.

50.30.80 Accounting for federal expenditures

July 1, 2015

50.30.80.a **Federal Expenditure.** In appropriated accounts, federal expenditures should be recorded using federal expenditure authority codes. Each agency is responsible for maintaining a system for tracking federal expenditures by the unique code assigned each federal financial assistance program in the Federal Catalog of Domestic Assistance (CFDA).

50.30.80.b **Cost of Administering Nonfinancial Programs.** When allowable by the federal assistance program, administration costs for nonfinancial federal programs are recorded as federal revenues and expenditures under the applicable CFDA program number and reported at year-end on the Federal Financial Assistance - Direct screen of the electronic reporting module.

50.30.80.c **Donated Inventory Programs.** Agencies of the state of Washington receive federal nonfinancial assistance in the form of donated inventories (primarily food commodities and immunization supplies). Such assistance may be received directly from a federal agency or indirectly from another state agency.

Donated inventories are recorded as consumable inventories offset by unearned revenue in accordance with Subsection 85.56.40. Except as noted below, as donated inventories are consumed/distributed, revenues and expenditures should be recognized using GL Codes 3225 “Revenue Adjustment/Elimination (GAAP)” and 6525 “Expenditure/Expense Adjustment/Elimination (GAAP).” State agencies must report the fair value of inventory consumed/distributed during the year on the Nonfinancial Assistance screen of the electronic reporting module.

Agencies distributing donated inventories to other governments, such as school districts, local health districts, and food banks, are to report the amount distributed in the pass through column on the Nonfinancial Assistance screen of the electronic reporting module.

Consistent with 50.30.85, state agencies transferring federally provided inventories to other agencies are to report the revenue and expenditure. The agency actually using/distributing the commodities is to report the receipt of nonfinancial assistance as an expenditure recovery offsetting the associated nonfinancial expenditure/expense in its accounting records.

For food commodities, use the commodity list prepared by the Food and Nutrition Service of the U.S. Department of Agriculture to determine the fair value of the nonfinancial assistance.

50.30.80.d

Federal Surplus Property. Do not record the value of federal surplus property received by a state agency or institution as revenue in the official state financial accounting records. Maintain the property in appropriate subsidiary ledgers for proper control of the assets. Report federal surplus property on the Nonfinancial Assistance screen of the electronic reporting module under the applicable CFDA program number. It is to be valued at acquisition value if it is capitalized. If it is not capitalized, it is to be valued at its fair value at the time of receipt or the assessed value provided by the federal agency donating the property. As part of the year-end reporting process, the Surplus Property Program within the Department of Enterprise Services will provide each agency with a summary report of the value of federal surplus property received by that agency during the reporting year.

50.30.85

January 1, 2015

Accounting for federal assistance activity between state agencies

Unless directed otherwise by federal law, regulation or federal awarding agency directive, record federal revenue and expenditure/expense activity between state agencies or institutions such that the activity is not duplicated either for accounting or reporting purposes.

State agencies involved in inter-agency federal assistance activity should use the following accounting procedures:

1. The originating state agency records and reports the federal revenue and a corresponding expenditure/expense using Object N “Grants, Benefits, and Client Services” for the amount paid to the subrecipient agency.
2. The subrecipient state agency records program expenditures offset by an interagency reimbursement (Object S) for the moneys received from the original agency. This results in no net revenue or expenditure/expense to the subrecipient agency.

50.30.90

January 1, 2015

Accounting for federal assistance received from another nonfederal entity, other than another Washington State agency (pass-through)

Record federal assistance received indirectly from another state (e.g. Oregon), local government, or private entity as federal pass-through revenue (Revenue Source Code 0546). There are additional year-end financial reporting requirements specific to federal pass-through revenue and expenditures found in Subsection 95.20.70.



50.40

Cash Management Improvement Act

50.40.10

July 1, 2005

Purpose of the Cash Management Improvement Act

The Cash Management Improvement Act of 1990 (CMIA) provides rules and procedures for the efficient transfer of federal financial assistance between the federal agencies and the state. The implementing regulations are in 31 CFR Part 205. The general provisions of the Act are as follows:

1. Federal agencies must make timely fund transfers and grant awards to state agencies.
2. State agencies must minimize the time between the deposit of federal funds in the state's account and the disbursement of funds for program purposes.
3. With some exceptions, the state is entitled to interest from the federal government from the day the state pays out its own funds for federal assistance program purposes to the day federal funds are credited to the state bank account.
4. With some exceptions, the federal government is entitled to interest from the state from the day federal funds are credited to the state's account to the day the state pays out the federal funds for federal assistance program purposes.
5. The state must enter into a Treasury-State Agreement (TSA) with the U.S. Department of the Treasury, Financial Management Service (FMS) to set forth terms and conditions for implementing CMIA.

50.40.20

November 15, 2000

The Treasury-State Agreement defines the drawdown methods to be used by agencies

The Office of Financial Management (OFM), with the assistance of all affected state agencies, negotiates the TSA with FMS. The TSA outlines by program, the funding technique and the clearance pattern the state will use to draw down funds from the federal government.

Generally, conformance with the TSA assures that the state does not owe the federal government, or is not due from the federal government, interest liability on its drawdowns.

Amendments to the TSA may be proposed by either the state or the federal government at any time during the duration of the contract.

50.40.30
July 1, 2015

Federal assistance programs and state agencies subject to the CMIA

The programs listed in the Catalog of Federal Domestic Assistance are subject to CMIA regulations. Currently, programs with \$30 million or more in federal expenditures, as determined from the state's 2014 Single Audit Report Schedule of Expenditures of Financial Awards, are required to be covered under the TSA (CMIA agreement). The list of federal assistance programs impacted by CMIA may be revised annually, depending on the total amount of federal expenditures as reported in the state's Single Audit Report. State agencies that administer CMIA programs are subject to CMIA regulations.

50.40.40
July 1, 2005

Responsibilities of the Office of Financial Management

The responsibilities of the Office of Financial Management are to:

1. Annually identify the state agencies and federal assistance programs that will be considered as CMIA programs and notify affected state agencies.
2. Negotiate with FMS new agreements and amendments to the existing TSA (Refer to Subsection 50.40.20).
3. With the assistance of the Office of State Treasurer (OST) and affected state agencies, develop clearance patterns.
4. Prepare annual interest reports and direct cost claims for submittal to FMS (submitted in December each year for the previous state fiscal year).

5. Direct OST as to the payment of state interest liability and/or receipt of federal interest liability.
6. Certify, with affected agencies' concurrence, every five years that clearance patterns correspond to a program's clearance activities.

50.40.50

July 1, 2002

Responsibilities of agencies that administer CMIA programs

The responsibilities of the state agencies that administer CMIA programs are:

1. Request federal funds in accordance with the approved funding technique described in the TSA and in amounts needed for immediate payments.
2. Document the amount of federal funds requested and when federal funds are deposited in the state's account.

If federal funds are not available when required per the TSA, process the request which will document federal funds were properly requested by the state in accordance with the TSA.

- For the federal draw systems that reject requests when federal funds are not available in the system, make the request and print the rejection notice as evidence of the state's conformance with the TSA. If necessary, make appropriate phone calls to federal agencies to notify them that federal funds are not available per the TSA. Document efforts made to request federal funds per the TSA.
- When federal funds are not available per the TSA, maintain documentation of the amount of state funds expended, the dates of these expenditures, the date federal funds were requested, and the date federal funds were received. Maintain this documentation for use in calculating federal interest liability on late federal funds.

Note: In most cases, the state cannot calculate a federal interest liability unless the state has made a request through a federal draw system and had it rejected, or has notified the applicable federal agency that federal funds are not available per the TSA.



Chapter 75 - Uniform Chart of Accounts

75.10 Coding Structures

75.10.10	About the uniform chart of accounts	June1, 2015
75.10.20	Descriptions of the code types	June 1, 2015

75.20 Agency Codes and Authorized Abbreviations

75.20.10	Sequential by code number	July 1, 2015
75.20.20	Alphabetical by title	July 1, 2015
75.20.30	Sequential by code number within functional group	July 2, 2015

75.30 Fund / Account Codes

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75.30.20	Cash and budget type codes	July 1, 2013
75.30.30	Fund types and subsidiary accounts - government-wide statement codes	July 1, 2002
75.30.40	Roll-up funds and subsidiary accounts - fund statement codes	June 1, 2014
75.30.50	Account codes: sequential by code number	June 1, 2015
75.30.60	Account codes: alphabetical by title	June 1, 2015

75.40 General Ledger Account Codes

75.40.10	Sequential by code number	June 1, 2015
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Uniform Chart of Accounts

75.50 Expenditure Authority Codes

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75.50.20	Operating expenditure authority codes	April 1, 2009
75.50.30	Capital expenditure authority codes	April 1, 2009
75.50.40	Schedule of expenditure authority types and codes not included on the Expenditure Authority Schedule	June 1, 2009

75.60 Statewide Program Codes

75.60.10	Sequential by code number with descriptions	June 1, 2004
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75.65 Statewide Project Type Codes

75.65.10	Information technology data needs	July 1, 2010
75.65.20	Special provisions for information technology project type coding	July 1, 2010
75.65.30	Sequential by code number with descriptions	July 1, 2010

75.70 Object/Subobject/Sub-subobject Codes

75.70.10	Sequential by code number	July 1, 2014
75.70.20	Sequential by code number with description	July 1, 2015

75.80 Revenue Source Codes

75.80.10	Categories of revenue	June 1, 2004
75.80.20	Major revenue source code descriptions	July 1, 2003
75.80.30	Sequential by code number	June 1, 2015
75.80.40	Sequential by code number with description	June. 1, 2015

75
Coding Structures

75.10.20

- 75.10.20.k **Organization Codes** - Used to identify or accumulate costs by cost centers.
- 75.10.20.l **Project Codes** - Used to identify tasks for which there are specific results. Project codes can be used over multiple years and biennia to accumulate transaction results over time. Project codes must have an associated project type. Agency use of project codes is optional.
- 75.10.20.m **Project Type Codes** - Used to identify a characteristic of a project. Agencies must choose from the OFM-maintained project type table for these codes. Refer to Section 75.65 for the authorized statewide project type codes.



75.20

Agency Codes and Authorized Abbreviations

75.20.10

July 1, 2015

Sequential by code number

AGENCY NUMBER	AGENCY TITLE
0010	State Revenue for Distribution (SRD)
0050	Federal Revenue for Distribution (FRD)
0100	Bond Retirement and Interest (BRI)
0110	House of Representatives (REP)
0120	Senate (SEN)
0130	Joint Transportation Committee (JTC)
0140	Joint Legislative Audit and Review Committee (JLARC)
0200	Legislative Evaluation and Accountability Program Committee (LEAP)
0350	Office of the State Actuary (OSA)
0370	Office of Legislative Support Services (LSS)
0380	Joint Legislative Systems Committee (JLS)
0400	Statute Law Committee (SLC)
0450	Supreme Court (SUP)
0460	State Law Library (LAW)
0480	Court of Appeals (COA)
0500	Commission on Judicial Conduct (CJC)
0550	Administrative Office of the Courts (AOC)
0560	Office of Public Defense (OPD)
0570	Office of Civil Legal Aid (OCLA)
0750	Office of the Governor (GOV)
0760	Special Appropriations to the Governor (SAG)
0800	Office of the Lieutenant Governor (LTG)
0820	Public Disclosure Commission (PDC)
0850	Office of the Secretary of State (SEC)
0860	Governor's Office of Indian Affairs (INA)
0870	Washington State Commission on Asian Pacific American Affairs (APA)
0900	Office of the State Treasurer (OST)
0910	Redistricting Commission (RDC)
0950	Office of the State Auditor (SAO)
0990	Washington Citizens' Commission on Salaries for Elected Officials (COS)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
1000	Office of the Attorney General (ATG)
1010	Caseload Forecast Council (CFC)
1020	Department of Financial Institutions (DFI)
1030	Department of Commerce (COM)
1040	Economic and Revenue Forecast Council (ERFC)
1050	Office of Financial Management (OFM)
1060	Washington Economic Development Finance Authority (EDA)
1070	State Health Care Authority (HCA)
1100	Office of Administrative Hearings (OAH)
1160	State Lottery Commission (LOT)
1170	Washington State Gambling Commission (GMB)
1180	Washington State Commission on Hispanic Affairs (CHA)
1190	Washington State Commission on African-American Affairs (CAA)
1200	Human Rights Commission (HUM)
1240	Department of Retirement Systems (DRS)
1260	State Investment Board (SIB)
1400	Department of Revenue (DOR)
1420	Board of Tax Appeals (BTA)
1470	Office of Minority and Women's Business Enterprises (OMWBE)
1480	Washington State Housing Finance Commission (HFC)
1600	Office of the Insurance Commissioner (INS)
1630	Consolidated Technology Services (CTS)
1650	State Board of Accountancy (ACB)
1670	Forensic Investigation Council (FIC)
1790	Department of Enterprise Services (DES)
1850	Washington Horse Racing Commission (HRC)
1900	Board of Industrial Insurance Appeals (IND)
1950	Liquor and Cannabis Board (LCB)
2050	Board of Pilotage Commissioners (BPC)
2150	Utilities and Transportation Commission (UTC)
2200	Board for Volunteer Firefighters and Reserve Officers (BVFFRO)
2250	Washington State Patrol (WSP)
2270	Washington State Criminal Justice Training Commission (CJT)
2280	Washington Traffic Safety Commission (STS)
2350	Department of Labor and Industries (L&I)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
2400	Department of Licensing (DOL)
2450	Military Department (MIL)
2750	Public Employment Relations Commission (PERC)
3000	Department of Social and Health Services (DSHS)
3030	Department of Health (DOH)
3040	Tobacco Settlement Authority (TOB)
3050	Department of Veterans' Affairs (DVA)
3100	Department of Corrections (DOC)
3150	Department of Services for the Blind (DSB)
3400	Student Achievement Council (SAC)
3410	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
3460	Washington Higher Education Facilities Authority (WHEFA)
3500	Superintendent of Public Instruction (SPI)
3510	State School for the Blind (SFB)
3520	State Board for Community and Technical Colleges (SBCTC)
3530	Washington State Center for Childhood Deafness and Hearing Loss (CDHL)
3540	Workforce Training and Education Coordinating Board (WFTECB)
3550	Department of Archaeology and Historic Preservation (DAHP)
3560	Life Sciences Discovery Fund Authority (LSDFA)
3570	Department of Early Learning (DEL)
3590	Washington Charter School Commission (WCSC)
3600	University of Washington (UW)
3650	Washington State University (WSU)
3700	Eastern Washington University (EWU)
3750	Central Washington University (CWU)
3760	The Evergreen State College (TESC)
3800	Western Washington University (WWU)
3870	Washington State Arts Commission (ART)
3900	Washington State Historical Society (WHS)
3950	Eastern Washington State Historical Society (EWH)
4050	Department of Transportation (DOT)
4060	County Road Administration Board (CRAB)
4070	Transportation Improvement Board (TIB)
4100	Transportation Commission (TRC)
4110	Freight Mobility Strategic Investment Board (FMSIB)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
4120	Washington Materials Management and Financing Authority (WMMFA)
4600	Columbia River Gorge Commission (CRG)
4610	Department of Ecology (ECY)
4620	Washington Pollution Liability Insurance Program (PLI)
4650	State Parks and Recreation Commission (PARKS)
4670	Recreation and Conservation Funding Board (RCFB)
4680	Environmental and Land Use Hearings Office (ELUHO)
4710	State Conservation Commission (SCC)
4770	Department of Fish and Wildlife (DFW)
4780	Puget Sound Partnership (PSP)
4900	Department of Natural Resources (DNR)
4950	Department of Agriculture (AGR)
5000	Apple Commission (APPLE)
5010	Alfalfa Seed Commission (ALFALFA)
5020	Beef Commission (BEEF)
5030	Blueberry Commission (BLUE)
5050	Bulb Commission (BULB)
5060	Asparagus Commission (ASPAR)
5070	Cranberry Commission (CRAN)
5080	Oilseeds Commission (OIL)
5100	Dairy Products Commission (DAIRY)
5120	Dry Pea and Lentil Commission (DRYPL)
5150	Fruit Commission (FRUIT)
5200	Fryer Commission (FRYER)
5210	Hardwoods Commission (HRWD)
5220	Hop Commission (HOP)
5240	Puget Sound Gillnet Salmon Commission (GILLNET)
5250	Potato Commission (POTATO)
5260	Strawberry Commission (STRAW)
5280	Mint Commission (MINT)
5290	Red Raspberry Commission (RASP)
5300	Seed Potato Commission (SEED)
5320	Turf Grass Seed Commission (TURF)
5330	Tree Fruit Research Commission (TREE)
5340	Wine Commission (WINE)
5350	Grain Commission (GRAIN)
5400	Employment Security Department (ES)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
5450	Beer Commission (BEER)
5990	Washington Health Care Facilities Authority (WHCFA)
6050	Everett Community College (EVC)
6100	Edmonds Community College (EDC)
6210	Whatcom Community College (WHC)
6270	Bellevue College (BC)
6290	Big Bend Community College (BBC)
6320	Centralia College (CEC)
6340	Cascadia College (CC)
6350	Clark College (CLC)
6370	Pierce College (PIE)
6390	Columbia Basin College (CBC)
6480	Grays Harbor College (GHC)
6490	Green River College (GRC)
6520	Highline College (HC)
6570	Lower Columbia College (LCC)
6620	Olympic College (OLC)
6650	Peninsula College (PEC)
6700	Seattle Community Colleges - District 6 (SCCD-6)
6720	Shoreline Community College (SHC)
6740	Skagit Valley College (SVC)
6750	South Puget Sound Community College (SPS)
6760	Spokane Community Colleges - District 17 (SCCD-17)
6780	Tacoma Community College (TCC)
6830	Walla Walla Community College (WLC)
6860	Wenatchee Valley College (WVC)
6910	Yakima Valley Community College (YVC)
6920	Lake Washington Institute of Technology (LWIT)
6930	Renton Technical College (RTC)
6940	Bellingham Technical College (BTC)
6950	Bates Technical College (BATES)
6960	Clover Park Technical College (CPTC)
6990	Community and Technical College System (CTCS)
7000	OFM Financial Statement Control (OFMFSC)
7010	Treasurer's Transfers (TRANSFER)

