



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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

May 17, 2013

OFM DIRECTIVE 13A-02

TO: Agency Directors and Policy Manual Users

FROM: /s/ Wendy Jarrett, Assistant Director
Accounting Division

SUBJECT: Chapter 50, Federal Compliance; Chapter 75, Uniform Chart of Accounts; Chapter 80: Accounting Policies; Chapter 85, Accounting Procedures; and Glossary

We have revised several policies in the *State Administrative and Accounting Manual (SAAM)* effective June 1, 2013. A number of the changes relate to the implementation of two new statements of the Governmental Accounting Standards Board (GASB): Statement 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and Statement 65 *Items Previously Reported as Assets and Liabilities*.

Key changes to the policies in SAAM include the following:

Chapter 50: Federal Compliance
(Subsections 50.30.70 and 50.30.85)

- Updated reference to unearned revenue. (50.30.70)
- Clarified reporting of donated inventory. (50.30.85)

Chapter 75: Chart of Accounts
(Sections 75.30, 75.40, 75.70, and 75.80)

- Deleted rollup fund: FFA Liquor Fund. (75.30.40)
- Changed accounts: 501 Liquor Revolving Account from an enterprise fund (rollup fund FFA) to a special revenue fund (rollup fund FBD), and 315 Dedicated Marijuana Account from treasury trust cash type to treasury cash type. (75.30.50)
- Deleted GL codes and descriptions: 1421, 1422, 1423, 1920 and 1921. (75.40.10, 75.40.20)
- Added categories: Deferred Outflows of Resources and Deferred Inflows of Resources. (75.40.10, 75.40.20)
- Added GL codes and descriptions: 1971, 1972, 1973, and 5283. (75.40.10, 75.40.20)
- Revised GL codes and descriptions: 5192, 5266, 5268, and 5292. (75.40.10, 75.40.20)

- Changed GL codes referencing “net assets” to GASB Statement 63 terminology “net position” for proprietary equity GL codes. (75.40.10, 75.40.20)
- Expanded definition of Subobject WB to include deferred inflows and deferred outflows related to debt refundings. (75.70.20)
- Added Revenue Source code 0298. (75.80.40)

Chapter 80: Accounting Policies

(Sections 80.20 and 80.30)

- Added clarification of GAAP hierarchy. (80.20.20)
- Changed references from “net assets” to “net position” as related to proprietary fund type accounts; added deferred inflows of resources and deferred outflows; and changed from deferred revenue to unavailable revenue. (80.20.60, 80.20.82, 80.20.85, 80.30.20, 80.30.35, 80.30.60, 80.30.65)

Chapter 85: Accounting Procedures

(Sections 85.60, 85.65, 85.70, 85.72, 85.80 and 85.85)

- Clarified recording of donated capital assets in governmental fund type accounts. (85.60.30, 85.65.52)
- Clarified entries for immaterial prior period adjustments to asset and allowance for depreciation in Account 997. (85.60.40)
- Changed “net assets” terminology to “net position” for proprietary equity GL codes. (85.72.10, 85.80.10)
- Clarified and added entries to illustrate current and advance refundings for bonds and COPs. (85.72.20, 85.72.40, 85.85.52)
- Changed deferred revenue to unavailable revenue. (85.85.24)
- Changed recording of debt issuance costs, including underwriters’ discounts, from other assets to expenses. (85.85.30, 85.85.40)

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.

Please be aware that in addition to the SAAM policies, all OFM directives, technical corrections, and superseded policies are available online on OFM’s website at: <http://www.ofm.wa.gov/policy/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>.

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>.