



The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS & INFORMATION FROM STATEWIDE ACCOUNTING

FFCRA: Updated guidance on reporting qualified leave wages

IRS [Notice 2021-53](#) provides updated guidance to employers clarifying the reporting requirements of qualified sick leave wages and qualified family leave wages paid to employees under the Families First Coronavirus Response Act. Only eligible employers are required to report these amounts either on Form W-2, Box 14, or on a separate statement.

What does my agency need to do?

Nothing at this time if you are an HRMS agency. OFM is aware of the change and is working to ensure the 2021 W2s comply with the guidance. Non-HRMS agencies should follow the IRS guidance to ensure proper reporting.

For more information, please contact Elizabeth Smith at (360) 725-0226 or elizabeth.smith@ofm.wa.gov.



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Federal Update

Single Audit Compliance Supplement

The Compliance Supplement, which is updated each year by the federal Office of Management and Budget (OMB), identifies the existing important compliance requirements that the federal government expects to be considered as part of a single audit.

The final [2021 Compliance Supplement](#) was issued on August 13, 2021, and superseded the [2020 Compliance Supplement](#) (dated August 2020) and its [Addendum](#) (dated December 2020). In addition to the usual additions, deletions, and modifications of the prior year's guidance, the current Supplement provides updates on Coronavirus Aid, Relief, and Economic Security (CARES) Act programs addressed in the 2020 Addendum. The publication also continues the OMB mandate that requires each federal agency to limit the number of compliance requirements subject to audit to six, with the exception of the Research and Development cluster. Appendix V of the guidance provides a comprehensive list of changes for the 2021 Compliance Supplement.

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Modified Facilities Portfolio Management Tool is Available

The Facilities Portfolio Management Tool (FPMT) has been modified to help the state comply with the new accounting standard for right-to-use lease agreements, GASB Statement No. 87. For some agencies, this standard represents a significant workload, so don't wait to get started.

New FPMT users will first need to complete training and gain the proper access (see below). Then, users will need to update new fields in FPMT for existing facilities leases and add land, equipment, and receivable leases to FPMT. The modified FPMT system will send lease accounting entries to AFRS.

By April 30, 2022, all right-to-use lease agreements with a lease start date prior to April 1, 2022, and a remaining total lease value that meets the state's capitalization policy, need to be recorded in FPMT. This will allow OFM time to review the data and ensure all beginning balance entries are recorded. After April, agencies will update FPMT as right-to-use lease agreements are commenced, renewed, amended, or terminated.

On the [FPMT OFM IT Systems page](#), you will find:

- 1. [FPMT e-Learning](#) for accounting users**

This training must be completed prior to requesting edit rights to FPMT.

- 2. Instructions on how to request access to FPMT**

As part of the FPMT modifications, we created a new Accounting user role and modified the Facilities user role. User role permissions determine the scope of edit rights and functionality. Users can have one role or both. For an overview of the roles, refer to the [FPMT User Access Form](#).

- 3. FPMT Job Aids**

These aids provide detailed instructions on various tasks and processes.

There is a [detailed checklist](#) with steps you should be taking now to comply with the new policies and procedures for leases, as well as [Lease Accounting Policy Training](#) on the OFM [Leases \(GASB 87\)](#) Accounting Resources site.

If you have any questions, please contact Anna Quichocho at anna.quichocho@ofm.wa.gov.

Payee Registration Unit Update

The payee registration unit is now a team of eight and would like to introduce two of its newest members. We have the pleasure of presenting Susan Murphy and Charlotte Clements.

Susan comes to OFM with 30 years of experience in the finance industry. She is a native Washingtonian who hails from a large close-knit family. In her free time, Susan likes to read and knit.

Charlotte has six years of experience in the finance industry. She loves to garden and watch the garden critters. Charlotte is no ordinary backyard gardener – she has 29 varieties of tomatoes alone! She enjoys canning, pickling, and dehydrating the fruits of her labors.

Meanwhile, back at the payee desk, for the last six months the payee registration unit has been doing an impressive job of maintaining a turn-around time for registration forms of only **one** day. The vendor desk typically receives three to five thousand forms each month.

Because the payee unit receives approximately 1,000 phone calls per month, we have instituted two-person telephone coverage, resulting in substantially fewer missed calls. This furthers our strategic priority of excellent customer service.

Finally, with respect to our processes, several potentially fraudulent events were prevented due to the change confirmation procedure implemented in mid-2020. While at times it may appear cumbersome, our strategy is working to intercept fraudsters before payments are misdirected.

We have come a long way since late 2019 and are proud of our accomplishments! We hope that you have noticed a difference in our service as well.

Premiums for Long-Term Support Services Coming Soon!

In 2019 Governor Inslee signed the Long-Term Support Services (LTSS) Trust Act into law ([Chapter 50B.04 RCW](#)). Although benefits are not available to qualified individuals until January 1, 2025, premium collection will start sooner.

Premiums for employees are effective January 1, 2022.