Uniform Chart of Accounts

75.20.20

July 1, 2015

Alphabetical By Title

AGENCY NUMBER	AGENCY TITLE
1650	Accountancy, State Board of (ACB)
0350	Actuary, Office of the State (OSA)
1100	Administrative Hearings, Office of (OAH)
0550	Administrative Office of the Courts (AOC)
1190	African-American Affairs, Washington State Commission on (CAA)
7160	Agency Loans (LOAN)
4950	Agriculture, Department of (AGR)
5010	Alfalfa Seed Commission (ALFALFA)
5000	Apple Commission (APPLE)
3550	Archaeology and Historic Preservation, Department of (DAHP)
3870	Arts Commission, Washington State (ART)
0870	Asian Pacific American Affairs, Washington State Commission on (APA)
5060	Asparagus Commission (ASPAR)
1000	Attorney General, Office of the (ATG)
0950	Auditor, Office of the State (SAO)
6950	Bates Technical College (BATES)
5020	Beef Commission (BEEF)
5450	Beer Commission (BEER)
6270	Bellevue College (BC)
6940	Bellingham Technical College (BTC)
6290	Big Bend Community College (BBC)
3150	Blind, Department of Services for the (DSB)
3510	Blind, State School for the (SFB)
5030	Blueberry Commission (BLUE)
0100	Bond Retirement and Interest (BRI)
5050	Bulb Commission (BULB)
6340	Cascadia College (CC)
1010	Caseload Forecast Council (CFC)
3750	Central Washington University (CWU)
6320	Centralia College (CEC)
3530	Childhood Deafness and Hearing Loss, Washington State Center for (CDHL)
8500	Cities and Towns (CITY)
0570	Civil Legal Aid, Office of (OCLA)
6350	Clark College (CLC)
6960	Clover Park Technical College (CPTC)
6390	Columbia Basin College (CBC)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
4600	Columbia River Gorge Commission (CRG)
1030	Commerce, Department of (COM)
3520	Community and Technical Colleges, State Board For (SBCTC)
6990	Community and Technical College System (CTCS)
4710	Conservation Commission, State (SCC)
1630	Consolidated Technology Services (CTS)
7400	Contributions to Retirement Systems (CRS)
3100	Corrections, Department of (DOC)
8000	Counties (COUNTY)
4060	County Road Administration Board (CRAB)
0480	Court of Appeals (COA)
5070	Cranberry Commission (CRAN)
2270	Criminal Justice Training Commission, Washington State (CJT)
5100	Dairy Products Commission (DAIRY)
5120	Dry Pea and Lentil Commission (DRYPL)
3570	Early Learning, Department of (DEL)
3700	Eastern Washington University (EWU)
4610	Ecology, Department of (ECY)
1040	Economic and Revenue Forecast Council (ERFC)
1060	Economic Development Finance Authority, Washington (EDA)
6100	Edmonds Community College (EDC)
5400	Employment Security, Department of (ES)
1790	Enterprise Services, Department of (DES)
4680	Environmental and Land Use Hearings Office (ELUHO)
6050	Everett Community College (EVC)
1020	Financial Institutions, Department of (DFI)
1050	Financial Management, Office of (OFM)
7000	Financial Statement Control, OFM (OFMFSC)
4770	Fish and Wildlife, Department of (DFW)
1670	Forensic Investigations Council (FIC)
4110	Freight Mobility Strategic Investment Board (FMSIB)
5150	Fruit Commission (FRUIT)
5200	Fryer Commission (FRYER)
1170	Gambling Commission, State (GMB)
0750	Governor, Office of the (GOV)
5350	Grain Commission (GRAIN)
6480	Grays Harbor College (GHC)
6490	Green River College (GRC)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
5210	Hardwoods Commission (HRWD)
3030	Health, Department of (DOH)
1070	Health Care Authority, State (HCA)
5990	Health Care Facilities Authority, Washington (WHCFA)
3460	Higher Education Facilities Authority, Washington (WHEFA)
6520	Highline College (HC)
1180	Hispanic Affairs, Washington State Commission on (CHA)
3950	Historical Society, Eastern Washington State (EWH)
3900	Historical Society, Washington State (WHS)
5220	Hop Commission (HOP)
1850	Horse Racing Commission, Washington (HRC)
0110	House of Representatives (REP)
1480	Housing Finance Commission, Washington State (HFC)
1200	Human Rights Commission (HUM)
0860	Indian Affairs, Governor's Office of (INA)
1900	Industrial Insurance Appeals, Board of (IND)
1600	Insurance Commissioner, Office of the (INS)
1260	Investment Board, State (SIB)
0140	Joint Legislative Audit and Review Committee (JLARC)
0380	Joint Legislative Systems Committee (JLS)
0130	Joint Transportation Committee (JTC)
0500	Judicial Conduct, Commission on (CJC)
2350	Labor and Industries, Department of (L&I)
6920	Lake Washington Institute of Technology (LWIT)
3410	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
0460	Law Library, State (LAW)
0200	Legislative Evaluation and Accountability Program Committee (LEAP)
0370	Legislative Support Services, Office of (LSS)
2400	Licensing, Department of (DOL)
0800	Lieutenant Governor, Office of the (LTG)
3560	Life Sciences Discovery Fund Authority (LSDFA)
1950	Liquor and Cannabis Board (LCB)
8600	Local Health Districts (LHD)
1160	Lottery Commission, State (LOT)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
6570	Lower Columbia College (LCC)
4120	Materials Management and Financing Authority, Washington (WMMFA)
2450	Military Department (MIL)
1470	Minority and Women's Business Enterprises, Office of (OMWBE)
5280	Mint Commission (MINT)
4900	Natural Resources, Department of (DNR)
7320	OFM Cash Flow Adjustments - All Other Funds (CFOTHER)
7310	OFM Cash Flow Adjustments - General Fund Federal/Private Local (CFGFF/PL)
7300	OFM Cash Flow Adjustments - General Fund State (CFGFS)
7800	OFM SWFS Administration
5080	Oilseeds Commission (OIL)
6620	Olympic College (OLC)
7170	One Time Grants (GRANT)
7900	OST - Cash and Warrant Control (STCWC)
4650	Parks and Recreation Commission, State (PARKS)
2250	Patrol, Washington State (WSP)
6650	Peninsula College (PEC)
6370	Pierce College (PIE)
2050	Pilotage Commissioners, Board of (BPC)
4620	Pollution Liability Insurance Program, Washington (PLI)
5250	Potato Commission (POTATO)
0560	Public Defense, Office of (OPD)
0820	Public Disclosure Commission (PDC)
2750	Public Employment Relations Commission (PERC)
3500	Public Instruction, Superintendent of (SPI)
5240	Puget Sound Gillnet Salmon Commission (GILLNET)
4780	Puget Sound Partnership (PSP)
4670	Recreation and Conservation Funding Board (RCFB)
5290	Red Raspberry Commission (RASP)
0910	Redistricting Commission (RDC)
6930	Renton Technical College (RTC)
1240	Retirement Systems, Department of (DRS)
1400	Revenue, Department of (DOR)
0050	Revenue for Distribution, Federal (FRD)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
0010	Revenue for Distribution, State (SRD)
0990	Salaries for Elected Officials, Washington Citizens' Commission on (COS)
9440	School Director's Association, Washington State (SDA)
6700	Seattle Community Colleges - District 6 (SCCD-6)
0850	Secretary of State, Office of the (SEC)
5300	Seed Potato Commission (SEED)
0120	Senate (SEN)
6720	Shoreline Community College (SHC)
6740	Skagit Valley College (SVC)
3000	Social and Health Services, Department of (DSHS)
6750	South Puget Sound Community College (SPS)
0760	Special Appropriations to the Governor (SAG)
6760	Spokane Community Colleges - District 17 (SCCD-17)
7270	Stadium and Exhibition Center Distributions (SECD)
0400	Statute Law Committee (SLC)
5260	Strawberry Commission (STRAW)
3400	Student Achievement Council (SAC)
7070	Sundry Claims (SUNDRY)
0450	Supreme Court (SUP)
6780	Tacoma Community College (TCC)
1420	Tax Appeals, Board of (BTA)
3760	The Evergreen State College (TESC)
3040	Tobacco Settlement Authority (TOB)
2280	Traffic Safety Commission, Washington (STS)
4050	Transportation, Department of (DOT)
4100	Transportation Commission (TRC)
4070	Transportation Improvement Board (TIB)
0900	Treasurer, Office of the State (OST)
7050	Treasurer's Deposit Income (DEPINC)
7010	Treasurer's Transfers (TRANSFER)
5330	Tree Fruit Research Commission (TREE)
5320	Turf Grass Seed Commission (TURF)
3600	University of Washington (UW)
2150	Utilities and Transportation Commission (UTC)
3050	Veterans' Affairs, Department of (DVA)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
2200	Volunteer Firefighters and Reserve Officers, Board for (BVFFRO)
6830	Walla Walla Community College (WLC)
3590	Washington Charter School Commission (WCSC)
3650	Washington State University (WSU)
6860	Wenatchee Valley College (WVC)
3800	Western Washington University (WWU)
6210	Whatcom Community College (WHC)
5340	Wine Commission (WINE)
3540	Workforce Training and Education Coordinating Board (WFTECB)
7100	Workfirst Performance Measures (WPM)
6910	Yakima Valley Community College (YVC)

Note 1:

Under RCW 43.88.240, unless otherwise directed by enabling statute, the Agricultural Commodity Commissions (Agencies 5000 through 5350, and 5450) are not subject to the Budget and Accounting Act. These commissions are not included in the Agency Financial Reporting System (AFRS).

Note 2:

For accounting purposes, the State Board for Community and Technical Colleges (Agency 3520) and the individual community and technical colleges (Agencies 6050 through 6960) are not included in AFRS. Statewide financial data for these agencies, including interagency receivables and payables, are to be reported under the Community and Technical College System (Agency 6990). However, for interagency receivables and payables, the individual college is to be used for subsidiary coding. Refer to Subsection 90.20.50.c.

Note 3:

Agencies 0010, 0050, 0100, 0760, and 7000 to 7900 are utilized for administrative purposes only

Note 4:

Agencies 8000 through 9440 are utilized for recording activity between the state and local government entities (for a detailed listing see the AFRS D37 table for counties and D38 table for cities and towns).

Note 5:

For accounting purposes, the state's component units (agencies 1060, 1480, 3040, 3460, 4120, 5990, and 7270) are not included in AFRS.

75.20.30
July 1, 2015

Sequential by code number within functional group

AGENCY NUMBER	AGENCY TITLE
	10 - GENERAL GOVERNMENT (F1)
	11 - General Government - Legislative
0110	House of Representatives (REP)
0120	Senate (SEN)
0130	Joint Transportation Committee (JTC)
0140	Joint Legislative Audit and Review Committee (JLARC)
0200	Legislative Evaluation and Accountability Program Committee (LEAP)
0350	Office of the State Actuary (OSA)
0370	Office of Legislative Support Services (LSS)
0380	Joint Legislative Systems Committee (JLS)
0400	Statute Law Committee (SLC)
0910	Redistricting Commission (RDC)
	12 - General Government - Judicial
0450	Supreme Court (SUP)
0460	State Law Library (LAW)
0480	Court of Appeals (COA)
0500	Commission on Judicial Conduct (CJC)
0550	Administrative Office of the Courts (AOC)
0560	Office of Public Defense (OPD)
0570	Office of Civil Legal Aid (OCLA)
	19 - General Government - Governmental Operations
0750	Office of the Governor (GOV)
0800	Office of the Lieutenant Governor (LTG)
0820	Public Disclosure Commission (PDC)
0850	Office of the Secretary of State (SEC)
0860	Governor's Office of Indian Affairs (INA)
0870	Washington State Commission on Asian Pacific American Affairs (APA)
0900	Office of the State Treasurer (OST)
0950	Office of the State Auditor (SAO)
0990	Washington Citizens' Commission on Salaries for Elected Officials (COS)
1000	Office of the Attorney General (ATG)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
1010	Caseload Forecast Council (CFC)
1020	Department of Financial Institutions (DFI)
1030	Department of Commerce (COM)
1040	Economic and Revenue Forecast Council (ERFC)
1050	Office of Financial Management (OFM)
1060	Washington Economic Development Finance Authority (EDA)
1100	Office of Administrative Hearings (OAH)
1160	State Lottery Commission (LOT)
1170	Washington State Gambling Commission (GMB)
1180	Washington State Commission on Hispanic Affairs (CHA)
1190	Washington State Commission on African-American Affairs (CAA)
1240	Department of Retirement Systems (DRS)
1260	State Investment Board (SIB)
1400	Department of Revenue (DOR)
1420	Board of Tax Appeals (BTA)
1470	Office of Minority and Women's Business Enterprises (OMWBE)
1480	Washington State Housing Finance Commission (HFC)
1600	Office of the Insurance Commissioner (INS)
1630	Consolidated Technology Services (CTS)
1650	State Board of Accountancy (ACB)
1670	Forensic Investigations Council (FIC)
1850	Washington Horse Racing Commission (HRC)
1790	Department of Enterprise Services (DES)
1950	Liquor and Cannabis Board (LCB)
2150	Utilities and Transportation Commission (UTC)
2200	Board for Volunteer Firefighters and Reserve Officers (BVFFRO)
2450	Military Department (MIL)
2750	Public Employment Relations Commission (PERC)
3410	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
3550	Department of Archaeology and Historic Preservation (DAHP)
3560	Life Sciences Discovery Fund Authority (LSDFA)
5990	Washington Health Care Facilities Authority (WHCFA)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
	20 - HUMAN SERVICES (F2)
	21 - Human Services - D.S.H.S.
3000	Department of Social and Health Services (DSHS)
	29 - Human Services - Other
1070	Washington State Health Care Authority (HCA)
1200	Human Rights Commission (HUM)
1900	Board of Industrial Insurance Appeals (IND)
2270	Washington State Criminal Justice Training Commission (CJT)
2350	Department of Labor and Industries (L&I)
3030	Department of Health (DOH)
3040	Tobacco Settlement Authority (TOB)
3050	Department of Veterans' Affairs (DVA)
3100	Department of Corrections (DOC)
3150	Department of Services for the Blind (DSB)
5400	Department of Employment Security (ES)
	30 - NATURAL RESOURCES AND RECREATION (F3)
	31 - Natural Resources and Recreation
4120	Washington Materials Management and Financing Authority (WMMFA)
4600	Columbia River Gorge Commission (CRG)
4610	Department of Ecology (ECY)
4620	Washington Pollution Liability Insurance Program (PLI)
4650	State Parks and Recreation Commission (PARKS)
4670	Recreation and Conservation Funding Board (RCFB)
4680	Environmental and Land Use Hearings Office (ELUHO)
4710	State Conservation Commission (SCC)
4770	Department of Fish and Wildlife (DFW)
4780	Puget Sound Partnership (PSP)
4900	Department of Natural Resources (DNR)
4950	Department of Agriculture (AGR)
	39 - Agricultural Commodity Commissions
5000	Apple Commission (APPLE)
5010	Alfalfa Seed Commission (ALFALFA)
5060	Asparagus Commission (ASPAR)
5020	Beef Commission (BEEF)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
5030	Blueberry Commission (BLUE)
5050	Bulb Commission (BULB)
5070	Cranberry Commission (CRAN)
5080	Oilseeds Commission (OIL)
5100	Dairy Products Commission (DAIRY)
5120	Pea and Lentil Commission (DRYPL)
5150	Fruit Commission (FRUIT)
5200	Fryer Commission (FRYER)
5210	Hardwoods Commission (HRWD)
5220	Hop Commission (HOP)
5240	Puget Sound Gillnet Salmon Commission (GILLNET)
5250	Potato Commission (POTATO)
5260	Strawberry Commission (STRAW)
5280	Mint Commission (MINT)
5290	Red Raspberry Commission (RASP)
5300	Seed Potato Commission (SEED)
5320	Turf Grass Seed Commission (TURF)
5330	Tree Fruit Research Commission (TREE)
5340	Wine Commission (WINE)
5350	Grain Commission (GRAIN)
5450	Beer Commission (BEER)
40 - TRANSPORTATION (F4)	
41 - Transportation	
2050	Board of Pilotage Commissioners (BPC)
2250	Washington State Patrol (WSP)
2280	Washington Traffic Safety Commission (STS)
2400	Department of Licensing (DOL)
4050	Department of Transportation (DOT)
4060	County Road Administration Board (CRAB)
4070	Transportation Improvement Board (TIB)
4100	Transportation Commission (TRC)
4110	Freight Mobility Strategic Investment Board (FMSIB)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
	50 - EDUCATION (F5)
	51 - Kindergarten Through Twelfth Grade
3500	Superintendent of Public Instruction (SPI)
3590	Washington Charter School Commission (WCSC)
	52 - Higher Education
3400	Student Achievement Council (SAC)
3520	State Board for Community and Technical Colleges (SBCTC)
3600	University of Washington (UW)
3650	Washington State University (WSU)
3700	Eastern Washington University (EWU)
3750	Central Washington University (CWU)
3760	The Evergreen State College (TESC)
3800	Western Washington University (WWU)
6050	Everett Community College (EVC)
6100	Edmonds Community College (EDC)
6210	Whatcom Community College (WHC)
6270	Bellevue College (BC)
6290	Big Bend Community College (BBC)
6320	Centralia College (CEC)
6340	Cascadia College (CC)
6350	Clark College (CLC)
6370	Pierce College (PIE)
6390	Columbia Basin College (CBC)
6480	Grays Harbor College (GHC)
6490	Green River College (GRC)
6520	Highline College (HC)
6570	Lower Columbia College (LCC)
6620	Olympic College (OLC)
6650	Peninsula College (PEC)
6700	Seattle Community Colleges - District 6 (SCCD-6)
6720	Shoreline Community College (SHC)
6740	Skagit Valley College (SVC)
6750	South Puget Sound Community College (SPS)
6760	Spokane Community Colleges - District 17 (SCCD-17)

Uniform Chart of Accounts

AGENCY NUMBER	AGENCY TITLE
6780	Tacoma Community College (TCC)
6830	Walla Walla Community College (WLC)
6860	Wenatchee Valley College (WVC)
6910	Yakima Valley Community College (YVC)
6920	Lake Washington Institute of Technology (LWIT)
6930	Renton Technical College (RTC)
6940	Bellingham Technical College (BTC)
6950	Bates Technical College (BATES)
6960	Clover Park Technical College (CPTC)
6990	Community and Technical College System (CTCS)
59 - Education - Other	
3460	Washington Higher Education Facilities Authority (WHEFA)
3510	State School for the Blind (SFB)
3530	Washington State Center for Childhood Deafness and Hearing Loss (CDHL)
3540	Workforce Training and Education Coordinating Board (WFTECB)
3570	Department of Early Learning (DEL)
3870	Washington State Arts Commission (ART)
3900	Washington State Historical Society (WHS)
3950	Eastern Washington State Historical Society (EWH)
90 - OTHER (F1)	
91 - Other Administrative Agencies	
7000	OFM Financial Statement Control (OFMFSC)
7100	Workfirst Performance Measures (WPM)
7300	OFM Cash Flow Adjustments - General Fund State (CFGFS)
7310	OFM Cash Flow Adjustments - General Fund Federal/Private Local (CFGFF/PL)
7320	OFM Cash Flow Adjustments - All Other Funds (CFOTHER)
7900	OST - Cash and Warrant Control (STCWC)
92 - Payments to Political Subdivisions	
0010	State Revenue for Distribution (SRD)
0050	Federal Revenue for Distribution (FRD)

Uniform Chart of Accounts

GL CODE GENERAL LEDGER CODE

9350, 9400 and 9545 - PROPRIETARY/GOVERNMENT-WIDE NET POSITION

9350	Net Investment in Capital Assets (OFM Only)
9400	Accumulated Earnings (Losses)
9410	Restricted Net Position
9450	Unrestricted Net Position (OFM Only)
9545	Reserved for Unemployment Compensation

9550 and 9600 - NET POSTION FOR PENSIONS AND OTHER TRUSTS

9550	Reserved for Retirement Systems
9551	Reserved for Deferred Compensation
9554	Reserved for Local Government Investment Pool Participants
9601	Reserved for Members (DRS Only)
9603	Reserved for Benefits (DRS Only)
9604	Reserved for Benefits – Medical (DRS Only)
9607	Reserved for Higher Education Retirement Plan Supplemental Benefits (DRS only)
9608	Reserved for Members Defined Contributions – SIB (DRS Only)
9609	Reserved for Members Defined Contributions – Self-Directed (DRS Only)

9700 - FUND BALANCE/NET POSTION CHANGES AND CORRECTIONS

9720	Prior Period Material Corrections (OFM Only)
9721	Fund Type Reclassification Changes (OFM Only)
9722	Accounting Policy Changes (OFM Only)
9723	Capital Asset Policy Changes

9800 - GENERAL CAPITAL ASSETS VALUATION

9850	Investment in General Capital Assets
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9900 - AFRS CLEARING

9910	Current Period Clearing (Subsidiary Accounts Only)
9920	Current Period Clearing (All Fund Types Except Subsidiary Accounts)
9940	Reserve Clearing (DRS Only)
9998	Beginning Balance Clearing (OFM Only)

Uniform Chart of Accounts

75.40.20

July 1, 2015

Sequential by code number with description**GL CODE****GENERAL LEDGER CODE DESCRIPTION****0000 - BUDGETARY & FULL TIME EQUIVALENT (FTE) ACCOUNTS**

0001

Estimated cash receipts

Cash receipts are any moneys (e.g., checks, cash, warrants, credit or debit card amounts, or automated clearing house (ACH) transfers) received by the state during a period regardless of when the moneys are earned.

