



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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May 12, 2003

OFM DIRECTIVE 03A-02

TO: Agency Directors and Policy Manual Holders

FROM: Sadie Rodriguez-Hawkins, Assistant Director
Accounting Division

SUBJECT: CHAPTER 90, STATE REPORTING; CHAPTER 95, FEDERAL ASSISTANCE REPORTING; AND CHAPTER 75, UNIFORM CHART OF ACCOUNTS

We are revising several chapters 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, 2003. These revisions include numerous policy corrections and updates, most notably the state and federal reporting policies and procedures for Fiscal Year 2003. This directive also reiterates the timetables related to year-end reporting and includes the fiscal year end-closing schedule. Please replace the applicable sections in your manual with these revisions.

Key changes to the policies include:

Chapter 90: State Reporting (<http://www.ofm.wa.gov/policy/90.htm>)

- Further guidance has been provided relating to immaterial prior period adjustments in Subsection 90.20.15.e. Debit adjustments to Revenue Source Code 0716 "Recoveries of Prior Appropriation Expenditures" are to be limited and require the prior approval of the agency's assigned OFM Accounting Consultant.
- An accrual of compensatory time payable is to be made at year-end in GL Codes 5128 and 5228 "Accrued Compensatory Time Payable."
- A review of deferred revenues recorded in governmental funds should ensure that they meet the appropriate deferral criteria in Subsection 90.20.70.b.(17).

- The disclosure forms have been reordered for easier completion. There were many changes, corrections, and clarifications added to the disclosure forms this year. A couple of the significant changes include: 1) the Deferred Revenues disclosure form requires a description of deferred revenue balances exceeding \$200,000; and 2) the new Transfers disclosure requires reporting of transfers to/from all accounts, and a description of transfers greater than \$20 million.
- All disclosure forms are to be reported in dollars (not rounded to the nearest thousand as previously required).

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

- Agencies and institutions are required to provide the federal universal grant identifier number for their agency, commonly referred to as the DUNs number available from Dun and Bradstreet.
- When one state agency subgrants federal assistance to another state agency refer to Subsection 95.10.40.g.
- An award contract number is required in the absence of a CFDA number.
- To ensure that CFDA numbers used for the Schedule of Expenditures of Federal Awards (SEFA) agree with CFDA numbers reported to the federal single audit clearinghouse, conversions must be made in the reporting process as provided in Subsection 90.20.20.a.(5).
- The March 2003 *Compliance Supplement*, Part 5, contains modified federal audit cluster definitions that are now adopted by the state. Two new clusters have been created – Migrant and Seasonal Farmworkers (composed of CFDA programs 17.247 and 17.264), and Native American Employment and Training (composed of CFDA programs 17.251 and 17.265). Cluster HIV has been eliminated and the programs under that cluster have been moved to nonclustered. Refer to Subsection 95.20.20.a. (4) for details.

Chapter 75: Uniform Chart of Accounts (Sections 75.30, 75.40, and 75.80)
(<http://www.ofm.wa.gov/policy/75.htm>)

Changes effective for Fiscal Year 2003 include:

- The addition of two new accounts: 05C and 549. Additionally, two accounts have been inactivated: 170 and 428.
- Three new general ledger codes have been added: 5128, 5228, and 5286.
- The following revenue source codes have been added: 0127, 0129, 0641, 0642, 0643, 0644, 0757 and 0758.

Additionally, changes were made to the internet version for the following subsections:

- Subsection 80.30.55 Compensated Absence Policy - added compensatory time
- Subsection 85.72.65 Compensatory time payable – added accounting policy
- Subsection 85.52.50 Permanent funds – minor changes to coding
- Subsection 85.65.26 Accounting for non-current investments in permanent funds – minor changes to coding.
- Subsection 85.90.40 Payment procedures for selected central services agency charges – changed agency responsible for risk management activity.

These chapters will be printed for the July 1, 2003, update.

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:

Phase I, agency accrual phase, is to be completed by **July 31, 2003**, and Phase 2, agency adjustment phase, is to be completed by **September 12, 2003**. Subsequent to the close of Phase 2, OFM approval will be required to process adjusting entries. AFRS reports will be created at the end of both Phase 1 and 2.

Component units that do not submit data directly through AFRS are to submit audited financial statements to the OFM Accounting Division by **October 10, 2003**.

Interagency billings, whether based on actuals or estimates, should be sent out to agencies by **July 15, 2003**.

Agencies are *required* to complete and submit their state and federal disclosure forms in an electronic format. State and federal electronic disclosure forms are to be received by OFM by **September 19, 2003**. Email the completed electronic state forms to james.scheibe@ofm.wa.gov. Email the completed electronic federal forms to norm.johnson@ofm.wa.gov. Mail the signed original Financial Disclosure Certificate and Agency Federal Assistance Certification to the Accounting Division, PO Box 43113, Olympia, WA 98504-3113.

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.

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All OFM directives and policies are available on our web site at <http://www.ofm.wa.gov/accounting/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