



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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May 24, 2002

OFM DIRECTIVE 02A-02

TO: Agency Directors and Policy Manual Holders

FROM: Sadie Rodriguez-Hawkins, Assistant Director
Accounting Division

SUBJECT: REVISIONS TO CHAPTER 95 FEDERAL ASSISTANCE REPORTING

We are revising Chapter 95 of the state of Washington's *State Administrative and Accounting Manual* (SAAM), issued by the Office of Financial Management (OFM). The effective date of these revisions is June 1, 2002. This directive also reiterates the timetables related to year-end reporting and includes the fiscal year end-closing schedule. Please replace Chapter 95 in your manual with these revisions.

Key changes to the policies include:

Chapter 95 (Federal Assistance Reporting) Changes (<http://www.ofm.wa.gov/policy/95.htm>)

- There is a new numbering convention for expenditures that have no identifiable Catalog of Federal Domestic Assistance (CFDA) number. If a contract number is available, zeroes will be shown in the program digit field (XX.000) and the contract number will be reported. If neither a CFDA number nor contract number is available, 999 is to be shown in the program digit field (XX.999). This represents a change in the use of XX.999 from previous years.

A new data entry box has been included on the Direct Entry Screen to accommodate recording of the contract number (maximum 25 characters). If XX.000 is entered, the contract number box must be populated. If a CFDA number or XX.999 is entered, the contract number box is to be left blank. To save a line of entry, the contract number box must be keyed through using either "TAB" or "ENTER."

- The March 2002 *Compliance Supplement*, Part 5, contains modified federal audit cluster definitions that are now adopted by the state. One new cluster has been created - WIA (composed of CFDA programs 17.258, 17.259 and 17.260). Two clusters have been eliminated - Section 8 Housing (programs transferred to Nonclustered) and JTPA (program 17.246 consolidated into 17.260 and program 17.250 consolidated into 17.259). Refer to Section 95.20.20.a. (4) for details.
- The Agency Certification Form has been expanded. Certification language is now aligned to American Institute of Certified Public Accountants' (AICPA) recommended statements to be included in an auditee's federal single audit letter of representation to an auditor. The certifications will form the basis for the consolidated letter of representation for the state.
- The option of submitting expenditure information by paper has been eliminated. All agencies or institutions will utilize the electronic reporting module provided OFM

Federal Assistance report forms and the agency certification form are due to OFM by **September 20, 2002**. Electronic forms are to be emailed to norm.johnson@ofm.wa.gov. The original and one copy of the agency certification form and any variance explanations are to be mailed to the Accounting Division, Attn: Fed Reporting, PO Box 43113, Olympia, WA 98504-3113.

Questions on these changes, or federal assistance reporting in general, should be addressed to Norm Johnson at (360) 664-7676 or norm.johnson@ofm.wa.gov.

Timetables Related to Year-End Reporting

Displayed below is the timeline for reporting data to the Agency Financial Reporting System (AFRS) for closing the fiscal year:

Fiscal Year Closing Schedule

			AFRS Reports
Phase 1 (Agency Accruals)	Tuesday	July 31	Yes
Phase 2 (Final Adjustments)	Friday	Sept. 13	Yes

Agencies are encouraged to reconcile federal reporting data by the end of Phase 2 so that AFRS reflects correct data for completing the federal forms.

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The policies and procedures prescribed in SAAM are the minimum requirements that state agencies must meet. An agency may adopt more restrictive or detailed policies as long as the agency meets the required minimum standards.

All OFM directives and policies are available on our web site at <http://www.ofm.wa.gov/policies.htm>. We encourage you to use the on-line version of SAAM, as it includes all technical corrections made between formal policy updates, which are published under directives. The superseded policies and additional resources are also available on our Administrative and Accounting Resources web site at <http://www.ofm.wa.gov/policy/resource.htm>.

Questions regarding manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency.

Attachments