0002

Estimated cash disbursements

Cash disbursements are any moneys (e.g., checks, cash, warrants, credit or debit card amounts, and ACH transfers paid by the state during a period regardless of when the related obligations are incurred.

0003

Estimated 25th month cash disbursements

This GL code is used to record estimated cash disbursements at year-end.

0004

Estimated encumbrances

This GL code is used to record estimated encumbrances.

0005

Estimated unallotted FTEs

This GL code is used to record estimated unallotted FTEs.

0006

Estimated accrued receipts

This GL code is used to record estimated accrued receipts.

0064

Estimated contract expenditures

This GL code is used to record estimated contract expenditures.

0110

Approved estimated FTEs

Equivalent of 2088 hours of work in a fiscal year. "Approved" indicates that OFM has reviewed and approved the allotment.

Uniform Chart of Accounts

GL CODE	GENERAL LEDGER CODE DESCRIPTION
0910	<p>Budgetary control</p> <p>This GL code is used in AFRS as an offset for entering activity to general ledger accounts. The balance of this GL code should be zero.</p>
0995	<p>Expenditure control</p> <p>This GL code is used in AFRS as an offset for entering activity to general ledger accounts. The balance of this GL code should be zero.</p>
0998	<p>Statistical clearing</p> <p>This GL code is used in AFRS as an offset for entering activity to general ledger accounts.</p>
<u>1000 - ASSETS OTHER THAN CAPITAL</u>	
<u>1100 - CASH</u>	
1110	<p>Cash in Bank</p> <p>This GL code is used to record all cash in the bank. This includes demand accounts such as checking and savings accounts. For treasury and treasury trust funds, only the State Treasurer uses this GL code. For local funds, this GL code is used by the individual state agency.</p>
1120	<p>Undeposited Local Cash</p> <p>This GL code is used to record cash on hand received by an agency for deposit into a bank account outside the treasury.</p>
1130	<p>Petty Cash</p> <p>This GL code is used to record petty cash on hand or in bank accounts for the purpose of making change or paying small obligations.</p>
1140	<p>Restricted Cash and Investments - Current Operations</p> <p>This GL code is used to record restricted cash and investments held by escrow agents and trustees that will be used in current operations for the payment of current liabilities. Examples include amounts held pursuant to a third party agreement that will be expended for current operations and amounts held to liquidate a current liability such as the retained percentage of contracts payable.</p>

Uniform Chart of Accounts

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1150	<p>Cash with Fiscal Agents</p> <p>This GL code is used to record cash deposited with fiscal agents for the payment of state obligations. Amounts held may be restricted.</p>
<u>1200 - INVESTMENTS</u>	
1205	<p>Temporary and/or Pooled Cash Investments</p> <p>This GL code is used to record the temporary and/or pooled investment of surplus cash balances or those investments that are readily convertible to known amounts of cash and so near their maturity when purchased that they present insignificant risk of changes in value because of changes in interest rates.</p>
1206	<p>Investments with Local Government Investment Pool</p> <p>This GL code is used to record the temporary investment of surplus funds with the Local Government Investment Pool. Statewide, all GL Codes 1206 and 5156 are to be in balance.</p>
1209	<p>Short-Term Portion of Long-Term Investments</p> <p>This GL code is used to record the portion of long-term investments that will mature within one year. This would include investments purchased in a current or prior period that are now within 12 months of maturity, except those in GL Code 1205.</p>
1210	<p>Investments</p> <p>This GL code is used to record the cost or par value of long-term securities or other assets that (a) are held primarily for the purpose of income or profit and (b) have present service capacity based solely on the ability to generate cash or to be sold to generate cash. These are investments that do not qualify as “Temporary and/or Pooled Cash Investments” (GL Code 1205) or “Short-Term Portion of Long-Term Investments” (GL Code 1209). Fair value adjustments are recorded to “Valuation Allowance – Investments” (GL Code 1280).</p> <p>In certain circumstances in governmental funds, this amount should be reflected in “Nonspendable Investments” (GL Code 9123) offset by “the appropriate fund equity GL code. Changes in fair value are reported in GL Code 1280. Premiums are reported in GL Code 1220 and Discounts are reported in GL Code 1230.</p>

Uniform Chart of Accounts

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1215	<p>Investments under Reverse Repurchase Agreements</p> <p>This GL code is used to record the carrying value of investments underlying reverse repurchase and similar agreements.</p>
1216	<p>Collateral held under Securities Lending Agreements</p> <p>This GL code is used to record the carrying value of the cash and securities received as collateral from the borrower under securities lending agreements where the state has the ability to pledge or sell the collateral. Corresponding liabilities are recorded in GL Code 5197.</p>
1219	<p>Investments in Commingled Trust Funds (SIB Only)</p> <p>This GL code is used to record cash contributions of nonagency type funds to commingled trust funds. At the end of a fiscal year, this GL code is to equal zero.</p>
1220	<p>Unamortized Premiums on Investments</p> <p>This GL code is used to record that portion of the excess of the amount paid for securities over their face value that has not yet been amortized.</p>
1230	<p>Unamortized Discounts on Investments</p> <p>This GL code is used to record that portion of the excess of the face value of securities over the amount paid for them that has not yet been amortized.</p>
1240	<p>Restricted Cash and Investments - Noncurrent</p> <p>This GL code is used to record cash and investments held by escrow agents and trustees that are restricted and will not be used in current operations. Examples include amounts held pursuant to an advance refunding agreement; amounts restricted by debt covenant for the acquisition or construction of noncurrent assets; or amounts held in trust pursuant to a third party agreement that will not be used in current operations.</p>
1271	<p>Commingled Trust Funds Investments (SIB Only)</p> <p>This GL code is used solely in commingled trust funds to record the value of long-term securities and real estate held for the production of income.</p>

Uniform Chart of Accounts

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1272	<p>Commingled Trust Funds Unamortized Premiums on Investments (SIB Only)</p> <p>This GL code is used solely in commingled trust funds to record that portion of the excess of amounts paid for securities over their face value that has not yet been amortized.</p>
1273	<p>Commingled Trust Funds Unamortized Discounts on Investments (SIB Only)</p> <p>This GL code is used solely in commingled trust funds to record that portion of the excess of the face value of securities over amounts paid for them that has not yet been amortized.</p>
1278	<p>Commingled Trust Funds Valuation Allowance – Investments (SIB Only)</p> <p>This GL code is used solely in commingled trust funds to record fair value changes in investments in workers’ compensation and pension trust funds. This GL code is not to be used in funds with investments accounted for on a cost basis.</p>
1280	<p>Valuation Allowance – Investments</p> <p>This GL code is used to record fair value changes (increases and decreases) relating to investments.</p>
<u>1300 - SHORT-TERM RECEIVABLES</u>	
Receivables that are due or expected to be collected within one year.	
<u>1310 and 1320 - SHORT-TERM RECEIVABLES</u>	
1311	<p>Taxes Receivable</p> <p>The balance of this GL code represents the uncollected portion of taxes receivable, including associated interest and penalty charges.</p>
1312	<p>Accounts Receivable</p> <p>The balance of this GL code represents amounts owed on open accounts from private individuals or organizations for goods and services furnished by the state. Although taxes receivable are forms of accounts receivable, they are to be recorded and reported separately in either GL Code 1311 or 1328.</p>

Uniform Chart of Accounts

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1382	L & I Self-Insurance Receivables The balance of this GL code represents the current portion of workers compensation amounts due from self-insured employers.
1383	Travel Advances The balance of this GL code represents the amount of outstanding travel advances.
<u>1400 - INVENTORIES</u>	
1410	Consumable Inventories The balance of this GL code represents the cost (or fair value if donated) of inventories of consumable materials, supplies, and foodstuffs.
1415	Donated Inventories The balance of this GL code represents the value of inventoriable federally donated commodities and other donated inventoriable items.
1420	Merchandise Inventories The balance of this GL code represents the cost of goods held for resale rather than for use in operations.
1430	Work-in-Process Inventories The balance of this GL code represents the value of items of tangible personal property that are in process of production for sale in the ordinary course of business.
1440	Raw Materials Inventories The balance of this GL code represents the value of items of tangible personal property that are to be currently consumed either directly or indirectly in the production of goods or services to be available for sale.

Uniform Chart of Accounts

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1450	<p>Livestock</p> <p>The balance of this GL code represents the cost of livestock that are to be consumed either directly or indirectly in the production of goods or services to be available for sale (excludes educational, laboratory and research animals).</p>
	<u>1500 - PREPAID EXPENSES</u>
1510	<p>Prepaid Expenses</p> <p>The balance of this GL code represents the amount of disbursements made for benefits not yet received. Prepaid expenses differ from deferred charges in that prepaid expenses are spread over a shorter period of time and are regular recurring costs of operations.</p>
	<u>1600 - LONG-TERM RECEIVABLES</u>
	<p>Long-Term Receivables are those which are not due or expected to be collected within 12 months.</p>
1611	<p>Taxes Receivable</p> <p>The balance of this GL code represents the long-term portion of taxes and tax liens receivable, including the associated interest and penalty charges.</p>
1614	<p>Loans Receivable</p> <p>The balance of this GL code represents the long-term portion of loans receivable.</p> <p>Loans are defined as amounts which have been loaned to individuals or organizations external to the state, including notes taken as security for such loans.</p>
1615	<p>Allowance for Forgivable Loans – Nonprofits</p> <p>The balance of this GL code offsets forgivable loans to nonprofit organizations.</p>
1619	<p>Other Receivables</p> <p>The balance of this GL code represents long-term other receivables billed or supported by other evidences of indebtedness.</p>

Uniform Chart of Accounts

A deferral for implementation of this requirement is granted to higher education agencies (including both four-year institutions and the community and technical colleges). This deferral expires June 30, 2013, and the IT coding requirement becomes effective for the biennium beginning July 1, 2013.

75.65.30

July 1, 2010

Sequential by code number with descriptions**Code****Title and Description**

X

Used to indicate IT acquisitions/new development expenditures.

Y

Used to indicate IT maintenance and operations expenditures.



75.70 Object/Subobject/Sub-subobject Codes

75.70.10

July 1, 2015

Sequential by code number

Code	Statewide Sub- subobject	Title
		A - SALARIES AND WAGES
AA		State Classified
	SW01	• Regular Salaries
	SW02	• Shift Differential
	SW03	• Standby
	SW04	• Assignment Pay
	SW07	• Salary Advance
AB		Higher Education Classified
AC		State Exempt
	SW01	• Regular Salaries
	SW03	• Standby
AD		Higher Education Exempt
AE		State Special
	SW13	• Board and Commission Member Compensation
	SW14	• Specified Rate Compensation
AF		Higher Education Faculty
AG		Commissioned State Patrol Officers
AH		Higher Education Graduate Assistants
AJ		State Other
AK		Higher Education Other
AL		Higher Education Students
	SW15	• Work Study
AN		Justices and Judges
AR		Elected Officials
AS		Sick Leave Buy-Out
	SW01	• OASI Taxable
AT		Terminal Leave
AU		Overtime and Callback
	SW11	• Callback
	SW12	• Overtime
	SW13	• Overtime for Holidays

Uniform Chart of Accounts

Code	Statewide Sub- subject	Title
	SW14	• Shift Differential Overtime
	SW17	• Assignment Pay Overtime
B - EMPLOYEE BENEFITS		
BA		Old Age, Survivors, and Disability Insurance
BB		Retirement and Pensions
BC		Medical Aid and Industrial Insurance
	SW33	• Medical Aid Fund
	SW34	• Supplemental Pension
	SW35	• Accident Fund
BD		Health, Life, and Disability Insurance
BE		Allowances
	SW21	• Commute Trip Reduction
	SW22	• Cellular device
BF		Unemployment Compensation
BG		Supplemental Retirement Payments
BH		Hospital Insurance (Medicare)
BR		Other Postemployment Benefits
BP		Net Pension Liability Adjustment (Proprietary Accounts Only)
BT		Shared Leave Provided - Sick Leave
BU		Shared Leave Provided - Personal Holiday
BV		Shared Leave Provided - Vacation Leave
BW		Shared Leave Received
BZ		Other Employee Benefits
C - PROFESSIONAL SERVICE CONTRACTS		
CA		Management and Organizational Services
CB		Legal and Expert Witness Services
CC		Financial Services
CD		Computer and Information Services
CE		Social Research Services
CF		Technical Research Services
CG		Marketing Services
CH		Communication Services
CJ		Training Services
CK		Recruiting Services
CZ		Other Professional Services

Uniform Chart of Accounts

Code	Statewide Sub- subject	Title
E - GOODS AND ROUTINE OTHER SERVICES		
EA		Supplies and Materials
EB		Communications and Telecommunications Services
EC		Utilities
ED		Rentals and Leases – Land and Buildings
EE		Repairs, Alterations, and Maintenance
EF		Printing and Reproduction
EG		Employee Professional Development and Training
EH		Rentals and Leases – Furnishings and Equipment
EI		Retailer Commissions
EJ		Subscriptions
EK		Facilities and Services
EL		Data Processing Services (Interagency)
EM		Attorney General Services
EN		Personnel Services
EP		Insurance
ER		Other Routine Contractual Services
	SW31	• Employee Parking
ES		Vehicle Maintenance and Operating Costs
ET		Audit Services
EV		Administrative Hearings Services
EW		Archives and Records Management Services
EX		OMWBE Services
EY		Software Licenses, Maintenance, and Subscription-Based Computing Services
EZ		Other Goods and Services
F - COST OF GOODS SOLD (Proprietary Funds Only)		
FA		Net Cost of Goods Sold
FB		Purchases
FC		Returned Purchases
FD		Freight-In
FE		Discounts
FF		Inventory Adjustment
FG		Direct Labor
FH		Raw Materials (Direct Materials)
FJ		Manufacturing Overhead

Uniform Chart of Accounts

Code	Statewide Sub- subject	Title
G - TRAVEL		
GA		In-State Subsistence and Lodging
	SW41	• Meals Taxable
	SW42	• Meals Taxable – Board and Commission Members
GB		In-State Air Transportation
GC		Private Automobile Mileage
GD		Other Travel Expenses
GF		Out-of-State Subsistence and Lodging
	SW46	• Meals Taxable – Out of State
GG		Out-of-State Air Transportation
GN		Motor Pool Services
J - CAPITAL OUTLAYS		
JA		Noncapitalized Assets
JB		Noncapitalized Software
JC		Furnishings and Equipment
JD		Library Resources
JE		Land
JF		Buildings
JG		Highway Construction
JH		Improvements Other Than Buildings (Non State Highway System)
JJ		Grounds Development
JK		Architectural and Engineering Services
JL		Capital Planning
JM		Art Collections, Library Reserve Collections, and Museum & Historical Collections
JN		Relocation Costs
JQ		Software
JR		Intangible Assets
JZ		Other Capital Outlays
M - INTERFUND OPERATING TRANSFERS		
MA		Interfund Operating Transfers In
MB		Interfund Operating Transfers Out
MC		Interfund Transfers In - Principal
MD		Interfund Transfers In - Interest
MI		Interfund Transfers Out - Interest
MM		Agency Incentive Savings Transfers Out
MP		Interfund Transfers Out - Principal

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Code	Statewide Sub- subject	Title
N - GRANTS, BENEFITS, AND CLIENT SERVICES		
NA		Direct Payments to Clients
NB		Payments to Providers for Direct Client Services
NF		Workers' Compensation Payments
NH		Public Employee Benefit, Basic Health, and Community Health Service Payments
NL		Lottery Prize Payments
NR		Loan Disbursements
NT		Pension Refund Payments
NU		Pension Benefit Payments
NW		Special Employment Compensation
NY		Participant Withdrawals
NZ		Other Grants and Benefits
	SW91	• Employee Awards - Taxable
P - DEBT SERVICE		
PA		Principal
PB		Interest
PC		Other Debt Costs
PD		Principal COP Lease/Purchase Agreements
PE		Interest COP Lease/Purchase Agreements
S - INTERAGENCY REIMBURSEMENTS		
SA		Salaries and Wages
SB		Employee Benefits
SC		Professional Service Contracts
SE		Goods and Other Services
SG		Travel
SJ		Capital Outlays
SN		Grants, Benefits, and Client Services
SP		Debt Service
SZ		Unidentified
T - INTRA-AGENCY REIMBURSEMENTS		
TA		Salaries and Wages
TB		Employee Benefits
TC		Professional Service Contracts
TE		Goods and Other Services
TG		Travel

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Code	Statewide Sub- subject	Title
TJ		Capital Outlays
TN		Grants, Benefits, and Client Services
TP		Debt Service
TZ		Unidentified
W - OTHER		
WA		Depreciation/Amortization
WB		Amortization
WC		Bad Debts
WD		Change in Capitalization Policy
WE		Pollution Remediation (General Long-Term Obligations Subsidiary Account Only)
WF		Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)
WP		Net Pension Liability Adjustment (General Long-Term Obligations Subsidiary Account Only)
WR		Other Postemployment Benefits (General Long-Term Obligations Subsidiary Account Only)

Note: Statewide Sub-subjects are used for processing payroll in the Human Resource Management System (HRMS).

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75.70.20

July 1, 2015

Sequential by code number with description

Code	Title and Description
A	SALARIES AND WAGES Amounts paid to persons who provide personal services subject to the direction and control of a state agency (employer/employee relationship) are to be classified as salaries and wages, except for those persons who are considered employees for payroll tax reporting only (refer to Subobject NW). It does not matter that the state agency permits the employee considerable discretion and freedom of action as long as the state agency has the legal right to supervise and control the method and the result of the services.
AA	State Classified Those state employees/positions whose salaries are set in accordance with the Washington Personnel Resources Board salary schedule and compensation plans, except those employees/positions whose salaries are set by the Washington Personnel Resources Board under the provisions of additional exemptions requested by elected officials and the executive assistants for personnel administration as prescribed by RCW 41.06.070. Also includes those employees under the Washington Management Services program.
AB	Higher Education Classified All classified employees/positions of institutions of higher education and related boards under the jurisdiction of the Washington Personnel Resources Board as defined by chapter 41.06 RCW.
AC	State Exempt Those employees/positions whose salaries are set by the governor, upon recommendation of the State Committee on Agency Officials' Salaries, or by appropriate boards and commissions; and those employees/positions whose salaries are set by the Washington Personnel Resources Board under the provisions of additional exemptions requested by elected officials and the executive assistant for personnel administration as prescribed by RCW 41.06.070. This category includes those employees/positions whose salaries are established by agency heads such as confidential secretaries, administrative assistants, and assistant attorney generals.

