Fall 2017

The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS & INFORMATION FROM STATEWIDE ACCOUNTING

in this issue

New Option for Inactivating Sub-subobjects

As you are likely aware, the descriptor table D12-Sub-subobjects (SSO) was changed to a statewide table starting in the current (2017-19) biennium. This means OFM maintains the table and all SSOs are available for each agency to use. This can pose problems in two ways: preparing an agency-specific list of SSOs can be burdensome due to the volume of statewide SSOs, and the possibility of coding and data entry errors is increased.

To assist with these two challenges, agencies now have the option to set SSOs that are not needed for their agency to inactive. An SSO that is set to inactive cannot be used on an AFRS transaction, so that will prevent the coding and data entry errors. The inactive flag is included in the D12-Sub-subobject table in Web Intelligence (webi), so an agency can limit their download to only active SSOs or can download all SSOs and filter on the inactive field to create an agency-specific SSO list.

The inactive flag can be set via the new online SSO Inactivate Maintenance (TM.1.5) screen in AFRS or by using the table upload process.

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One Washington Update

One Washington is a comprehensive business transformation program to modernize and improve aging administrative systems and related business processes that are common across state government.

Procurement Readiness Workgroup Celebrates Milestone

Earlier this year, a diverse multi-agency group of state procurement subject matter experts formed the Procurement Readiness Workgroup. The workgroup met over a six-month period to identify common business processes, identify and categorize data elements, and agree upon procurement definitions to better prepare Washington State for an enterprise procurement system. On August 16, the group celebrated the completion of this arduous effort, which is an important milestone in planning next steps. This fall, One Washington will use the work this group completed to perform a gap analysis of the common business processes and data elements which will be used to prepare business requirements for the enterprise procurement system next year.

One Washington Partners with Accenture

It's no secret that the Agency Financial Reporting System (AFRS) is a 35 year old legacy system that fails to meet 21st century information needs. One Washington has chosen Accenture as the strategic partner to design a Blueprint to modernize AFRS.

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If you have questions or comments on any information contained in The Connection, please contact Anwar Wilson at anwar.wilson@ofm.wa.gov.

Federal Update

Federal Communication
The Office of Management and Budget (OMB) has recently released some important documents, including:

(1) *Compliance Supplement*
The 2017 Compliance Supplement was updated as of April 2017. In addition to defining various federal compliance requirements, the Supplement provides a source of information for auditors to understand the objectives and includes suggested audit procedures for determining compliance for programs selected for audits. It is also a good resource for state agencies when implementing relevant federal grant policies and procedures to ensure federal compliance.

The 2017 Compliance Supplement is included in 2CFR Part 200 Appendix XI.

(2) *Uniform Guidance Frequently Asked Questions*
The frequently asked questions (FAQS) are presented by the Council on Financial Assistance Reform on OMB's Uniform Guidance at 2 CFR 200. They are intended to provide additional context and background for the guidance as Federal and non-Federal entities seek to understand the policy changes and will be referenced as an addition to the 2017 Compliance Supplement. 24 new FAQS were added as of July 2017.

If there is a question pertaining to the application of the guidance to a particular Federal award, you can contact the OFM federal consultants for assistance.

(3) *DATA Act Pilot Project Report*
Section 5 of the Digital Accountability and Transparency Act (DATA Act) tasked OMB with running a pilot program, with the participation of appropriate Federal agencies, to identify standardized reporting elements across the Federal government and eliminate unnecessary duplication in financial reporting.

OMB submitted a DATA Act Pilot Program Report to Congress on August 10, 2017. This represents the successful implementation of the centerpiece of the DATA Act with the goal of transforming the manner in which Federal financial information is provided to the public. Details of the pilot project, including recommendations and next steps, can be found in the report.

Award-Specific Audit Requirements
OFM has recently received questions from agencies whose federal awards contained specific language on audit requirements. Although this appears to be inconsistent with the Uniform Guidance, we want to remind agencies that acceptance of an award from a federal agency obligates the recipient to be aware of and comply with the grant program legislation and program regulation cited on the Notice of Award.

