



STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 | Olympia, Washington 98504-3113 | (360) 902-0555

December 19, 2011

OFM DIRECTIVE 12A-01

TO: Agency Directors and Policy Manual Users

FROM: /s/ Wendy Jarrett, Manager
Statewide Accounting

SUBJECT: Revisions to SAAM

We have revised several chapters in the *State Administrative and Accounting Manual (SAAM)*, effective January 1, 2012.

As many of you know, the Washington State Legislature passed Engrossed Substitute Senate Bill (ESSB) 5931 which eliminated the Departments of General Administration, Information Services, Personnel and the Public Printer. The functions performed by these agencies as well as some performed by the Office of Financial Management were assigned to the newly created Department of Enterprise Services and Consolidated Technology Services, with the Office of Financial Management assuming some as well in the newly created Offices of the Chief Information Officer and State Human Resources Director. With exception of certain policies as noted below, agency references in SAAM were revised throughout the entire manual to reflect these changes.

Because of pending changes that may occur during the upcoming legislative session, the personal and client service contract policies in Chapters 15 and 16 were not revised to reflect the ESSB 5931 agency changes. However, the authority of these policies now lies under the new Department of Enterprise Services.

Last summer the state did not adopt the mid-year increase to the mileage reimbursement rate for privately owned vehicles (POV) announced by the Internal Revenue Service (IRS). While the IRS is maintaining the increased rate into calendar year 2012, due to continued economic concerns, the state is retaining its current POV mileage reimbursement rate of \$0.51.

Additional key changes to the policies include:

Chapter 15: Personal Service Contracts (<http://www.ofm.wa.gov/policy/15.htm>)

- The World Trade Organization reduced the threshold for goods and services to \$552,000 for calendar years 2012 and 2013. This threshold is applicable to executive cabinet agencies (15.20.35). If you have any question regarding the personal service contract policies in SAAM, please contact Becci Riley at (360) 407-8149.

Chapter 25: Payroll (<http://www.ofm.wa.gov/policy/25.htm>)

- Added Health Savings Account and clarified language for the Flexible Spending Plan (25.50.30.a).
- Removed the requirement to make warrants or checks payable to deceased employees. Agencies are to make warrants or checks due to deceased employees payable to the appropriate claimants or successors who sign the claim form and present the required documentation (25.70.30.g).

Chapter 60: Moving Expenses (<http://www.ofm.wa.gov/policy/60.htm>)

- Clarified responsibilities related to moving expenses (60.10.40, 60.10.50, and 60.10.60).

Chapter 75: Uniform Chart of Accounts (<http://www.ofm.wa.gov/policy/75.htm>)

- Added new general ledger codes and descriptions for: 5190, 5192, 5290, 5292, 9270, 9271, 9272, 9273, and 9283 (75.40.10 and 75.40.20)

Chapter 80: Accounting Policies (<http://www.ofm.wa.gov/policy/80.htm>)

- Revised language to distinguish between unearned revenue and deferred revenue (80.30.20 and 80.30.40).

Chapter 85: Accounting Procedures (<http://www.ofm.wa.gov/policy/85.htm>)

- Added illustrative entries for unearned revenue and revised the entries for deferred revenue (85.85.24 and 85.85.25).

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.

We encourage you to use the online version of SAAM. All OFM directives, policies, technical corrections, and superseded policies are available at: <http://www.ofm.wa.gov/policy/default.asp>.

Additional administrative and accounting resources are also available on OFM's website at: www.ofm.wa.gov/resources/default.asp.

If you are maintaining a hardcopy manual, a link to the replacement pages is available at: <http://www.ofm.wa.gov/policy/replacement-pages.asp>.

Unless noted otherwise, questions regarding manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency. You can find your agency's OFM Accounting Consultant at: <http://www.ofm.wa.gov/accounting/swa/swacontactsbyagency.asp>.