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Code	Title and Description
EC	<p>and facsimile services; letter postage; rental of post office boxes or postage meter machines and/or mailing machines; contractual messenger service; switchboard service charges; telephone installation costs; and internet access charges. Also includes amounts expended for videoconferencing and data communication, such as data line costs, modems, routers, gateways, Internet and other bundled service costs.</p> <p>Utilities</p> <p>The amounts expended to heat, cool, and light state owned and/or leased facilities not obtained through the Department of Enterprise Services, where energy costs are not included as part of the monthly lease payments. Also, includes the amounts expended for water, sewer, and garbage.</p>
ED	<p>Rentals and Leases – Land and Buildings</p> <p>The amounts expended for leases and rentals for the occupancy and continued use of property owned by the Department of Enterprise Services and other state agencies, private landlords, and other public and non-profit entities. This category includes: land, buildings, and structures. Refer to Subobject EH for temporary use of space for conferences and meetings, and rentals and leases for furnishings, equipment, and to Subobject EY for software licenses and maintenance.</p>
EE	<p>Repairs, Alterations, and Maintenance</p> <p>The amounts expended for the normal upkeep and restoration of buildings, structures, equipment, or other improvements. Includes expenditures to remodel, restore, and recondition which do not extend the useful life of the asset. Also includes support and/or maintenance agreements on equipment, including hardware. Refer to Subobject EY for software licenses and maintenance.</p>
EF	<p>Printing and Reproduction</p> <p>The amounts expended for contractual printing and reproduction, binding operations, and all common processes of duplication performed by the Department of Enterprise Services' Printing and Imaging or commercial printers. Includes printed matter such as publications, books, pamphlets, digital and scanned images, and the cost of office copier supplies.</p>
EG	<p>Employee Professional Development and Training</p> <p>The amounts expended for the payment of tuition, fees, and/or other related expenses for individuals. Includes:</p>

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Code	Title and Description
	<ul style="list-style-type: none"> • Distance learning training options such as satellite, e-learning, and webcast training; and • Training provided incidental to the purchase of an asset but not included in the purchase price of the asset. <p>Also includes the amounts expended for individual and/or agency participation in associations, organizations, conventions, and the cost of subscriptions that accompany these memberships. Also, includes nontaxable employee recognition and productivity awards of nominal economic value excluding cash or cash equivalents, such as gift certificates, which are taxable and are to be reported under Subobject NZ.</p> <p>Does not include training and related services provided under Subobject CJ.</p> <p>Also, does not include lodging or subsistence costs except where meals and/or lodging are included as an integral part of the fee.</p>
EH	<p>Rentals and Leases – Furnishings and Equipment</p> <p>The amounts expended for the possession and use of furnishings, equipment (excluding travel expense rentals), and the temporary use of space for conferences and meetings. Refer to Subobject ED for rentals and leases for continued use of land and buildings, and structures, and to Subobject EY for software licenses and maintenance.</p>
EI	<p>Retailer Commissions</p> <p>The amounts paid to retailers for selling lottery tickets and agents for selling state health insurance.</p>
EJ	<p>Subscriptions</p> <p>The amounts expended for subscriptions to newspapers, periodicals and databases, and/or services providing informational reports. Includes items purchased for use in state libraries that do not have a useful life greater than one year whether or not they are cataloged.</p> <p>Does not include subscriptions accompanying individual and/or agency memberships.</p> <p>Does not include subscription-based computing services coded to Subobject EY.</p> <p>Also, does not include items purchased for use in state libraries that are cataloged and have a useful life greater than one year. These are classified as capital outlays and coded to Subobject JD.</p>

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Code	Title and Description
EK	<p data-bbox="483 317 760 348">Facilities and Services</p> <p data-bbox="483 384 1446 520">Charges by the Department of Enterprise Services for central services provided to agencies. Includes, but is not limited to, maintenance of capital buildings and grounds, campus mail service, contract administration, and other fees charged by the Department of Enterprise Services.</p> <p data-bbox="483 556 1398 625">Does not include motor pool charges which are classified under Subobject GN or personnel services which are classified under Subobject EN.</p>
EL	<p data-bbox="483 657 963 688">Data Processing Services (Interagency)</p> <p data-bbox="483 724 1430 930">Charges by state agencies for information technology services. Examples include computing services, hosting services, network services, web services, statewide systems (AFRS, HRMS, etc.), and planning and policy assessment by agencies such as the Department Enterprise Services, the Office of Financial Management, Office of the Chief Information Officer and Consolidated Technology Services.</p>
EM	<p data-bbox="483 972 808 1003">Attorney General Services</p> <p data-bbox="483 1039 1227 1066">Charges by the Office of Attorney General for legal services.</p>
EN	<p data-bbox="483 1108 716 1140">Personnel Services</p> <p data-bbox="483 1176 1430 1339">Charges by the Department of Enterprise Services and the Office of Financial Management for services in connection with the appointment, training, promotion, transfer, layoff, recruitment, retention, classification, compensation, removal, discipline, labor relations, and welfare of state classified and higher education classified employees.</p>
EP	<p data-bbox="483 1381 602 1413">Insurance</p> <p data-bbox="483 1449 1442 1539">The amounts expended for liability, property, vehicle, fire, accident, including risk management and self-insurance payments, and all other forms of insurance except for state employee insurance benefits.</p>
ER	<p data-bbox="483 1581 813 1612">Other Contractual Services</p> <p data-bbox="483 1648 1442 1837">The amounts expended for contractual services provided to accomplish routine, continuing and necessary functions not otherwise specifically mentioned or included under the other subobjects within Object E "Goods and Other Services," Object C "Professional Service Contracts," Object N "Grants, Benefits, and Client Services," or Subobject JK "Architectural and Engineering Services."</p>

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Code	Title and Description
	Other contractual services could include, but are not limited to, custodial, interagency, court reporters, lay witnesses, process servers, security, data entry, keypunch, testing and application programming services, offsite data storage, and network monitoring.
ES	<p data-bbox="483 478 1000 506">Vehicle Maintenance and Operating Costs</p> <p data-bbox="483 541 1435 638">The amounts expended for the maintenance and operation of state owned vehicles. Includes, but is not limited to, such costs as gasoline, oil, tires, parts, and supplies.</p>
ET	<p data-bbox="483 674 662 701">Audit Services</p> <p data-bbox="483 737 1179 764">Charges by the Office of State Auditor for audit services.</p>
EV	<p data-bbox="483 810 894 837">Administrative Hearings Services</p> <p data-bbox="483 873 1357 900">Charges by the Office of Administrative Hearings for hearings services.</p>
EW	<p data-bbox="483 947 1029 974">Archives and Records Management Services</p> <p data-bbox="483 1010 1317 1068">Charges by the Secretary of State for archiving, storage, and records management services.</p>
EX	<p data-bbox="483 1115 711 1142">OMWBE Services</p> <p data-bbox="483 1178 1382 1236">Charges by the Office of Minority and Women's Business Enterprises for services.</p>
EY	<p data-bbox="483 1283 1338 1341">Software Licenses, Maintenance, and Subscription-Based Computing Services</p> <p data-bbox="483 1388 1398 1562">Amounts expended for purchased software or licenses of commercially available software with a useful life of one year or less, including upgrades and/or maintenance agreements. Software licensing includes, but is not limited to, the right to use the software, support for the software, and upgrades.</p> <p data-bbox="483 1598 1435 1803">Also includes amounts expended for hardware and software <u>subscription-based computing services</u> where the agency does not own or possess an asset, but instead has an agreement to rent or lease a vendor's product or service for a period of time. This includes, but is not limited to, cloud based services such as Software as a Service (SaaS), Infrastructure as a Service (IaaS), and Platform as a Service (PaaS).</p>

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Code	Title and Description
EZ	<p>Other Goods and Services</p> <p>The amounts expended for goods and services other than those described above. Includes such items as bonds, freight (when not allocable to items purchased), advertising, and other goods and services from vendors or other agencies.</p>
F	<p>COST OF GOODS SOLD (Proprietary Funds Only)</p> <p>In budgeted accounts, to be used with General Ledger Code 6516 "Cost of Goods Sold" only. Revenue Source code 0450 "Sales of Goods and Supplies - Proprietary Funds" is to be used by agencies recording cost of goods.</p>
FA	<p>Net Cost of Goods Sold</p> <p>Amounts expended for the acquisition of merchandise purchased for resale, including purchase costs, freight-in costs, and inventory adjustments less returns and discounts. (For use by agencies not using itemized Subobjects FB through FF.)</p>
FB	<p>Purchases</p> <p>Amounts expended to acquire merchandise purchased for resale. (Agencies electing not to separately identify returns, freight costs, and discounts may record purchases net of these items.)</p>
FC	<p>Returned Purchases</p> <p>Amounts recovered from total purchase costs for merchandise returned to the vendor.</p>
FD	<p>Freight-In</p> <p>Amounts expended to common carriers for delivery of merchandise purchased for resale by the agency.</p>
FE	<p>Discounts</p> <p>Amounts deducted by vendors from the total invoiced amount of merchandise due to prompt payment or cash payment by the agency.</p>
FF	<p>Inventory Adjustments</p> <p>Amounts recorded to increase or decrease the cost of goods sold due to inventory losses or gains recognized during the accounting period.</p>

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Code	Title and Description
FG	<p>Direct Labor</p> <p>Labor expended directly upon the materials comprising the finished product.</p>
FH	<p>Raw Materials (Direct Materials)</p> <p>All materials that represent an integral part of the finished product and that can be included directly in calculating the cost of the product.</p>
FJ	<p>Manufacturing Overhead</p> <p>The cost of indirect materials, indirect labor, and all other manufacturing expenses that cannot readily be direct charges to specific units, jobs, or products.</p>
G	<p>TRAVEL</p> <p>In addition to state employees, these subobject codes are to be used to record travel expenses paid to or for individuals who serve on boards, commissions, councils, committees and task forces, or volunteers and other individuals who are authorized to receive travel expense reimbursements.</p> <p>Where travel expenses are authorized and included as part of a contract or grant, the payment is to be recorded under the appropriate subobject code for the contract or grant.</p>
GA	<p>In-State Subsistence and Lodging</p> <p>The amounts paid for lodging and/or subsistence expenses incurred while traveling within the state's boundary on official state business, including lodging taxes.</p>
GB	<p>In-State Air Transportation</p> <p>The amounts paid for air transportation expenses incurred while traveling within the state's boundary on official state business.</p>
GC	<p>Private Automobile Mileage</p> <p>The amounts paid as reimbursement for private car mileage incurred while traveling on official state business.</p>
GD	<p>Other Travel Expenses</p> <p>The amounts paid for all other costs incurred while traveling on official state</p>

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Code	Title and Description
	business. Includes, but is not limited to: prospective employee interview expenses; employee relocation expenses; rail, bus, ferry, shuttle, or taxi fares; tolls; rental cars; parking fees; stenographic services; telephone calls; and other miscellaneous expenses.
GF	<p>Out-of-State Subsistence and Lodging</p> <p>The amounts paid for lodging and/or subsistence expenses incurred while traveling outside the state's boundary on official state business, including lodging taxes.</p>
GG	<p>Out-of-State Air Transportation</p> <p>The amount paid for air transportation expenses incurred while traveling outside the state's boundary on official state business.</p>
GN	<p>Motor Pool Services</p> <p>The amounts expended for use of vehicles obtained from either the central or agency- operated motor pools. The expenditures incurred may be for vehicles used on either a specific trip(s) or permanently assigned basis.</p>
J	<p>CAPITAL OUTLAYS</p> <p>The amounts expended for the acquisition of, or addition to, capital assets intended to benefit future periods. Also includes those capital assets acquired through capital leases. Refer to Subsection 30.20.30 for capital lease criteria.</p> <p>Note: In budgeted proprietary funds, except for Subobjects JA and JB, the use of these subobjects also requires a corresponding entry to General Ledger code 6525 "Expense Adjustments/Eliminations (GAAP)."</p>
JA	<p>Noncapitalized Assets</p> <p>The amounts expended for capital assets with a useful life of greater than one year and not considered a capital asset in accordance with the state's capitalization policy in Subsection 30.20.20.</p> <p>Does not include minor assets with a useful life of greater than one year such as staplers, waste containers, and tape dispensers.</p> <p>This subobject is used for acquisitions falling under the capitalization limit in the following categories:</p> <ul style="list-style-type: none"> • Infrastructure (other than the state highway system). • Buildings, building improvements, leasehold improvements.

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Code	Title and Description
	<ul style="list-style-type: none"> • Intangibles (other than noncapitalized software reported in Subobject JB). • Other capital assets individually or as a group falling below the limits set in Subsection 30.20.20.
JB	<p>Noncapitalized Software</p> <p>The amounts expended for purchased software or licenses of commercially available software, types of intangible assets, with a useful life of greater than one year and not considered a capital asset in accordance with the state's capitalization policy in Subsection 30.20.20.</p>
JC	<p>Furnishings and Equipment</p> <p>The amounts expended for furnishings and equipment considered a capital asset in accordance with the state's capitalization policy.</p>
JD	<p>Library Resources</p> <p>The amounts expended for: the cost of books, maps, and films formally cataloged by a library or audiovisual center; sound film strips, slide sets, prepared transparencies, and prerecorded audio or video recordings; and periodicals and other electronic resources purchased and cataloged for libraries.</p> <p>Does not include items with a useful life less than one year, whether they are cataloged or not.</p>
JE	<p>Land</p> <p>The amounts expended for the acquisition of land. Includes: cost of acquiring land; clearing and grading costs; and the cost of razing buildings or other improvements acquired with land which were not intended for permanent use at time of acquisition. Also includes indefinite land use rights acquired with the purchase of the underlying land.</p>
JF	<p>Buildings</p> <p>The amounts expended for the acquisition of already constructed buildings including broker and appraisal fees, legal expenses, and repairs to put buildings in required condition for intended use.</p> <p>The amounts expended on contracts for construction, additions, alterations, and modernization of buildings including contracts for general, mechanical, and electrical costs, even though negotiated separately. Also, includes the cost of all change orders or contract extensions negotiated for the construction of the building, and the amount of interest on project loans that accrues during</p>

Code	Title and Description
	<p>the period of construction. The amounts expended for equipment installed as an integral part of the structure, whether the building is purchased or constructed.</p> <p>Does not include those items classified as equipment under Subobject JC "Furnishings and Equipment."</p>
JG	<p>Highway Construction</p> <p>The amounts expended for the construction, improvement, or addition to the state highway system.</p>
JH	<p>Improvements Other Than Buildings (Non State Highway System)</p> <p>The amounts expended for the construction, addition, and/or alteration of improvements other than buildings and infrastructure not related to the state highway system, such as: tunnel and utility systems; water and sewer systems; street lights and signs; braces and retaining walls; parking facilities;; shoreline protection projects; and leasehold improvements. State highway system construction is recorded in Subobject JG.</p>
JJ	<p>Grounds Development</p> <p>The amounts expended for landscaping and other grounds development unrelated to a building or other facility for general aesthetic, weed control, or other purposes.</p>
JK	<p>Architectural and Engineering Services</p> <p>The amounts expended for the services of architectural or engineering firms or individuals relating to the development and/or construction of a specific capital project.</p>
JL	<p>Capital Planning</p> <p>The amounts expended for the purpose of planning or determining the feasibility of a specific capital project or projects.</p>
JM	<p>Art Collections, Library Reserve Collections, and Museum and Historical Collections</p> <p>The amounts expended for the acquisition and maintenance of permanent works of art and historical artifacts.</p>

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Code	Title and Description
JN	<p>Relocation Costs</p> <p>The amounts expended as reimbursement for personal moving costs associated with the relocation of either individuals or items associated with capital projects.</p>
JQ	<p>Software</p> <p>The amounts expended for purchased software or licenses of commercially available software, types of intangible assets, with a useful life of greater than one year and considered a capital asset in accordance with the state's capitalization policy.</p>
JR	<p>Intangible Assets</p> <p>The amounts expended for the purchase or construction of intangible assets considered a capital asset in accordance with the state's capitalization policy.</p> <p>Examples of intangible assets include:</p> <ul style="list-style-type: none"> • Patents, trademarks, copyrights. • Land use rights having definite useful lives if the cost can be separately identified from the land purchase. <p>Does not include Software, Subobject JQ, and any intangible land use rights included in Land, Subobject JE.</p>
JZ	<p>Other Capital Outlays</p> <p>The amounts expended for capital projects not specifically indicated above.</p>
M	INTERFUND OPERATING TRANSFERS
MA	<p>Interfund Operating Transfers In</p> <p>Fund transfers specified in the appropriations act that are recorded as a reduction of expenditures.</p>
MB	<p>Interfund Operating Transfers Out</p> <p>Fund transfers specified in the appropriations act that are recorded as an increase of expenditures.</p>

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Code	Title and Description
MC	<p>Interfund Transfers In – Principal</p> <p>Debt service transfer into a debt service fund for principal payments paid by the General Fund.</p>
MD	<p>Interfund Transfers In – Interest</p> <p>Debt service transfer into a debt service fund for interest payments paid by the General Fund.</p>
MI	<p>Interfund Transfers Out – Interest</p> <p>Debt service transfer for interest payments paid by the General Fund to a debt service fund.</p>
MM	<p>Agency Incentive Savings Transfers Out</p> <p>Fund transfer from the General Fund for agency program incentive savings. (OFM Only)</p>
MP	<p>Interfund Transfers Out – Principal</p> <p>Debt service transfer for principal payments paid by the General Fund to a debt service fund.</p>
N	GRANTS, BENEFITS, AND CLIENT SERVICES
NA	<p>Direct Payments to Clients</p> <p>Amounts paid directly to clients for such items as income maintenance, child support, childcare, food stamps, job counseling and training, medical and mental health treatments, tuition assistance programs, and transportation expenses. Payments may be made as either grants or reimbursements of expenses incurred by the clients.</p>
NB	<p>Payments to Providers for Direct Client Services</p> <p>Amounts paid under client service contracts entered into for professional, technical or other services, which will result in the delivery of direct services to individual clients. Client services include such items as medical and mental health treatments, and related transportation; job counseling and training; childcare; foster care; and chore services.</p> <p>For subobject NB coding purposes, clients are members of the public who have social, physical, medical, economic, or educational needs, for whom the agency has statutory responsibility to serve, protect or oversee. Clients are individuals, such as residents of state and non-state institutions, outpatients,</p>

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Code	Title and Description
	<p>unemployed workers, indigents, crime victims, and including (but not limited to) students in the public schools system and institutions of higher education. Clients in the public school system may include parents, if they meet the requirements of a "client" as previously defined.</p> <p>Note: For payments related to federal assistance programs, refer to Section 50.30 for vendor versus subrecipient information.</p>
NF	<p>Workers' Compensation Payments</p> <p>The amounts paid for qualifying individuals sustaining work related injuries. (To be used by the Department of Labor and Industries and the Board for Volunteer Firefighters and Reserve Officers only.)</p>
NH	<p>Public Employee Benefit, Basic Health, and Community Health Service Payments</p> <p>The amounts paid to contractors for qualifying individuals covered by the State-administered health and benefits programs. (To be used by the Health Care Authority only.)</p>
NL	<p>Lottery Prize Payments</p> <p>The amounts paid for winning lottery tickets. (To be used by the State Lottery Commission only.)</p>
NR	<p>Loan Disbursements</p> <p>Allotment charges for budgeted long-term loan issues.</p>
NT	<p>Pension Refund Payments</p> <p>The amounts refunded to qualifying individuals under a state-sponsored retirement system.</p>
NU	<p>Pension Benefit Payments</p> <p>The benefits paid to qualifying individuals under a state-sponsored retirement system.</p>
NW	<p>Special Employment Compensation</p> <p>The amounts expended on salaries for individuals considered employees for payroll tax reporting, but not for state staff reporting (FTE) such as; Washington Conservation Corps (including health insurance costs), Ecology Youth Corps, Voluntary Separation and Retirement Incentive Program</p>

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Code	Title and Description
	(Financial Incentive Payments only), and supported employment groups. (OFM approval is required to use this subobject.)
	Note: Do not code participants in the state internship program under this code. Refer to the Object A series as appropriate. FTEs generated for interns and executive fellows will not count as budgeted FTEs.
NY	Participant Withdrawals The amounts withdrawn by participants from various state sponsored programs such as, the Local Government Investment Pool, the Deferred Compensation Program, and the Guaranteed Education Tuition Program.
NZ	Other Grants and Benefits The amounts expended for grants and benefits other than those described above. Also includes taxable employee recognition and productivity awards such as gift certificates. Note: For payments related to federal assistance programs, refer to Section 50.30 for vendor versus subrecipient information.
P	DEBT SERVICE
PA	Principal The amounts expended for the payment of principal on the various forms of indebtedness incurred by the state.
PB	Interest The amounts expended for interest on the various forms of indebtedness incurred by the state.
PC	Other Debt Costs The amounts expended for other related charges on the various forms of indebtedness incurred by the state. Examples include costs of issuance, underwriter's discount, and immaterial original issue discount. In proprietary fund type accounts, also includes immaterial amounts received for original issue premium.