Agencies are reminded of the importance of reviewing your grant award documents carefully. If you are unsure of any specific requirements listed on your award documents, please contact the OFM federal consultants for assistance.

Disclosure Forms
On a positive note, agencies can now take a break from disclosure forms until January 2018 when the Federal Certification Form is due on the 31st!

For more information, please contact:
Marina Yee at (360) 725-0221 or marina.yee@ofm.wa.gov
Sara Rupe at (360) 725-0189 or sara.rupe@ofm.wa.gov.

Audit Resolution Process Update

With the passage of SB 5372, the new law RCW 43.09.312 became effective on July 23, 2017, and required state agencies to submit their corrective action plans to the Office of Financial Management within 30 days to address audit findings and recommendations. OFM has enhanced its tracking and monitoring protocol to ensure adequate communication with agencies who receive findings to comply with the new requirements.

SAAM Chapter 55 Audit Tracking has been updated to reflect the legal obligation for state agencies to comply with the new state law.

For more information, please contact:
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New Option for Inactivating Sub-subobjects *- continued from page 1*

The online screen shows 13 records at a time, so it is best when a small number of SSOs need to be inactivated or reactivated. The table upload is intended for making bulk changes. Note that there is some set up with WaTech required before using this process.

Instructions for using both the online screen and the table upload process are available on WaTech's Financial Systems Documentation by Group webpage under AFRS. The online document is "TM.1.5 Agency Sub-SubObject Inactivate-ONLINE," and the table upload document is "AFRS Automated Table Upload Process."

There are a couple other things related to inactivating an SSO that you should know. OFM has the option to inactivate an SSO at the statewide level which inactivates that SSO for all agencies. If an SSO is inactive at the statewide level, agencies cannot set that SSO to active for their own agency. However, if an SSO is active at the statewide level but inactive at the agency level, the agency can set the SSO back to active by removing the 'I' in the inactive field.

Contact Support@WaTech.wa.gov for assistance in using either of these processes. For general information about SSOs, contact the OFM Accounting Consultant assigned to your agency.

One Washington Update -
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The Blueprint will include strategic project timelines, deliverables and cost considerations for optimizing value in the implementation of an Enterprise Resource Plan (ERP). An ERP is a business software platform that organizations use to integrate multiple applications that support functions such as procurement, finance, HR systems and budget. The One Washington Executive Steering Committee meets monthly to provide oversight and guidance to prepare for the planning of an ERP system.

The next step to advance the ERP proposal is to submit a supplemental decision package to secure funding for business requirements gathering and to create a software procurement process, for both financial and procurement functionality. One Washington will share updates at the Financial Management Advisory Council (FMAC) meeting on October 26.

If you missed the first edition of the One Washington Newsletter, click here.

CAFR Progress

As we approached 2017 fiscal year close, we let you all know again that it was our intent to close AFRS to agency entries at the end of Phase 2. Many agencies prepared for this “hard deadline” by reconciling general ledger (GL) accounts prior to June 30 and setting agency internal closing schedules that helped them meet the September 2 deadline. We are happy to tell you that almost all agencies completed all AFRS entries by Phase 2 close. In addition, many agencies completed all of their disclosure forms early! We really appreciate your efforts on GL reconciliations and closing activities which allows us to prepare for a November 1 CAFR publishing date.

We’d like to hear from you. What worked well for you that others might find helpful? What can we do to help you have a more successful close?

You play a major role in the quality and timeliness of the CAFR and you played it very well this year – thank you!

Travel Policy Update

We revised Chapter 10: Travel (http://www.ofm.wa.gov/policy/10.htm) of the *State Administrative and Accounting Manual* (SAAM), effective October 1, 2017.

The maximum meal and lodging rates for several Washington state locations were revised as a result of changes adopted by the U.S. General Services Administration. The state Per Diem Rates map reflects these changes. The map is available on OFM’s Travel Resources website at: http://www.ofm.wa.gov/resources/travel.asp.

