



STATE OF WASHINGTON

**OFFICE OF FINANCIAL MANAGEMENT**

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June 24, 2002

**OFM DIRECTIVE 02A-03**

**TO:** Agency Directors and Policy Manual Holders

**FROM:** Sadie Rodriguez-Hawkins, Assistant Director  
Accounting Division

**SUBJECT: REVISIONS TO CHAPTER 15, PERSONAL SERVICE CONTRACTS;  
CHAPTER 50, FEDERAL COMPLIANCE; CHAPTER 75, UNIFORM  
CHART OF ACCOUNTS; AND CHAPTER 85, ACCOUNTING  
PROCEDURES; NEW CHAPTER 16, CLIENT SERVICE CONTRACTS**

We are revising several chapters, and adding one new chapter, to 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 July 1, 2002. Please replace the applicable sections in your manual with these revisions.

Key changes to the policies include:

**Chapter 15: Personal Service Contracts**

<http://www.ofm.wa.gov/policy/15.htm>

The changes to this chapter are primarily the result of passage of Senate Bill 5629 which requires OFM to continue activities related to personal service and client service contracts that were authorized by the 2001 Legislature. The key changes include:

- ♦ OFM will continue to publish contract guidelines, but they will now be mandatory.
- ♦ Contract training offered by OFM will be mandatory for those who execute or manage personal service or client service contracts; training must be completed by January 2004.
- ♦ OFM will continue conducting risk-based audits of agencies to ensure adherence to the guidelines.

- ♦ A new contract report is required which provides OFM with a copy of agency contract procedures. Other changes are also incorporated throughout the Chapter to provide clarifying language.

### **Chapter 16: Client Service Contracts**

<http://www.ofm.wa.gov/policy/16.htm>

This is a new chapter that incorporates the provision of SB 5629 as discussed above, as they relate to client service contracting.

Questions regarding policy content and proper interpretation of Chapters 15 and 16 should be directed to the following OFM Contract staff:

Susan Johnsen	360-725-5258	<a href="mailto:susan.johnsen@ofm.wa.gov">susan.johnsen@ofm.wa.gov</a>
Laura Nelson	360-725-5259	<a href="mailto:laura.nelson@ofm.wa.gov">laura.nelson@ofm.wa.gov</a>
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Teri Savage	360-725-5262	<a href="mailto:teri.savage@ofm.wa.gov">teri.savage@ofm.wa.gov</a>

### **Chapter 50: Accounting Procedures (Section 50.40)**

<http://www.ofm.wa.gov/policy/50.40.htm>

- The CMIA threshold is increased to \$23 million.
- When federal funds are not available per the Treasury-State agreement, an agency must document the attempt to draw funds: the notification to the federal agency, amount of state funds expended, dates of expenditures, the date federal funds were requested, and the date federal funds were received.

### **Chapter 75: Uniform Chart of Accounts (Sections 75.20, 75.30, 75.40, 75.70, and 75.80)**

<http://www.ofm.wa.gov/policy/75.htm>

- One new agency has been added: 7050.
- New accounts have been added: 433, 436, 511, 513, 514, 515, 516, 517, 518, 546, and 630.
- New general ledger code has been added: 3198.
- Two new revenue source codes have been added: 0757 and 0758.

### **Chapter 85: Accounting Procedures (Subsection 85.32.50)**

- Under certain conditions, advance payments for equipment maintenance services may be made up to twelve months.

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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>.

Unless noted otherwise in this memo, questions regarding manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency.

Attachments