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Code	Title and Description
PD	<p>Principal COP Lease/Purchase Agreements</p> <p>The amounts expended for the payment of principal on COP (Certificates of Participation) lease/purchase agreements with the Office of the State Treasurer.</p>
PE	<p>Interest COP Lease/Purchase Agreements</p> <p>The amounts expended for the payment of interest on COP (Certificates of Participation) lease/purchase agreements with the Office of the State Treasurer.</p>
S	<p>INTERAGENCY REIMBURSEMENTS</p> <p>To record payments received by a state agency as reimbursements of expenditures/expenses incurred for another state agency/agencies. These reimbursements are to be broken out to reflect which subobject is reimbursed.</p> <p>This will allow the tracking of reimbursements as well as provide sufficient detail for input to the <i>Comprehensive Annual Financial Report</i>. Whenever possible, Object S is not to be used by internal service funds. Reimbursements to internal service funds should generally be recorded as revenue.</p>
SA	<p>Salaries and Wages</p> <p>Payments received by a state agency from other state agencies as reimbursements of salaries and wages.</p>
SB	<p>Employee Benefits</p> <p>Payments received by a state agency from other state agencies as reimbursements of employee benefits.</p>
SC	<p>Professional Service Contracts</p> <p>Payments received by a state agency from other state agencies as reimbursements of professional service contracts.</p>
SE	<p>Goods and Services</p> <p>Payments received by a state agency from other state agencies as reimbursements of goods and services (Subobjects E) and noncapitalized furnishings and equipment (Subobject JA) and noncapitalized software (Subobject JB).</p>

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Code	Title and Description
SG	<p>Travel</p> <p>Payments received by a state agency from other state agencies as reimbursements of travel.</p>
SJ	<p>Capital Outlays</p> <p>Payments received by a state agency from other state agencies as reimbursements of capital outlays, which does not include noncapitalized furnishings and equipment (Subobject JA) and noncapitalized software (Subobject JB). For reimbursements of Subobject JA and JB expenditures, use Subobject SE, Goods and Services.</p>
SN	<p>Grants, Benefits, and Client Services</p> <p>Payments received by a state agency from other state agencies as reimbursements of grants, benefits, and client services.</p>
SP	<p>Debt Service</p> <p>Payments received by a state agency from other state agencies as reimbursements of debt service.</p>
SZ	<p>Unidentified</p> <p>Payments received by a state agency from other state agencies as reimbursements of expenditures.</p> <p>Note: Agencies must reallocate to the appropriate subobject of expenditure within Object S at least annually at fiscal year end.</p>
T	<p>INTRA-AGENCY REIMBURSEMENTS</p> <p>The reallocation of expenditures and accruals within an agency by transfers between accounts or programs This code is not to be used for payment of services or recovery of expenditures from a proprietary fund. The total for this object at the subobject level is to equal zero for all accounts within the fiscal year.</p>
TA	<p>Salaries and Wages</p> <p>Reallocation of expenditures within an agency for salaries and wages.</p>
TB	<p>Employee Benefits</p> <p>Reallocation of expenditures within an agency for employee benefits.</p>

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Code	Title and Description
TC	<p>Professional Service Contracts</p> <p>Reallocation of expenditures within an agency for professional service contracts.</p>
TE	<p>Goods and Services</p> <p>Reallocation of expenditures within an agency for goods and services (Subobjects E) and noncapitalized furnishings and equipment (Subobject JA) and noncapitalized software (Subobject JB).</p>
TG	<p>Travel</p> <p>Reallocation of expenditures within an agency for travel.</p>
TJ	<p>Capital Outlays</p> <p>Reallocation of expenditures within an agency for capital outlays, which does not include noncapitalized furnishings and equipment (Subobject JA), and noncapitalized software (Subobject JB). For reallocations of Subobjects JA and JB expenditures, use Subobject TE, Goods and Services.</p>
TN	<p>Grants, Benefits, and Client Services</p> <p>Reallocation of expenditures within an agency for grants, benefits, and client services.</p>
TP	<p>Debt Service</p> <p>Reallocation of expenditures within an agency for debt service.</p>
TZ	<p>Unidentified</p> <p>Reallocation of expenditures within an agency.</p> <p>Note: Agencies must reallocate to the appropriate subobject of expenditure within Object T at least annually at fiscal year end.</p>
W	OTHER
WA	<p>Depreciation/Amortization</p> <p>Expense that represents the portion of the expired service cost of capital assets during the accounting period. Only used with General Ledger codes 6511 and 6591 "Depreciation/Amortization Expense."</p>

Uniform Chart of Accounts

Code	Title and Description
WB	<p>Amortization</p> <p>Expense that represents the portion of the amortization of premiums and/or discounts on bonds or other debt instruments, and amortization of deferred inflows and outflows related to debt refundings that is allocable to the accounting period. Only used with General Ledger codes 6512 "Amortization Expense" and 6593 "Amortization Expense (General Long-Term Obligations Subsidiary Account Only)."</p>
WC	<p>Bad Debts</p> <p>Expense that represents the portion of receivable balances, recorded previously as revenue, which has now been determined to be uncollectible. Only used with General Ledger code 6515 "Bad Debts Expense."</p>
WD	<p>Change in Capitalization Policy</p> <p>This amount represents the total immaterial book value of capital assets that are to be deleted from the records due to changes in the State's capitalization policy. Only used with General Ledger code 6525 "Expense Adjustments/Eliminations (GAAP)."</p>
WE	<p>Pollution Remediation (General Long-Term Obligation Subsidiary Account Only)</p> <p>Expense that represents the pollution remediation costs associated with governmental fund type accounts in the General Long-Term Obligation Subsidiary Account. Only used with General Ledger Code 6594 "Pollution Remediation Expense (General Long-Term Obligation Subsidiary Account Only)."</p>
WF	<p>Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)</p> <p>This amount represents the difference between the cost of a capital asset and its accumulated depreciation when the asset is disposed of or written off in the General Capital Assets Subsidiary Account. Only used in the General Capital Assets Subsidiary Account with General Ledger code 6597 "Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)."</p>
WP	<p>Net Pension Liability Adjustment (General Long-Term Obligation Subsidiary Account Only)</p> <p>This amount represents the adjustment to pension expense arising from certain changes in the net pension liability related to employees of governmental fund type accounts. Only used with General Ledger Code 6598 "Pension Expense (General Long-Term Obligation Subsidiary Account Only)."</p>

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Code	Title and Description
WR	<p data-bbox="483 317 1414 386">Other Postemployment Benefits (General Long-Term Obligation Subsidiary Account Only)</p> <p data-bbox="483 422 1438 600">Expense that represents the cost of postemployment benefits for employees of governmental fund type accounts in the General Long-Term Obligation Subsidiary Account. Only used with General Ledger code 6595 "Other Postemployment Benefits Expense (General Long-Term Obligation Subsidiary Account Only)."</p>



Chapter 80 - Accounting Policies

80.10 About Accounting Policies, Roles and Responsibilities

80.10.10	Purpose for the accounting policies and procedures in this manual	May 1, 1999
80.10.20	Authority for these policies	May 1, 1999
80.10.30	Applicability	May 1, 1999
80.10.40	Role of the Office of Financial Management	July 1, 2012
80.10.50	Role of the State Treasurer	July 1, 2008
80.10.60	Role of the State Auditor	May 1, 1999
80.10.70	Role of the Joint Legislative Audit and Review Committee	May 1, 1999
80.10.80	Role of the Legislative Evaluation and Accountability Program Committee	May 1, 1999
80.10.90	Role of administering agencies	July 1, 2008

80.20 Generally Accepted Accounting Principles

80.20.10	This state adopts Generally Accepted Accounting Principles (GAAP)	July 1, 2001
80.20.20	What constitutes GAAP?	June 1, 2013
80.20.30	Governmental GAAP requires fund accounting	July 1, 2001
80.20.35	Fund categories used in governmental accounting	July 1, 2010
80.20.40	Financial reporting requirements	July 1, 2001
80.20.45	What is the financial reporting entity?	July 1, 2012
80.20.50	Measurement focus and basis of accounting	June 1, 2013
80.20.60	Accounting for capital assets and long-term obligations	July 1, 2015
80.20.70	GAAP budgetary requirements	July 1, 2001
80.20.80	Management Discussion and Analysis	July 1, 2001
80.20.82	Government-wide financial statements	June 1, 2013
80.20.85	Fund financial statements	June 1, 2013

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80.30 State Accounting and Reporting Policies

80.30.05	State accounting and reporting principles must conform with Generally Accepted Accounting Principles (GAAP)	July 1, 2012
80.30.10	What is our fund/account structure?	July 1, 2001
80.30.15	What are subsidiary accounts?	July 1, 2001
80.30.20	What is our measurement focus and basis of accounting?	June 1, 2013
80.30.25	General budgetary policies	July 1, 2004
80.30.27	General reporting policies	July 1, 2004
80.30.28	What is the state of Washington reporting entity?	June 1, 2005
80.30.30	Pooled cash and investment policies	July 1, 2015
80.30.35	Receivables policy	June 1, 2005
80.30.40	Inventories policy	June 1, 2014
80.30.45	Capital assets policy	July 1, 2015
80.30.47	Deferred outflows/inflows of resources	June. 1, 2015
80.30.50	Short-term liabilities policy	June 1, 2004
80.30.55	Compensated absences policy	July 1, 2009
80.30.57	Termination benefits policy	July 1, 2006
80.30.60	Long-term obligations policy	June 1, 2004
80.30.62	Commitments and contingencies	June 1, 2015
80.30.65	Fund equity policy	June 1, 2015
80.30.67	Revenues and expenses policy	July 1, 2011
80.30.70	Insurance activities policy	May 1, 1999
80.30.75	Interfund activities policy	July 1, 2001
80.30.80	How to establish accounts	July 1, 2003
80.30.82	The state adopted a uniform chart of accounts	July 1, 2010
80.30.84	Required accounting steps	July 1, 2008
80.30.86	Using standard or other accounting forms	June 1, 2014
80.30.88	Requirements for agencies implementing, maintaining or modifying accounting or reporting systems	July 1, 2012
80.30.90	Budgetary data must be maintained	July 1, 2009
80.30.92	Agency fiscal activities must be organized to provide effective internal control	July 1, 2004

1. **Governmental funds** focus primarily on the sources, uses, and balance of current financial resources and often have a budgetary orientation. They employ the flow of current financial resources measurement focus and the modified accrual basis of accounting.
 - Revenues are recognized in the accounting period in which they become measurable and available.
 - Expenditures are generally recognized when incurred, if measurable. Exceptions include unmatured interest on general long-term obligations and compensated absences, which are recognized when due.
 - Assets and liabilities reported on the financial statements are limited to those representing current available resources or requiring expenditure of said resources.

2. **Proprietary funds** focus on the determination of net income, the changes in net position (or cost recovery), financial position, and cash flows. They utilize the flow of economic resources measurement focus and the accrual basis of accounting.
 - Revenues are recognized in the period in which they are earned and become measurable.
 - Expenses are recognized in the period incurred.
 - Assets and liabilities reported represent all of the assets available and all of the liabilities outstanding.

3. **Fiduciary funds** focus on net position and changes in net position. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans. Agency funds also use the accrual basis of accounting, but, since they are custodial in nature and do not involve the measurement of results of operations, they do not use a measurement focus.

80.20.60
July 1, 2015

Accounting for capital assets and long-term obligations

80.20.60.a

Capital assets of the state are accounted for at cost or, if the cost is not practicably determinable, at estimated cost. The cost of a capital asset includes its purchase price or construction cost, as well as the ancillary

charges necessary to place the asset in its intended location and condition for use. Donated capital assets are recorded at their estimated acquisition value at the time received. Refer to Chapter 30 for the state's policy for capitalizing assets and for estimating the useful lives of those assets.

- 80.20.60.a.(1) Capital assets used in proprietary and fiduciary funds, where the flow of economic resources is measured, are accounted for in the appropriate fund. Depreciation of capital assets accounted for in a proprietary or fiduciary fund is recorded in the accounting records of that fund.

Proprietary funds report capital assets both in the government-wide and fund financial statements. Capital assets of fiduciary funds are reported only in the Statement of Fiduciary Net Position.

- 80.20.60.a.(2) General capital assets are capital assets used in the operations of governmental funds where the primary accounting purpose is to reflect the sources and uses of current financial resources. Since general capital assets do not represent financial resources available for expenditure, they are not reported as assets in governmental funds. Rather, they are capitalized and depreciated in the General Capital Assets Subsidiary Account, and reported in the governmental activities column in the government-wide Statement of Net Position.

- 80.20.60.a.(3) Capital assets should be depreciated over their estimated useful lives unless they are either inexhaustible or are infrastructure assets using the modified approach. Depreciation expense should be reported in:

- The Government-wide Statement of Activities,
- The Proprietary Fund Statement of Revenues, Expenditures, and Changes in Fund Net Position, and
- The Statement of Changes in Fiduciary Net Position.

- 80.20.60.b **Long-term obligations.** Due to the fund accounting requirements of a government's operations, some long-term obligations are accounted for in certain funds (fund long-term obligations) and others are accounted for in the General Long-Term Obligations Subsidiary Account.

- 80.20.60.b.(1) Long-term obligations associated with and expected to be paid from proprietary and fiduciary funds are accounted for in the appropriate fund. These obligations may be secured by a specific fund asset or revenue or may be backed by the full faith and credit of the state.

Proprietary funds should report long-term obligations both in the government-wide and fund financial statements. Long-term obligations of fiduciary funds are reported only in the Statement of Fiduciary Net Position.

80.30.20.b For government-wide reporting purposes, the state uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

80.30.25

July 1, 2004

General budgetary policies

Governmental fund type accounts are budgeted materially in conformity with GAAP. Certain governmental activities are excluded from budgetary reporting because they are not appropriated. These activities include: activities designated as nonappropriated by the Legislature, such as the Higher Education Special Revenue Fund, Higher Education Endowment Fund, federal surplus food commodities, electronic food stamp benefits, capital leases, note proceeds, and resources collected and distributed to other governments. The differences between budgetary reporting and GAAP reporting are reconciled and disclosed in the notes to the state's budgetary comparison schedules. Refer to Section 85.10.

80.30.27

July 1, 2004

General reporting policies

80.30.27.a In accordance with GAAP, the state annually prepares and publishes a Comprehensive Annual Financial Report (CAFR), which presents the primary government and its component units, entities for which the state is considered to be financially accountable. Per RCW 43.88.027, the CAFR is required to be prepared and published within six months of year end.

80.30.27.b A state agency or component unit may prepare and publish separate, stand-alone financial reports as deemed necessary. When these reports are prepared in accordance with GAAP, the relationship between the agency or component and the state should be disclosed on the cover of the report as well as in the notes to the financial statements. Refer also to Subsection 90.10.60.

80.30.28

June 1, 2005

What is the state of Washington reporting entity?

In defining the state of Washington for financial reporting purposes, management considers: all organizations, institutions, agencies, departments, and offices that are legally part of the state (the primary government); organizations for which the state is financially accountable; and other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be incomplete.

The primary government of the state includes its agencies, colleges and universities, retirement systems, and blended component units. Blended component units, although legally separate entities, are part of the state's operations in substance. Accordingly, they are reported as part of the state and blended into the appropriate funds.

Discretely presented component units are reported in a separate column in the government-wide financial statements. Discretely presented component units are legally separate from the state and primarily serve or benefit those outside of the state. They are financially accountable to the state or have relationships with the state such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

80.30.30

July 1, 2015

Pooled cash and investment policies

Investments of surplus or pooled cash balances are reported by the state as "cash and pooled investments." The Office of the State Treasurer invests state treasury cash surpluses where funds can be disbursed at any time without prior notice or penalty. As a result, the cash balances of funds with surplus pooled balances are not reduced for these investments.

The state defines investments for reporting purposes as securities or other assets that (a) the state holds primarily for the purpose of income or profit and (b) has a present service capacity that is based solely on its ability to generate cash or be sold to generate cash.

Investments are generally valued at fair value. The techniques used to determine fair value fall into three categories:

- Level 1 inputs are quoted prices in active markets.
- Level 2 inputs are observable either directly or indirectly.
- Level 3 inputs are not observable.

The state maximizes the use of techniques that are appropriate under the circumstances and for which sufficient data are available, maximizing the use of relevant observable techniques. Refer to Section 85.52.

80.30.35

June 1, 2005

Receivables policy

Receivables in the state's governmental fund type accounts consist primarily of taxes and federal revenues. Receivables in all other accounts arise in the ordinary course of business. Receivables are recorded when either the asset or revenue recognition criteria have been met. Estimates of uncollectible receivables are made and recorded to an allowance for uncollectible receivables. Receivables are reported net of the allowance for uncollectible accounts.

For government-wide reporting purposes, amounts reported in the funds as interfund/interagency receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual balances due between the governmental and business-type activities, which are presented as internal balances. Amounts recorded in governmental and business-type activities as due to or from fiduciary funds are reported as due to or from other governments. Refer to Section 85.54.

80.30.40

June 1, 2014

Inventories policy

Consumable inventories, consisting of expendable materials and supplies held for consumption, are valued and reported for financial statement purposes if the fiscal year-end balance on hand at an inventory control point exceeds \$50,000. Consumable inventories are generally valued at cost using the first-in, first-out method. Donated consumable inventories are recorded at fair value.

All **merchandise inventories** are considered reportable for financial statement purposes. Merchandise inventories are generally valued at cost using the first-in, first-out method.

Inventories of governmental fund type accounts are valued at cost and are recorded using the consumption method. Proprietary fund type accounts expense inventories when used or sold.

For governmental fund financial reporting, inventory balances are recorded

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Accounting Policies

as nonspendable fund balance indicating that they do not constitute “available spendable resources,” except for certain federally donated consumable inventories which are offset by unearned revenue because they are not earned until they are distributed to clients. Refer to Section 85.56.

80.30.45

July 1, 2015

Capital assets policy

80.30.45.a

Capitalization. For the state’s capitalization policy, refer to Subsection 30.20.20. Except when noted, it is the state’s policy to capitalize:

- All land, including land use rights with indefinite lives acquired with the purchase of the underlying land, and ancillary costs;
- The state highway system operated by the Department of Transportation;
- Infrastructure, other than the state highway system, with a cost of \$100,000 or greater;
- Buildings, building improvements, improvements other than buildings, and leasehold improvements with a cost of \$100,000 or greater;
- Intangible assets, either purchased or internally developed, such as land rights not acquired with the purchase of land, software, patents, and trademarks, with a cost of \$1,000,000 or more that are “identifiable” by meeting one of the following conditions:
 - The asset is capable of being separated or divided and sold, transferred, licensed, rented, exchanged, or
 - The asset arises from contractual or other legal rights, regardless of whether those rights are transferable or separable.
- All other capital assets with a unit cost (including ancillary costs) of \$5,000 or greater, or collections with a total cost of \$5,000 or greater, unless otherwise noted; and
- All capital assets acquired with Certificates of Participation (COP).

Purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Capital asset costs include the purchase price plus those costs necessary to

place the asset in its intended location and condition for use. Normal maintenance and repair costs that do not materially add to the value or extend the life of the state's capital assets are not capitalized.

Capital assets transferred between agencies are recorded by the agency receiving the asset at the carrying value of the transferring agency.

Donated capital assets, works of art and historical treasures are valued at their estimated acquisition value on the date of donation, plus all appropriate ancillary costs.

The value of assets constructed by agencies for their own use includes all direct construction costs and indirect costs that are related to the construction. In enterprise and trust fund accounts, net interest costs (if material) incurred during the period of construction are capitalized.

Art collections, library reserve collections, and museum and historical collections that are considered inexhaustible, in that their value does not diminish over time, are **not** capitalized by the state if all of the following conditions are met:

- The collection is held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to policy requirements that the proceeds from sales of collection items be used to acquire other items for the collection.

Agencies must be able to provide descriptions of the collections and the reasons the collections are not capitalized.

80.30.45.b

Depreciation/amortization. Depreciation/amortization is calculated on general capital assets with the exception of land, the state highway system; art collections, library reserve collections, and museum and historical collections that are considered inexhaustible; construction in progress; and intangible assets with indefinite useful lives.

Depreciation/amortization is calculated using the straight-line method over the estimated useful lives of the assets. Generally, estimated useful lives are as follows:

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Buildings & building components	5 - 50 years
Furnishings, equipment & collections	3 - 50 years
Infrastructure	20 - 50 years
Intangibles	3 - 50 years
Other improvements	3 - 50 years

The cost and related accumulated depreciation/amortization of capital assets disposed of are removed from the applicable general ledger codes. Refer to Subsection 30.40.45.

80.30.45.c

Modified approach to depreciation - state highway system. The state capitalizes the state highway system as a network but does not depreciate it since the system is being preserved approximately at or above a condition level established by the state. That condition level is documented and disclosed. Additionally, the highway system is managed using an asset management system that includes:

- Maintenance of an up-to-date inventory of system assets,
- Performance of condition assessments of the assets at least every three years with summarization of the results using a measurement scale, and
- Annual estimation of the amount to maintain and preserve the assets at the condition level established and disclosed.

All state highway system expenditures that preserve the useful life of the system are expensed in the period incurred. Additions and improvements that increase the capacity or efficiency of the system are capitalized. This approach of reporting condition instead of depreciating the highway system is called the Modified Approach.

80.30.45.d

Reporting. For government-wide financial reporting purposes, capital assets of the state are reported as assets in the applicable governmental or business type activities column on the Statement of Net Position.

Depreciation/amortization expense related to capital assets is also reported in the Statement of Activities. Capital assets and the related depreciation/amortization expense are also reported in the proprietary fund type financial statements.

In governmental fund type accounts, capital assets are not capitalized in the accounts that acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in the year acquired and recorded in the General Capital Assets Subsidiary Account. The General Capital

Assets Subsidiary Account is a record keeping mechanism that provides a basis for accountability and control over the state's capital assets other than those accounted for in proprietary or fiduciary funds. Refer to Section 85.60.

80.30.47

June 1, 2015

Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources (expenditure/expense) in a future period. An example of a deferred outflow of resources is the excess of the carrying value of debt being refunded over the reacquisition price of the refunding debt.

Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources (revenue) in a future period. In governmental fund type accounts, a deferred inflow of resources is reported when revenues do not meet the available recognition criteria. Another example of a deferred inflow of resources is the excess of the reacquisition price of refunding debt over the net carrying value of the debt being refunded.

80.30.50

June 1, 2004

Short-term liabilities policy

Short-term liabilities are legal obligations of the state that arise upon the receipt of goods or services. In governmental fund type accounts, they are payable from current financial resources. In proprietary and fiduciary fund type accounts, they represent items payable within one year.

In proprietary and fiduciary fund types, as well as the General Long-Term Obligation Subsidiary Account, short-term liabilities also include the short-term portion of long-term obligations. The short-term portion of long-term obligations is the amount due within one year. Refer to Section 85.70.

80.30.55

July 1, 2009

Compensated absences policy

Vacation leave. State employees earn vacation leave that, if not used for paid time off, results in full compensation at termination or retirement. It is generally the state's policy to liquidate unpaid vacation leave with future resources rather than currently available expendable resources. Accordingly, governmental fund type accounts recognize vacation leave when it is paid

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upon employee's use, resignation, death, or retirement. A liability for accumulated vacation leave, including related employer costs, is recorded for governmental fund type accounts in the General Long-Term Obligations Subsidiary Account. Proprietary and trust fund type accounts recognize the expense and record a liability for vacation leave, including related employer costs, as it is earned. Refer to Subsection 85.72.50.

Sick leave. The state's policy with respect to sick leave is that if it is not used for paid time off, then the state is only liable to compensate employees through cash payments for 25 percent of their sick leave when they retire or die. For financial reporting purposes, it is the state's policy to liquidate unpaid sick leave at June 30 from future resources rather than currently available expendable resources. Accordingly, governmental fund type accounts recognize sick leave when it is paid. The state records an estimated sick leave buyout liability, including related employer costs, for governmental fund type accounts in the General Long-Term Obligations Subsidiary Account. Proprietary and trust fund type accounts recognize the expense and accrue a liability for estimated sick leave buyout as sick leave is earned. Refer to Subsection 85.72.60.

Compensatory time. Certain state employees earn compensatory time that, if not used for paid time off, results in compensation to be cashed out in accordance with regulations, collective bargaining agreements, or agency policy, as appropriate. A liability for accumulated compensatory time, including related employer costs, is recorded for governmental fund type accounts in the General Long-Term Obligations Subsidiary Account. Proprietary and trust fund type accounts recognize the expense and record a liability for compensatory time, including related employer costs, as it is earned. Refer to Subsection 85.72.65.



Chapter 85 - Accounting Procedures

85.10 Budgetary Accounting Procedures

85.10.10	These procedures apply to budgeted accounts	June 1, 2004
85.10.20	Budgetary accounting requirements	July 1, 2009

85.15 Budgetary Accounting - Illustrative Entries

85.15.05	These entries are for illustrative purposes	July 1, 2008
85.15.10	Establish expenditure authority for budgeted accounts	July 1, 2008
85.15.15	Allotments for budgeted accounts	July 1, 2008
85.15.16	FTEs for budgeted accounts	July 1, 2008
85.15.17	Decrease FTEs for budgeted accounts	July 1, 2008
85.15.20	Estimated revenues for budgeted accounts	May 1, 1999
85.15.25	Decrease estimated revenues for budgeted accounts	May 1, 1999
85.15.30	Transfer unobligated allotments to reserve for budgeted accounts	May 1, 1999
85.15.35	Re-allotment of amounts placed in reserve for budgeted accounts	May 1, 1999
85.15.40	Revert unobligated allotments to unallotted status for budgeted accounts	May 1, 1999
85.15.45	Transfer unallotted legislative appropriations to reserve for appropriated accounts	May 1, 1999
85.15.50	Transfer legislative appropriations placed in reserve to unallotted status for appropriated accounts	May 1, 1999
85.15.55	Abolish or decrease legislative appropriations for appropriated accounts	May 1, 1999
85.15.60	Close of accounting period for budgeted accounts	May 1, 1999

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85.20 Revenue and Cash Receipts

85.20.10	Collection and deposit of receipts	July 1, 2009
85.20.20	Prudent collection processes	July 1, 2001
85.20.30	Non-revenue receipts	July 1, 2003
85.20.40	Proceeds from sale of property	Jan. 1, 2012
85.20.50	Undistributed receipts	May 1, 1999
85.20.60	Receipts placed in suspense	July 1, 2009
85.20.70	Refunds of revenue	May 1, 1999
85.20.80	Subsidiary records	May 1, 1999
85.20.90	Deposit interest distribution by OST	June 1, 2005

85.22 Deposit Adjustments and Returned Payments

85.22.10	About these procedures	May 1, 1999
85.22.20	Documentation for deposit adjustments	July 1, 2008
85.22.30	Deposit adjustments - treasury and trust accounts	July 1, 2009
85.22.40	Deposit adjustments - local accounts	July 1, 2009
85.22.50	Returns and reversals of AFRS ACH payments	July 1, 2012

85.24 Revenue and Cash Receipts - Illustrative Entries

85.24.10	These entries are for illustrative purposes	May 1, 1999
85.24.20	Estimated revenue	May 1, 1999
85.24.30	Deposit of cash revenues	May 1, 1999
85.24.40	Cash over or short	May 1, 1999
85.24.50	Recording adjustment for non-sufficient funds (NSF) check	July 1, 2008
85.24.60	Subsequent collections of non-sufficient funds (NSF) check	July 1, 2009
85.24.65	Recording receipt of returned AFRS ACH payment	July 1, 2009
85.24.70	Undistributed receipts - account and/or revenue source not identified	May 1, 1999
85.24.80	Receipts placed in suspense	July 1, 2009

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85.30 Encumbrances

85.30.10 Encumbrance accounting July 1, 2013

85.32 Goods and Services Expenditures

85.32.10 Agency responsibilities July 1, 2008

85.32.15 Special definitions Jan. 1, 2012

85.32.20 Expenditure authorization Jan. 1, 2012

85.32.25 Priority of expenditures June 7, 2012

85.32.30 Payment processing documents July 1, 2013

85.32.40 Payment processing June 1, 2014

85.32.50 Timing of payment June 7, 2012

85.32.60 Rapid invoice processing June 1, 2002

85.32.70 Purchase card Jan. 1, 2013

85.32.80 Waste recycling procedures Jan. 1, 2012

85.34 Payroll and Other Related Activities

85.34.10 Payroll July 1, 2011

85.34.20 Shared leave July 1, 2011

85.34.30 Amounts due deceased employees May 1, 1999

85.34.40 Salary overpayment recoveries June 1, 2004

85.36 Disbursement Processing

85.36.10 Agency disbursement processes July 1, 2000

85.36.20 Disbursement mechanisms July 1, 2013

85.36.30 Treasury account requirements Jan. 1, 2012

85.36.40 Local account requirements July 1, 2010

85.36.50 Recording July 1, 2010

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85.38 Other Warrant Procedures

85.38.10	Agency-initiated warrant cancellations	July 1, 2013
85.38.15	Non-deliverable warrant	July 1, 2012
85.38.20	Lost or destroyed warrants	July 1, 2013
85.38.30	Redeemed warrants reported as lost or destroyed	July 1, 2013
85.38.40	Statutorily canceled warrants	June 1, 2014
85.38.50	Liability for canceled warrants/checks	May 1, 1999
85.38.60	"X" warrants	Jan. 1, 2012
85.38.70	"X" and blank state warrant stock control procedures	Jan. 1, 2012
85.38.80	Warrant voiding and destruction procedures	Jan. 1, 2012
85.38.90	Local check control procedures	May 1, 1999

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85.40.10	Belated claims	July 1, 2010
85.40.20	Sundry claims	Jan. 1, 2012

85.42 Expenditures, Expenses, and Cash Disbursements - Illustrative Entries

85.42.10	These entries are for illustrative purposes	May 1, 1999
85.42.20	Encumbrances	June 1, 2011
85.42.30	Expenditure/expense disbursements	May 1, 1999
85.42.40	Recording payroll	July 1, 2011
85.42.50	Recording shared leave	May 1, 1999
85.42.60	Amounts due deceased employees	May 1, 1999
85.42.70	Salary overpayment recoveries	May 1, 1999
85.42.80	Cancellations of non-deliverable, SOL, and lost or destroyed warrants	July 1, 2012
85.42.85	Cancellation of warrants issued in error	July 1, 2012
85.42.90	Reissuance of canceled warrants	July 1, 2012
85.42.95	Forged endorsement	May 1, 1999

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85.50 Cash

85.50.10	Deposit of treasury or treasury trust receipts	July 1, 2011
85.50.20	Deposit of local receipts	July 1, 2008
85.50.30	Undeposited receipts	May 1, 1999
85.50.40	Reconciliation of cash receipts and deposits	July 1, 2011
85.50.50	Petty cash - general information	July 1, 2011
85.50.60	Accounting for petty cash in treasury accounts	June 1, 2015
85.50.70	Accounting for petty cash in local accounts (including treasury trust accounts)	June 1, 2015

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85.52.20	Short-term investments	June 1, 2003
85.52.30	Non-current investments	July 1, 2015
85.52.40	Investment pools	July 1, 2010
85.52.50	Permanent funds	July 1, 2013
85.52.60	Deferred compensation plans (IRC Section 457)	July 1, 2001
85.52.70	Securities lending	May 1, 1999
85.52.80	Reverse purchase agreements	May 1, 1999
85.52.90	Subsidiary ledgers are required for certain investments	May 1, 1999

85.54 Receivables

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85.54.15	Taxes receivables	July 1, 2009
85.54.20	Due from federal government	June 1, 2013
85.54.25	Due from other governments	June 1, 2013
85.54.30	Due from other accounts	July 1, 2009
85.54.35	Due from other agencies	July 1, 2009
85.54.40	Notes and loans receivable	June 1, 2011

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Accounting Procedures

85.54.42	Private donation pledges	July 1, 2004
85.54.44	Travel advances receivable	July 1, 2010
85.54.45	Other receivables	July 1, 2004
85.54.50	Receivable collection procedures	June 1, 2014
85.54.52	Collecting NSF checks	Jan. 1, 2012
85.54.55	Uncollectible receivables	July 1, 2008
85.54.60	Documentation	May 1, 1999
85.54.65	Subsidiary ledgers	July 1, 2012

85.56 Inventories

85.56.10	Inventory management and control procedures are in Chapter 35	May 1, 1999
85.56.20	Consumable inventories	June 1, 2014
85.56.30	Merchandise inventories in proprietary fund type accounts	May 1, 1999
85.56.40	Donations of consumable inventories	Jan. 1, 2014

85.58 Prepaid Expenses

85.58.10	Prepaid expenses	July 1, 2008
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85.60 Capital Assets

85.60.10	About capital assets	July 1, 2009
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85.60.30	Acquisition of capital assets	July 1, 2015
85.60.40	Depreciation/amortization of capital assets	June 1, 2013
85.60.45	Impairment of capital assets and related insurance recoveries	July 1, 2009
85.60.50	Disposal of capital assets	Jan. 1, 2014
85.60.60	Reconciliation of capital assets	July 1, 2012
85.60.70	Capital assets acquired through capital lease	July 1, 2008

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Accounting Procedures

85.60.80	Capital assets acquired through Certificates of Participation (COP)	July 1, 2012
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85.60.95	Accounting for the transfer of vehicles to the State Motor Pool	Jan. 1, 2012
85.60.97	Accounting for Interagency/Interfund Capital Asset Transfers	Jan. 1, 2014

85.65 Assets - Illustrative Entries

85.65.10	These entries are for illustrative purposes	May 1, 1999
85.65.12	Deposit of cash revenues	May 1, 1999
85.65.14	Petty cash - treasury and treasury trust accounts	June 1, 2015
85.65.16	Petty cash - local accounts	June 1, 2015
85.65.18	Accounting for the acquisition of non-current investments	Jan. 1, 2014
85.65.20	Accounting for earnings and costs associated with non-current investments	July 1, 2003
85.65.22	Accounting for fair value adjustment to non-current investments	July 1, 2013
85.65.24	Accounting for the sale of non-current investments	July 1, 2013
85.65.28	Accounting for deferred compensation (IRC Section 457)	June 1, 2011
85.65.30	Taxes receivable	May 1, 1999
85.65.32	Receivables	July 1, 2001
85.65.33	Travel advances receivable	July 1, 2010
85.65.34	Due from federal government	May 1, 1999
85.65.36	Long-term loans	June 1, 2011
85.65.38	Consumable inventories - periodic inventory method	June 1, 2011
85.65.40	Consumable inventories - perpetual inventory method	May 1, 1999
85.65.42	Merchandise inventories in proprietary fund type accounts - periodic inventory method	May 1, 1999
85.65.44	Merchandise inventories in proprietary fund type accounts - perpetual inventory method	May 1, 1999
85.65.46	Donations of consumable inventories	Jan. 1, 2014
85.65.50	Prepaid expenses	May 1, 1999
85.65.52	Acquisition of capital assets	July 1, 2015

85
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85.65.54	Assets that do not meet the state's capitalization policy	July 1, 2009
85.65.56	Depreciation/amortization	July 1, 2009
85.65.58	Disposal of capital assets	July 1, 2012
85.65.60	Trade-in of capital assets	July 1, 2008
85.65.62	Capital assets acquired through capital lease	July 1, 2006
85.65.64	Accounting for the construction of capital assets	July 1, 2009
85.65.66	Interagency/Interfund Capital Asset Transfers	Jan. 1, 2014

85.70 Short-Term Liabilities

85.70.10	About short-term liabilities	May 1, 1999
85.70.20	Establishing short-term liabilities	July 1, 2009
85.70.30	Accounts payable	May 1, 1999
85.70.40	Unavailable revenues	June 1, 2015
85.70.45	Unearned revenues	June 1, 2015
85.70.50	Short-term portion of long-term obligations	June 1, 2004

85.72 Long-Term Obligations

85.72.10	About long-term obligations	June 1, 2013
85.72.15	State Finance Committee approval	July 1, 2008
85.72.20	Bonds payable	June 1, 2013
85.72.30	Lease-purchase agreements payable	July 1, 2014
85.72.40	Certificates of Participation (COP)	June 1, 2013
85.72.50	Vacation leave payable	July 1, 2009
85.72.60	Sick leave payable	June 1, 2004
85.72.65	Compensatory time payable	July 1, 2009
85.72.70	Termination benefits	July 1, 2006

85
Accounting Procedures

85.74 Special Liabilities

85.74.10	Vendor payment advance	May 1, 1999
85.74.20	Public works contracts - retention of payments	July 1, 2012
85.74.30	Unclaimed property	July 1, 2008
85.74.40	Claims and judgments	Oct. 1, 2011
85.74.50	Pollution remediation obligations	July 1, 2009
85.74.55	Other post employment benefit (OPEB) obligations	July 1, 2008

85.80 Fund Equity

85.80.10	Fund equity	June 1, 2013
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85.85 Liabilities and Equity - Illustrative Entries

85.85.10	General	July 1, 2003
85.85.15	Establishment of short-term liabilities	May 1, 1999
85.85.20	Payment of short-term liabilities	May 1, 1999
85.85.24	Unavailable revenues	June 1, 2013
85.85.25	Unearned revenues	June 1, 2015
85.85.30	Fund bond debt issuance and servicing	June 1, 2013
85.85.35	General obligation bond debt issuance and servicing	Jan. 1, 2011
85.85.40	Lease-purchase agreements	Mar. 17, 2010
85.85.45	Equipment Certificates of Participation (COP)	June 1, 2013
85.85.50	Real Estate Certificates of Participation (COP)	June 1, 2013
85.85.52	Real Estate Certificates of Participation (COP) refunding	June 1, 2013
85.85.55	Vendor payment advances	July 1, 2003
85.85.60	Retention of payments	July 1, 2012
85.85.65	Claims and judgments	July 1, 2001

85
Accounting Procedures

85.90 Interfund/Interagency Activities

85.90.10	Interfund/interagency activities	July 1, 2008
85.90.20	Interfund loans	July 1, 2001
85.90.30	Interfund/interagency services provided and used	Jan. 1, 2012
85.90.40	Payment procedures for selected central services agency charges	July 1, 2015
85.90.50	Transfers	July 1, 2008
85.90.60	Reimbursements (Objects S & T)	July 1, 2009
85.90.70	Agency vendor payment revolving account charges	July 1, 2001

85.95 Interfund/Interagency Activities - Illustrative Entries

85.95.10	These entries are for illustrative purposes	July 1, 2001
85.95.20	Transfers of equity	July 1, 2003
85.95.30	Operating transfers	July 1, 2003
85.95.35	Special budgeted allocation transfers	July 1, 2008
85.95.40	Interfund/interagency services provided and used	July 1, 2008
85.95.50	Intra-agency reimbursements (Object T)	July 1, 2008
85.95.60	Interagency reimbursements (Object S)	July 1, 2008
85.95.70	Agency vendor payment revolving account	July 1, 2001



85.52 Investments

85.52.10

July 1, 2003

About investments

Investments are made as authorized by law and/or contractual agreement. Investment purchase and sale transactions are to be reported for GAAP reporting purposes on a trade date basis.