Direct questions regarding policy content and proper interpretation to Sandy McGough at (360) 725-0194 or Sandy.McGough@ofm.wa.gov.

We Are Moving

Statewide Accounting is moving on November 3, and starting on November 6 will be in the new 1063 Building. Staff’s phone numbers and our mailstop will be the same.

Prepaid Cards for Payroll

Did you know that agencies have the option to allow employees to be paid via payroll card? This option can be beneficial for employees than cannot obtain a bank account or do not want to obtain a bank account. The state's current contract with US Bank includes a provision for a payroll card option. It's called the Focus Payroll Card.

There are several advantages to employees, such as:

- More secure than carrying large sums of cash
- Can be used at any merchant that accepts VISA
- Most everyday activity is free
- No worries of lost warrants
- No need for a personal bank account
- No more check cashing fees
- Money is available 24-7
- More private than a paper check

There are benefits to state government as well!

- Reduced printing costs
- Reduced lost/destroyed warrant replacement costs
- Don't forget to include staff time
- Less staff time handling paper payments
- Eliminates processing and re-issuing of statutorily cancelled warrants
- Less likelihood of fraud

The decision for an employee to use the Focus Payroll Card is voluntary on the employee's part. Employers cannot require employees to use payroll cards. Refer to SAAM 25.70.25 for more information.

For agencies that are participating in the program, employees who would like their pay deposited to a payroll card will complete an Automated Clearing House (ACH) Direct Deposit of Wages form specifying the Pay Card as their method to receive net pay.

For questions about pay, employees will contact their payroll office (as they do now). Employees will contact US Bank Cardholder Services for all other questions about the card. Cardholders must contact Cardholder Services if a card is lost or stolen.

The state cannot view or track individual cardholder transaction activity.

If your agency is interested in offering the Focus Payroll card to your employees, contact Kristy Sartain at the Office of the State Treasurer at (360) 902-8909 Kristy.Sartain@tre.wa.gov.

For more information, visit "Payroll card information" at Statewide Accounting's Payroll Resource Site or contact Steve Nielson at (360) 725-0226 or Steve.Nielson@ofm.wa.gov.

Fall Quarter Training Offered on a Variety of Subjects

We are pleased to announce that the following training classes will be offered this quarter. Statewide Accounting staff will teach all classes.

Class Name	Dates	Times	Duration
1099-Miscellaneous Form Data Analysis	November 7 November 22 November 30 December 6	1:00 – 5:00	4.0 hours
GL Reconciliation: Basics	November 7	8:30 – noon	3.5 hours
Accounting for Payroll	November 13	8:30 – 4:00	7.5 hours
In-Process Report Training	November 21	1:00 – 4:30	3.5 hours
Payroll Revolving Account Reconciliation	November 28	8:30 – 3:00	6.5 hours
Compliance: Travel Policies	November 29	8:30 – 4:00	7.5 hours
Health Insurance Reconciliation	December 12	1:15 – 4:45	3.5 hours
Internal Control: Payroll	December 15	8:00 – 12:00	4.0 hours
Accounting for Capital Assets	December 19	1:00 – 5:00	4.0 hours
General Ledger Review	December 20	1:00 – 5:00	4.0 hours

To view class descriptions and register, go to the Learning Management System website.

Space is limited in all classes, so we ask that you read the detailed class descriptions and coordinate within your office so that you and your staff attend the right classes. If you register but cannot attend, please cancel to make room for someone on the wait list.

Many of our classes are held at our Capitol Court building, so be sure to check the class location. Parking is limited so we recommend taking the mass transit or walking if possible.

Additionally, the Association of Government Accountants (AGA) and Financial Management Advisory Council (FMAC) are sponsoring a number of audio conferences. The schedule is posted on the Olympia AGA and FMAC websites.

For assistance or additional information, please contact your assigned OFM Accounting Consultant.