For purchases, at trade date the investment is recorded in the appropriate investment accounts and the amount due on settlement is recorded as a credit to GL Code 5123 "Investment Trades Pending Payable."

For sales, at trade date the investment is removed from the accounting records and the amount of the proceeds due at settlement are recorded in GL Code 1323 "Investment Trades Pending Receivable."

Recognition of earnings on investments is to follow the revenue recognition criteria pertinent to the fund type in which the investment is recorded.

Costs associated with investing activities that are readily separable from investment income are to be recorded to Revenue Source Code 0473 "Costs of Investment Activities." Refer to Subsection 85.65.20.

85.52.20

June 1, 2003

Short-term investments

Short-term investments are recorded in GL Code 1205 "Temporary and/or Pooled Cash Investments," GL Code 1206 "Investment with Local Government Investment Pool," and/or GL Code 1209 "Short-Term Portion of Long-Term Investments." Short-term investments include:

- Investments of surplus cash balances, including the cash float, in short-term securities and other investments where funds can be disbursed at any time without prior notice or penalty; investments that are both readily convertible to known amounts of cash and so near their maturity dates that they present insignificant risk of changes in value because of changes in interest rates;

- Investment of surplus funds with the Local Government Investment Pool; and
- The portion of long-term investment that will mature within one year.

Valuation - Investments classified as short-term are valued at fair value, *except* for the following instances:

- a. Time deposits, such as *non-negotiable certificates of deposit with redemption terms that do not consider market rates*, are recorded using a cost-based measure, if the fair value is not significantly affected by the impairment of the credit standing of the issuer or other factors.
- b. Money market investments and participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity *at time of purchase* of one year or less are to be recorded at amortized cost, if the fair value is not significantly affected by the impairment of the credit standing of the issuer or other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Asset-backed securities, derivatives, and structured notes are not included in this term. Amortized cost includes the acquisition cost of the investment as adjusted for amortization of premium or accretion of discount (17CFR 270.2a-7). Participating contracts are investments whose value is affected by market (interest rate) changes. If these contracts are negotiable or transferable, or their redemption value considers market rates, they should be considered participating.

85.52.30

July 1, 2015

Non-current investments

In situations where external restrictions exist, non-current investments held in governmental fund type accounts, not offset by unearned revenue or a liability, should be offset with the appropriate restricted fund balance GL Code.

Except as noted below at Subsections 85.52.40, 85.52.50 and 85.52.60, the acquisition, valuation, and sale or liquidation of non-current investments are to be accounted for as follows:

Accounting Procedures

85.52.30.a **Acquisition** - The cost of non-current investments is to be recorded in the accounting records in GL Code 1210 “Investments.” Purchased accrued interest, if any, is to be recorded as a debit to GL Code 1316 “Interest and Dividends Receivable.” Refer to Subsection 85.65.18.a through d for illustrative entries.

85.52.30.b **Valuation** - Investments should generally be valued at fair value. Fair value is a market-based measurement. For some investments, observable market transactions or market information is available. In cases where there are no observable market transactions to provide pricing information, other approaches including the cost approach (the cost to acquire a comparable investment) or income approach (the current value of future cash flows or revenues) may be used.

Examples of investments to be valued at fair value include:

- Land and real estate held as an investment
- Common stock not required to be measured according to the equity method
- Open-end mutual funds.

Examples of investments to be valued at other than fair value include:

- Short-term money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less are reported at amortized cost.
- Nonparticipating contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
- Investments of the state’s Local Government Investment Pool (LGIP), which are held in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940, are reported at amortized cost.
- Investments in the LGIP are measured at the net asset value per share.

Increases in the investment’s fair value are to be recorded by debiting GL Code 1280 “Valuation Allowance - Investments” and crediting GL Code 3220 “Non-cash Revenues,” Revenue Source Code 0413.

Decreases are to be recorded by debiting GL Code 3220 “Non-cash Revenues,” Revenue Source Code 0413 and crediting GL Code 1280 “Valuation Allowance - Investments.” Refer to Subsection 85.65.22 for an illustrative entry.

Accounting Procedures

85.52.30.c **Sale or Exchange** - Sales or exchanges of non-current investments (refer to Subsection 85.65.24 for illustrative entries) are to be recognized on a trade date basis. Generally, gains and losses are to be recorded at the time of the sale using GL Code 3205 or 3210, Revenue Source Code 0413 for gains and losses.

85.52.40

July 1, 2010

Investment pools

85.52.40.a **Internal Investment Pools** - Internal investment pools are to follow the guidance for short-term and non-current investments as presented in Subsections 85.52.20 and 85.52.30, respectively. The equity position of each account participating in the investment pool should be reported as an asset in the participating account. Income and costs associated with internally pooled investments are to be accounted for in the accounts that report the investments unless legal or contractual provisions require transfer of amounts to another account.

85.52.40.b **External Investment Pools** - External investment pools commingle the moneys of more than one legally separate entity and invest, on behalf of the participants, in an investment portfolio. Investment positions in external investment pools that are not SEC-registered are to be determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like pool. A 2a7-like pool is an external investment pool that operates in conformity with the SEC's Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Investment positions in a 2a7-like pool should be measured at the net asset value per share provided by the pool.

85.52.50

July 1, 2013

Permanent funds

85.52.50.a **Accounting for Losses** - In some cases, accounting for a negative net change in fund balance exclusive of unrealized gains and losses in permanent funds managed and invested by the State Investment Board (SIB) requires unique treatment in order to satisfy legal requirements. In these cases, to preclude the erosion of permanent fund corpus (GL Code 9110 "Nonspendable Permanent Fund Principal"), due to other than market fluctuations, at year end it is necessary to separately track a negative net change in fund balance exclusive of unrealized gains and losses in GL Code 9231 "Restricted for Permanent Funds – Realized Investment Losses" and amortize the loss against future beneficiary distributions on a straight-line basis over the weighted average life of the portfolio in the permanent fund.



85.56 Inventories

85.56.10
May 1, 1999

Inventory management and control procedures are in Chapter 35

Agencies are to comply with the OFM prescribed inventory policies and procedures in Chapter 35 of this manual.

85.56.20
June 1, 2014

Consumable inventories

When the fiscal year-end balance of consumable inventories on-hand at an inventory control point is estimated to exceed \$50,000 in value, agencies are to select, and consistently apply, one of the following two accounting alternatives.

85.56.20.a

Periodic Inventory Method

1. Purchases of consumable inventories during the year are recorded by debiting GL Code 6510 "Cash Expenditures/Expenses" using Object E and crediting cash. Refer to Subsection 85.65.38.a for an illustrative entry.
2. No entry is required to record the use of consumable inventories during the year.
3. An annual adjustment is recorded to reflect the actual inventory balance as determined by a physical inventory count. Refer to Subsection 85.65.38.c for an illustrative entry.
4. In governmental fund type accounts, an additional entry is required at year-end to adjust the nonspendable portion of fund balance to indicate that the amount of consumable inventories is not available for appropriation.
 - If consumable inventories increased during the year, the additional adjusting entry is recorded by debiting the appropriate fund equity GL code and crediting GL Code 9120 "Nonspendable Consumable Inventories" for the amount of the increase. Refer to Subsection 85.65.38.c for an illustrative entry.

85
Accounting Procedures

- This entry is reversed if consumable inventories decreased during the year.
- The balance in GL Code 9120 "Nonspendable Consumable Inventories" at year end is to equal the balance in GL Code 1410 "Consumable Inventories."

85.56.20.b

Perpetual Inventory Method

1. Purchases of consumable inventories during the year are recorded as assets by debiting GL Code 1410 "Consumable Inventories" and crediting the appropriate cash or payable GL code. Refer to Subsection 85.65.40.a for an illustrative entry.
2. To record the use of consumable inventories during the year, GL Code 6510 "Cash Expenditures/Expenses" is debited and GL Code 1410 "Consumable Inventories" is credited. Refer to Subsection 85.65.40.b for an illustrative entry.
3. An adjustment may be required to reflect the actual ending inventory balance as determined by performing a physical inventory count.
4. In governmental fund type accounts, an additional adjusting entry is required at year-end to adjust the nonspendable portion of fund balance to indicate that the amount of consumable inventories is not available for appropriation.
 - If GL Code 1410 "Consumable Inventories" increased, the adjusting entry is recorded by debiting the appropriate fund equity GL code and crediting GL Code 9120 "Nonspendable Consumable Inventories" for the amount of the increase.
 - This entry is reversed if GL Code 1410 "Consumable Inventories" decreased.
 - The balance in GL Code 9120 "Nonspendable Consumable Inventories" at year end equals the balance in GL Code 1410 "Consumable Inventories."

Accounting Procedures

Revenue. The fair value of federally donated consumable inventories is recorded by debiting GL Code 1415 "Donated Inventories" and crediting GL Code 5190 "Unearned Revenue." If shipping costs were incurred by the state, they are to be recorded by debiting GL Code 1410 "Consumable Inventories," offset by a credit to the appropriate cash or payable GL code. Refer to Subsection 85.65.46.a for an illustrative entry.

Expenditures/expenses. To record the use or distribution of federally donated consumable inventories during the year, GL Code 6525 "Expenditure Adjustments/Eliminations (GAAP)" with an appropriate subobject is debited and GL Code 3225 "Revenue Adjustments/Eliminations (GAAP)" with an appropriate revenue source code is credited for the previously recorded fair value of the donated consumable inventories used or distributed.

The amount of shipping costs, if any, applicable to the used or distributed donated consumable inventories is to be removed (credited) from GL Code 1410 "Consumable Inventories" and GL Code 6510 "Cash Expenditures/Expenses" is to be debited. Refer to Subsection 85.65.46.b for an illustrative entry.

Year-end adjustment. At year-end, an entry to GL Code 1415 is required to adjust its balance to the federally donated inventory on hand. The offsetting entry is recorded to GL Code 5190 "Unearned Revenues."

Shipping costs (if applicable) of donated consumable inventories on hand at fiscal year-end is to be included in the ending balances of GL Code 1410 "Consumable Inventories."

In governmental fund type accounts, an additional entry is required to adjust the nonspendable portion of fund balance to indicate that the shipping costs expended on donated consumable inventories on hand are no longer available for appropriation.

This entry is recorded by debiting the appropriate fund equity GL code and crediting GL Code 9120 "Nonspendable Consumable Inventories" for the amount of the increase in shipping costs in GL Code 1410. This entry would be reversed for a decrease in shipping costs in GL Code 1410. Refer to Subsection 85.65.46.c for an illustrative entry.

85.56.40.c

Transfers between agencies. If donated inventory is transferred between agencies, the sending agency records the transfer by reversing the entry made when the inventory was received. Because the sending agency is not consuming the inventory, it does not record expenditure for inventory transferred to other agencies. The receiving agency is to record the receipt and use of the donated inventory.



85.58

Prepaid Expenses

85.58.10

July 1, 2008

Prepaid expenses

85.58.10.a

Prepaid expenses are those certain types of supplies and/or services (not inventory) that are acquired or purchased during an accounting period but not used or consumed during that accounting period. In Washington, because goods and services generally must be received prior to payment, prepaid expenses will be limited.

Examples of prepaid expenses that may be acquired include insurance, maintenance services contracts, and postage, books and periodicals. Refer to Subsection 85.32.50.b and .c.

85.58.10.b

In governmental fund type accounts, prepaid expenses are generally accounted for using the purchases method. Under the purchases method, prepaid expenses are treated as expenditures when purchased rather than accounted for as an asset.

85.58.10.c

Prepaid expenses are recorded as assets in proprietary and trust fund type accounts. Refer to Subsection 85.65.50.a for an illustrative entry.

The portion of supplies or services consumed or used during a period is recorded as an expense. Refer to Subsection 85.65.50.b for an illustrative entry. The balance that remains is reported as an asset in GL Code 1510 "Prepaid Expenses" until consumed or used.



85.60 Capital Assets

85.60.10

July 1, 2009

About capital assets

Capital assets are tangible or intangible assets held and used in state operations, which have a service life of more than one year and meet the state's capitalization policy. Refer to Chapter 30 of this manual.

Capital assets are classified for general ledger purposes as land; transportation infrastructure-modified approach; art collections, library reserve collections, and museum and historical collections (both exhaustible and inexhaustible); buildings; improvements other than buildings; infrastructure; furnishings and equipment; intangible assets; library resources; and construction in progress.

Subsection 75.40.20 of this manual describes the various capital asset general ledger codes.

85.60.20

July 1, 2001

Asset valuation

Valuation requirements for capital assets are listed in Chapter 30 of this manual.

85.60.30

July 1, 2015

Acquisitions of capital assets

85.60.30.a

Governmental Fund Type Accounts - In governmental fund type accounts, acquisitions of capital assets are recorded by debiting GL Code 6510 "Cash Expenditures/Expenses" using appropriate subobjects such as those within Object J "Capital Outlays."

For accountability purposes, the asset is also recorded in Account 997 "General Capital Assets Subsidiary Account" by debiting GL Code Series 2XXX "Capital Assets" and crediting GL Code 9850 "Investment in General Capital Assets." Refer to Subsection 85.65.52.a for illustrative entries.

When capital assets are donated to a governmental fund type account, no entry is made in the operating account because governmental funds use the current financial resources measurement focus. However, the capital assets are recorded in Account 997 "General Capital Assets Subsidiary Account" at their estimated acquisition value at the date of donation plus all appropriate ancillary costs. Refer to subsection 85.65.52.a for an illustrative entry.

85.60.30.b

Proprietary and Trust Fund Type Accounts - In proprietary and trust fund type accounts, acquisitions of capital assets are recorded by debiting GL Code Series 2XXX "Capital Assets." Budgeted proprietary and trust fund type accounts require an additional entry to record the budgeted expense. This entry debits GL Code 6510 "Cash Expenditures/Expenses" using appropriate subobjects such as those within Object J "Capital Outlays" and credits GL Code 6525 "Expense Adjustments/ Eliminations (GAAP)" with the same subobject code. Refer to Subsection 85.65.52.b for illustrative entries.

Donations of capital assets to proprietary and trust fund type accounts are recorded in the acquiring account at their estimated acquisition value at the date of donation by debiting GL Code Series 2XXX "Capital Assets" and crediting GL Code 3220 "Noncash Revenues" with Revenue Source Code 0820 "Capital Contributions" or other appropriate revenue source code. Refer to Subsection 85.65.52.b for an illustrative entry.

85.60.30.c

Assets that do not meet the state's capitalization policy - Purchases of assets that do not meet the state's capitalization policy (for example, equipment or software with a unit cost under \$5,000) are to be recorded by debiting GL Code 6510 "Cash Expenditures/Expenses" with the appropriate Subobject JA "Noncapitalized Assets" or JB "Noncapitalized Software." Refer to Subsection 85.65.54 for an illustrative entry.

85.60.60
July 1, 2012

Reconciliation of capital assets

The balance in GL Code Series 2XXX “Capital Assets” is to agree with the balance of the detail listing of capital assets in the agency’s authorized capital asset management system. Agencies using the state’s Capital Asset Management System (CAMS) have available capital asset reports for both cost and depreciation showing beginning balances, additions, deletions, and ending balances. Agencies not using the state’s CAMS are to develop similar capital asset reports.

All agencies are to reconcile their authorized capital asset management system with the balances in GL Code Series 2XXX “Capital Assets” to ensure the accuracy of the balances in the general ledger. As a result of this reconciliation, prior period adjustments may be required. Prior period adjustments are discussed further in Subsection 90.20.15 and illustrated in Subsection 90.30.30.

85.60.70
July 1, 2008

Capital assets acquired through capital lease

85.60.70.a

Governmental Fund Type Accounts - Leased asset acquisitions that meet the definition of a capital lease (refer to Subsections 30.20.30 and 85.72.30) are to be capitalized at the lesser of the fair value or the net present value of the future minimum lease payments at the inception of the lease.

The entry for a leased asset acquisition is recorded by debiting GL Code 6514 “Capital Asset Acquisitions by Lease-Purchase Agreements or Certificates of Participation” with an appropriate subobject within Object J “Capital Outlays” and crediting GL Code 3221 “Other Financing Sources” with Revenue Source Code 0809 “Capital Lease Acquisitions.”

Corresponding entries are made in (a) Account 997 “General Capital Assets Subsidiary Account” by debiting GL Code Series 2XXX “Capital Assets” and crediting GL Code 9850 “Investment in General Capital Assets” (refer to Subsection 85.65.62.a for illustrative entries), and (b) Account 999 “General Long-Term Obligations Subsidiary Account” to record the related lease liability. Subsection 85.85.40.a shows detailed illustrations for recording lease liabilities and subsequent payments on leases in Account 999.

Leased asset acquisitions that do not meet the definition of a capital lease (refer to Subsection 30.20.30) are treated like operating leases until after the date of actual transfer of ownership. Operating lease payments are to be recorded by debiting GL Code 6510 “Cash Expenditures/Expenses” with Subobject ED “Rentals and Leases - Land and Buildings” or EH “Rentals and Leases - Furnishings and Equipment.” If noncapitalized leased assets are subsequently acquired (i.e., through transfer of title at the end of the lease period), they are to be recorded in Account 997 “General Capital Assets Subsidiary Account” at fair value at the time of title transfer. Refer to Subsection 85.65.62.a for illustrative entries.

85.60.70.b

Proprietary and Trust Fund Type Accounts - In proprietary and trust fund type accounts, leased asset acquisitions that meet the definition of a capital lease (refer to Subsections 30.20.30 and 85.72.30) are to be capitalized at the lesser of the fair value or the net present value of the future minimum lease payments at the inception of the lease.

The entry for a leased asset acquisition is recorded in the acquiring account by debiting GL Code Series 2XXX “Capital Assets” and crediting the appropriate lease liability GL code. Refer to Subsection 85.65.62.b for illustrative entries. Subsection 85.85.40.b shows detailed illustrations for recording lease liabilities and subsequent payments on leases.

Leased asset acquisitions that do not meet the definition of a capital lease (refer to Subsection 30.20.30) are treated like operating leases (expensed, but not capitalized) until after the date of actual transfer of ownership. Operating lease payments are to be recorded by debiting GL Code 6510 “Cash Expenditures/Expenses” with Subobject ED “Rentals and Leases – Land and Buildings” or EH “Rentals and Leases – Furnishings and Equipment.” If noncapitalized leased assets are subsequently acquired (i.e., through transfer of title at the end of the lease period), they are to be valued at fair market value at the time of title transfer. The asset is recorded by debiting GL Code Series 2XXX “Capital Assets” and crediting GL Code 3210 “Cash Revenues” with Revenue Source Code 0486 “Recoveries of Prior Appropriation Expenditures.” Refer to Subsection 85.65.62.b for illustrative entries.

85.65.36.b.(1) **To record disbursements of a long-term loan which are not budgeted.**

Note: The entry to adjust the nonspendable portion of fund balance for receivables is made in governmental fund type accounts only. This entry is not applicable in proprietary and trust fund type accounts.

	Dr.	Cr.
Loans Receivable (1614)	xxx	
In-Process (71XX) or		xxx
Cash in Bank (1110)		
Appropriate fund equity GL code (9XXX)	xxx	
Nonspendable Receivables – Long-Term (9131)		xxx

85.65.36.b.(2) **To record repayment of the non-budgeted long-term loan,** shown in (b) above, after an interim process occurs reclassifying receivables from long-term to short-term.

	Dr.	Cr.
Loans Receivable (1314) or	xxx	
Due from Other Governments (1352)		
Loans Receivable (1614) or		xxx
Due from Other Governments (1652)		
Nonspendable Receivables – Long-Term (9131)	xxx	
Appropriate fund equity GL code (9XXX)		xxx

Then the loan payment receipt is recorded:

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110)		
Loans Receivable (1314) or		xxx
Due from Other Governments (1352)		

85.65.38

June 1, 2011

Consumable inventories - periodic inventory method

85.65.38.a

To record the acquisition of consumable inventories. Refer to Subsection 85.56.20.a.(1).

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object E	xxx	
Cash in Bank (1110) or		
In-Process (71XX)		xxx

85.65.38.b To record the use of consumable inventories during the year.

No entry is required.

85.65.38.c At year-end, to record an increase in consumable inventories during the year. Refer to Subsection 85.56.20.a.(3) and (4). These entries would be reversed to record a decrease in consumable inventories during the year.

Note: The second entry is to adjust the nonspendable portion of fund balance in governmental fund type accounts only.

	Dr.	Cr.
Consumable Inventories (1410)	xxx	
Cash Expenditures/Expenses (6510) Object E		xxx
Appropriate fund equity GL code (9XXX)	xxx	
Nonspendable Consumable Inventories (9120)		xxx

85.65.40
May 1, 1999

Consumable inventories - perpetual inventory method

85.65.40.a To record the acquisition of consumable inventories. Refer to Subsection 85.56.20.b.(1).

	Dr.	Cr.
Consumable Inventories (1410)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

85.65.40.b To record the use of consumable inventories during the year. Refer to Subsection 85.56.20.b.(2).

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object E	xxx	
Consumable Inventories (1410)		xxx

85.65.42
May 1, 1999

Merchandise inventories in proprietary fund type accounts - periodic inventory method

85.65.42.a To record the acquisition of merchandise inventories as an expense. Refer to Subsection 85.56.30.a.(1).

	Dr.	Cr.
Cost of Goods Sold (6516) Object F	xxx	
Cash in Bank (1110) or In-Process (71XX) or Payables (51XX)		xxx

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85.65.44

85.65.42.b To record the sale of merchandise inventories when the merchandise inventory purchase is recorded as an expense. Refer to Subsection 85.56.30.a.(2).

	Dr.	Cr.
Cash in Bank (1110) or In-Process (71XX) or Receivables (13XX)	xxx	
Cash Revenue (3210) or Accrued Revenues (3205) Revenue Source Code (0450 or 0455) Sales		xxx

85.65.42.c To record the adjustment for merchandise inventory when the physical count shows the inventory value greater than the amount in the general ledger control account GL Code 1420 "Merchandise Inventories." This entry is reversed when the physical count shows the inventory value less than the recorded amount. Refer to Subsections 85.56.30.a.(3) and b.(3).

	Dr.	Cr.
Merchandise Inventories (1420)	xxx	
Cost of Goods Sold (6516) Object F		xxx

85.65.44
May 1, 1999

Merchandise inventories in proprietary fund type accounts - perpetual inventory method

85.65.44.a To record the acquisition of merchandise inventories as an asset. Refer to Subsection 85.56.30.b.(1).

	Dr.	Cr.
Merchandise Inventories (1420)	xxx	
Cash in Bank (1110) or In-Process (71XX) or Payables (51XX)		xxx

85.65.44.b To record the sale of merchandise inventories when the merchandise inventory purchase is recorded as an asset. Refer to Subsection 85.56.30.b.(2).

The second entry is to adjust the merchandise inventory account and record the cost of goods sold:

	Dr.	Cr.
Cash in Bank (1110) or In-Process (71XX) or Receivables (13XX)	xxx	
Cash Revenue (3210) or Accrued Revenues (3205) Revenue Source Code (0450 or 0455) Sales		xxx
Cost of Goods Sold (6516) Object F	xxx	
Merchandise Inventories (1420)		xxx

85.65.46

January 1, 2014

Donations of consumable inventories

A common example of donated consumable inventory is federal surplus food commodities provided to the state for use in a variety of programs. This example assumes that commodities with a fair value of \$5,000 are donated to the state for use in a governmental fund type account. The state pays \$500 shipping costs for delivery of the commodities.

85.65.46.a To record the acquisition of federally donated consumable inventories. Refer to Subsection 85.56.40.b.

	Dr.	Cr.
Consumable Inventories (1410)	500	
Donated Inventories (1415)	5,000	
Cash in Bank (1110) or In-Process (71XX)		500
Unearned Revenues (5190)		5,000

85.65.46.b To record the use of donated consumable inventories with a fair value of \$4,000. Use of donated consumable inventories is treated as a nonbudgeted activity. The cash outlay for shipping costs is a budgeted expenditure. Refer to Subsection 85.56.40.b.

	Dr.	Cr.
Expense Adjustments/Eliminations (GAAP) (6525)	4,000	
Object E	400	
Cash Expenditures/Expenses (6510) Object E		
Consumable Inventories (1410)		400
Revenue Adjustments/Eliminations (GAAP) (3225)		
Revenue Source Code (0310) Dept. of Agriculture		4,000

85.65.46.c To record year-end adjustment. Refer to Subsection 85.56.40.b.

Note: The second entry (for the shipping costs) is required in governmental fund type accounts only.

	Dr.	Cr.
Unearned Revenues (5190)	4,000	
Donated Inventories (1415)		4,000
Appropriate fund equity GL code (9XXX)	100	
Nonspendable Consumable Inventories (9120)		100

85.65.50

May 1, 1999

Prepaid expenses

85.65.50.a

To record the prepayment of goods and services, other than inventory, in proprietary and trust fund type accounts. Refer to Subsection 85.58.10.c.

	Dr.	Cr.
Prepaid Expenses (1510)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

85.65.50.b

To record the portion of prepaid goods and services used during the period. Refer to Subsection 85.58.10.c.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (with appropriate subobject)	xxx	
Prepaid Expenses (1510)		xxx

85.65.52

July 1, 2015

Acquisition of capital assets

85.65.52.a

Governmental Fund Type Accounts

The entry for the purchase of a capital asset records the expenditure in the account acquiring the asset with a corresponding entry in Account 997 "General Capital Assets Subsidiary Account." Refer to Subsection 85.60.30.a.

Operating Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object J	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Capital Asset (2XXX)	xxx	
Investment in General Capital Assets (9850)		xxx

The following entry records the donation of a capital asset to a governmental fund type account. Because governmental fund type accounts focus on current financial resources, no entry is made in the operating account. However, an entry is made in Account 997 "General Capital Assets Subsidiary Account" to record the estimated acquisition value of the asset. Refer to Subsection 85.60.30.a.

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Capital Asset (2XXX)	xxx	
Investment in General Capital Assets (9850)		xxx

85.65.52.b

Proprietary and Trust Fund Type Accounts

The entry to record the purchase of a capital asset is made in the appropriate capital asset GL code in the account acquiring the asset. Refer to Subsection 85.60.30.b.

Operating Account:

	Dr.	Cr.
Capital Asset (2XXX)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

The following additional entry is required for budgeted proprietary and trust fund type accounts for capital asset acquisitions.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object J	xxx	
Expense Adjustments/Eliminations (GAAP) (6525) Object J		xxx

The following entry records the donation of a capital asset to a proprietary or trust fund type account.

	Dr.	Cr.
Capital Asset (2XXX)	xxx	
Noncash Revenues (3220) Revenue Source Code 0820 Capital Contributions or other appropriate revenue source code		xxx

85.65.54
July 1, 2009

Assets that do not meet the state's capitalization policy

The entry for the acquisition of an asset that does not meet the state's capitalization policy records the expenditure/expense in the account acquiring the asset. Refer to Subsection 85.60.30.d.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject JA or JB	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

The following additional entry is needed to record the net proceeds received upon disposition of a capital asset in budgeted proprietary and trust fund type accounts.

If the net proceeds from disposition were included in the budget for the acquisition of the replacement capital asset and the purchase for the new capital assets has already been recorded at gross, the following entry is made:

	Dr.	Cr.
Expense Adjustments/Eliminations (GAAP) (6525) Object J	xxx	
Cash Expenditures/Expenses (6510) Object J		xxx

If the net proceeds from disposition were included in the budget as estimated revenues, the following entry is made:

	Dr.	Cr.
Revenue Adjustments/Eliminations (GAAP) (3225) Revenue Source Code (0416) Sale of Property - Other	xxx	
Cash Revenues (3210) Revenue Source Code (0416) Sale of Property - Other		xxx

85.65.60
July 1, 2008

Trade-in of capital assets

These illustrative entries assume the following: a vehicle is purchased for \$12,000 cash. (It has a fair value of \$14,000 less a trade-in allowance of \$2,000.) The trade-in vehicle originally cost \$9,000 and has a current book value of \$1,500.

85.65.60.a

Governmental Fund Type Accounts

These entries reflect the trade-in transaction in the operating account acquiring the vehicle and the corresponding entries in Account 997 "General Capital Assets Subsidiary Account." Refer to Subsection 85.60.50.a.

Operating Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (Subobject J)	12,000	
Cash in Bank (1110) or In-Process (71XX)		12,000

General Capital Assets Subsidiary Account (Account 997):

The first entry removes the vehicle traded in. The second entry records the new vehicle.

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	Dr.	Cr.
Investment in General Capital Assets (9850)	1,500	
Accumulated Depreciation – Furnishings and Equipment (2420)	7,500	
Furnishings and Equipment (2410)		9,000
Furnishings and Equipment (2410)	13,500	
Investment in General Capital Assets (9850)		13,500

85.65.60.b **Proprietary and Trust Fund Type Accounts**

This entry reflects a trade-in transaction in non-budgeted proprietary and trust fund type accounts. Refer to Subsection 85.60.50.c.

	Dr.	Cr.
Furnishings and Equipment (2410)	13,500	
Accumulated Depreciation – Furnishings and Equipment (2420)	7,500	
Furnishings and Equipment (2410)		9,000
Cash in Bank (1110) or In-Process (71XX)		12,000

85.65.62

June 1, 2004

Capital assets acquired through capital lease

85.65.62.a **Governmental Fund Type Accounts**

The entry for the acquisition of capitalized leased assets records the expenditure in the account acquiring the leased assets with a corresponding entry in Account 997 “General Capital Assets Subsidiary Account.” Refer to Subsection 85.60.70.a.

Operating Account:

	Dr.	Cr.
Capital Asset Acquisitions by Lease-Purchase Agreements or Certificates of Participation (6514) Object J (Capital Outlays)	xxx	
Other Financing Sources (3221) Revenue Source Code (0809) Capital Lease Acquisitions		xxx

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Furnishings and Equipment (2410)	xxx	
Investment in General Capital Assets (9850)		xxx

The entry to record lease payments, for acquisitions that do not meet the capital lease requirements in Subsection 30.20.30, is shown below. For such acquisitions, no entry is made in Account 997 “General Capital Assets Subsidiary Account” until title transfers to the state and the fair value of the asset meets the state’s capitalization policy.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (Subobject ED or other subobject as appropriate)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

To record subsequent acquisition of non-capitalized leased assets in Account 997 “General Capital Assets Subsidiary Account” upon transfer of the title. The asset is recorded at the fair value at the time title transfers.

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Furnishings and Equipment (2410)	xxx	
Investment in General Capital Assets (9850)		xxx

85.65.62.b

Proprietary and Trust Fund Type Accounts

To record capitalized leased equipment acquired by proprietary and trust fund type accounts in the account acquiring the leased assets. Refer to Subsection 85.60.70.b.

	Dr.	Cr.
Furnishings and Equipment (2410)	xxx	
Lease Purchase Agreements Payable (5172)		xxx
Lease Purchase Agreements Payable (5272)		xxx

The entry to record lease payments, for acquisitions that do not meet the capital lease requirements in Subsection 30.20.30, is as follows:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (Subobject ED or other subobject as appropriate)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

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To record the fair value of the subsequent acquisition of non-capitalized leased assets upon transfer of title.

	Dr.	Cr.
Furnishings and Equipment (2410)	xxx	
Cash Revenues (3210) Revenue Source Code (0486) Recoveries of Prior Appropriation Expenditures		xxx

85.65.64

July 1, 2009

Accounting for the construction of capital assets

85.65.64.a

Governmental Fund Type Accounts

Costs incurred for the construction of capital assets are to be recorded in the account incurring the expenditure. Refer to Subsection 85.60.90.b.

Operating Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object J or other subobject as appropriate	xxx	
Cash in Bank (1110) or In-Process (71XX) or Construction Contracts Payable (5117)		xxx

Construction projects not completed at the end of the accounting period require an entry in Account 997 "General Capital Assets Subsidiary Account."

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Construction In Progress (2510)	xxx	
Investment in General Capital Assets (9850)		xxx

Upon completion of the project, the construction in progress is reclassified to the appropriate capital asset GL code(s) in Account 997 "General Capital Assets Subsidiary Account."

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Capital Assets (2XXX)	xxx	
Construction In Progress (2510)		xxx

At the end of each fiscal period, any unpaid or unsettled amounts are reported as either interagency or interfund receivables and payables. Refer to Subsection 85.95.40 for illustrative entries.

To record interfund/interagency services provided and used, the paying agency records an expenditure/expense using an appropriate object of expenditure. The receiving agency records revenue using either Revenue Source Code 0420 "Charges for Services," 0450 "Sales of Goods and Supplies - Proprietary Funds," or another appropriate revenue source code. Interfund/interagency services provided and used are budgeted and accounted for in this manner.

The following are examples of interfund/interagency services provided and used:

- Internal service fund billings for goods or services, such as mail services from the Department of Enterprise Services and legal services provided by the Office of the Attorney General. Refer to Subsection 85.90.40.
- Routine employer contributions from operating accounts to a pension trust fund.
- Routine service charges for inspection, engineering, utilities, or similar services provided by one account/agency to another.

85.90.40
July 1, 2015

Payment procedures for selected central services agency charges

85.90.40.a

The following are selected central services agencies which require the use of unique object codes by the paying agency. A listing of services provided is as follows:

- **Office of the Secretary of State** - Archives, records storage, and microfilm services.
- **Office of the State Auditor** - Auditing services.
- **Office of the Attorney General** - Legal services.

- **Department of Enterprise Services** - Statewide financial and payroll systems, office space, janitorial services, utilities, buildings and grounds maintenance, campus delivery and mail service, parking, motor pool, procurement, mainframe print services, web services, secure file services, risk management, printing, small agency budgeting/accounting/human resources/payroll services, and personnel services for general government classified employees.
- **Office of Administrative Hearings** - Administrative hearings examiner services.
- **Office of Financial Management** - Personnel services for higher education classified employees.
- **Office of Minority and Women's Business Enterprises (OMWBE)** - Certification of minority business enterprises, socially and economically disadvantaged business enterprises, and women's business enterprises statewide.
- **Consolidated Technology Services** - Computer and telecommunication services.

85.90.40.b

The following object codes and payment schedules are to be used by the paying agency for transactions with selected central services agencies:

CENTRAL SERVICE AGENCY			PAYING AGENCY	
Agency No. and Name	Account	Revenue Source Code	Object Code	Billing/Payment Schedule
(085) Office of the Secretary of State Archives and Records Management Microfilm Services	006	0420	EW	Billed quarterly in advance (July, October, January, and April). Monthly actuals billed after month end.
	006	0428	EW	
(095) Office of the State Auditor	483	0420	ET	Monthly actual time and expenses billed after month end for accountability and whistleblower audits. CAFR and statewide single audits billed quarterly for actual time and expense.
(100) Office of the Attorney General	405	0420	EM	Monthly actuals for billable staff time and direct litigation costs are billed by the end of the following month.

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CENTRAL SERVICE AGENCY			PAYING AGENCY	
Agency No. and Name	Account	Revenue Source Code	Object Code	Billing/Payment Schedule
(105) Office of Financial Management -				
Personnel Services – State agencies other than higher education	415	0420	EN	July, October, January and April (Quarterly billings in advance based on classified salaries.
OCIO	419	0420	EL	Billed monthly based on FTEs in IT job classifications.
Labor Relations	436	0420	EN	July, October, January and April (Quarterly billings in advance) based on .1% of salaries of employees covered by a bargaining unit.
Personnel Services - Higher Education	455	0420	EN	July, October, January and April (Quarterly billings in advance) based on classified salaries.
(110) Office of Administrative Hearings	484	0420	EV	Monthly actuals for billable staff time are billed by the end of the following month.
(147) OMWBE	453	n/a	n/a	Covered by vendor-paid contract management fee assessed on all contracts managed within DES Contracts and Legal Division.
(163) Consolidated Technology Services				
Computer Services	419	0420	EL	Monthly actuals billed after month end.
State Data Center Allocation	419	0499	EL	Billed quarterly based on budgeted IT expenses.
Telecommunications Services	419	0420	EB	Monthly actuals billed after month end.
(179) Dept. of Enterprise Services -				
Parking Services	045	0402	EK	Prepaid, and billed monthly, quarterly and annually.
Engineering and Architectural Services	057	n/a	JK	Varies by agency.
Access Washington	419	0420	EL	Monthly billing based on budgeted FTEs.
Enterprise Systems Rates	419	0420	EL	Billed monthly based on budgeted FTEs.

CENTRAL SERVICE AGENCY			PAYING AGENCY	
Agency No. and Name	Account	Revenue Source Code	Object Code	Billing/Payment Schedule
Geospatial Portal	419	0420	EL	Weighted Factor 4-part index (portal downloads, number of GIS staff, agency FTEs, annual ESRI maintenance costs).
HRMS – Production Support	419	0420	EL	Monthly actuals billed after month end and annual invoice for Production Support.
Capital Campus Maintenance and Operations	422	0420	EK	Billed monthly following services performed.
Capital Campus Utilities and Fixed Priced Contracts	422	0420	EK	Billed monthly following services performed.
Consolidated Mail Services	422	0420	EK	Outgoing mail monthly actuals billed after month end; Incoming/Campus mail billed according to agencies' agreements.
Facilities & Services (Seat of Government)	422	0420	EK	Billed monthly based on budgeted FTEs located in Thurston County.
Facilities Engineering Services	422	0420	EK	Invoiced upon completion of service.
Federal and State Surplus	422	0420	JA/JC	Invoiced upon purchase.
Motor Pool	422	0402	GN	Monthly actuals billed after month end
Personnel Services - State agencies other than higher education	422	0420	EN	Billed monthly based on budgeted FTEs. Separate training fees continue to apply.
Printing Services	422	0450	EF	Billed following services performed.
Production Services	422	0420	EL	Monthly actuals billed after month end
Property Management	422	0402	ED	Rent billed monthly at month end.
Purchasing Administration Fee	422	n/a	n/a	Covered by vendor-paid contract management fee assessed on all contracts managed within DES Contracts and Legal Division.
Small Agency Financial Services	422	0420	ER	Billed monthly based on budgeted formula.
Small Agency Human Resource Services	422	0420	ER	Billed monthly based on budgeted FTEs.
Risk Management Administration	546	0420	EP	Administration costs billed monthly based on formula. Commercial insurance costs billed as purchased.
Self Insurance Liability Premiums	547	0496	EP	Billed annually at the beginning of the fiscal year.