- Premiums are currently 0.58% of wages. For the typical worker earning \$52,075, it is \$302/year.
- Unlike Paid Family and Medical Leave (PFML) deductions, there will not be a maximum limit on the amount of wages subject to LTSS.
- Refer to [RCW 50B.04.080](#)

The following codes have been added to AFRS:

- The General Ledger for liability accruals is **5183 – Long-Term Support Services Deductions Payable**
- The AFRS transaction code to move money from operating accounts to the State Payroll Revolving Account (035) is **189 – JV Receipt – Long-Term Support Services**
- There are no *employer* premiums for LTSS, so we **do not need a subobject for LTSS**.

Key dates:

October 1, 2021 – December 31, 2022

Window to apply for coverage exemption.

October 31, 2021

Deadline for having private insurance to qualify for a lifelong exemption.

January 1, 2022

Premiums begin for employees.

Self-employed can opt-in to coverage.

January 1, 2025

Benefits become available to qualified, eligible individuals.

What is OFM doing to prepare agencies that use HRMS?

- The OFM project team has been documenting the business and technical requirements needed to update HRMS.
- The project team is also working on guidance for state agencies regarding exemptions and how to reflect an exemption in HRMS.

Where can I find more information?

- WA Cares Fund: wacaresfund.wa.gov
- Sign up for ESD's employer newsletter: wacaresfund.wa.gov/employers
- ESD Rulemaking for WA Cares Fund/LTSS: <https://esd.wa.gov/newsroom/rulemaking/ltss>

One Washington Update: The FDM, Agency Workbooks, and the Config2 Tenant

Here we are at the end of September and have loaded more Foundation Data Model (FDM) data into the Configuration 2 (Config2) Tenant. So, what does this mean for agencies?

The One WA Finance Team has been working diligently on the aspects of the FDM to map current AFRS data to the FDM worktags. The agencies were also given agency workbooks (see below for more details) to review and provide updates to the FDM element hierarchies and descriptions for the more agency-specific worktags of:

- Cost Center
- Grant
- Project
- Location

This will provide the agencies an opportunity to continue to refine these worktags to meet specific agency needs.

In addition to the initial set of FDM worktags, two additional worktags were added as a result of the cost allocation work to replace the AFRS Cost Allocation System (CAS). Even though the effort of documenting and mapping the cost allocation activity only impacts a few of the Health Services agencies, the work done will help define the overall cost allocation functionality slated for Phase 1B.

The team has also been working on building out the structure of:

- Spend Categories
- Revenue Categories
- Ledgers
- Funds
- Appropriations
- Activities (budget related)
- Region

These worktags have been initially loaded into the Config2 tenant for use in upcoming customer confirmation sessions. These sessions will showcase Workday functionality with state data.

What about the agency mapping workbooks provided to agencies on September 24?

- These workbooks include the first run of agency cost centers, projects, grants and locations with the associated hierarchies.
- Agencies will have 2 weeks to review and provide feedback to the One WA team for updates to the data loads.
- This will allow agencies and the project team to see how the data flows through the system.
- Please keep in mind this is one of many data loads into the various tenants for the team to review and revise up to the implementation of Workday.
- This is a time for agencies to see their data and hierarchical structure and see how business processes and accounting transactions flow through the system.

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Federal Update - continued from page 1

Below are some highlights of the key changes:

- The title “Catalogue of Federal Domestic Assistance” (CFDA) was replaced by “Assistance Listings” numbers (ALN). This means instead of CFDA’s we will now refer to them as ALNs when identifying assistance programs. While the current year SEFA may still be presented by CFDA’s, please be aware that OFM will adopt the change as soon as feasible to align with the [Uniform Guidance](#). The new terminology will be reflected in all OFM documents and communications.
- Several programs were identified as higher-risk programs, including the Education Stabilization Fund (ALN 84.425), the Coronavirus Relief Fund (ALN 21.019), and the Provider Relief Fund (ALN 93.498) - all part of the federal government’s COVID-19 relief efforts.
- Part 3 of the 2021 Supplement was updated to include the November 2020 revisions to the [Uniform Guidance](#).
- Continued requirement to report COVID-19 funding separately on the SEFA and the Data Collection Form.
- Incorporated the Federal Funding Accountability and Transparency Act (FFATA) requirements into the Reporting section in Part 3 of the 2021 Supplement. FFATA testing was originally included in the 2020 Addendum.
- Clarified key requirements for the Provider Relief Fund program (ALN 93.498) in terms of SEFA reporting and audit testing criteria.

In addition, the OMB is expected to issue more guidance in two future addenda.

- The first is expected to be issued in the early fall and may include guidance on the Coronavirus State and Local Fiscal Recovery Funds and an update on the Education Stabilization Fund.
- The second addendum, expected later in the fall, may include guidance on the Capital Projects Fund, the Homeowner Assistance Fund, and the Local Assistance and Tribal Consistency Fund. There is also a possibility that additional programs could be added to this list.

Based on the current fast-changing federal grant environment, the OMB decisions about timing and content of the additional guidance could change. OFM will provide timely communication to agencies for changes that may have significant impact on the grant reporting process. We encourage agencies to stay current on federal rules, regulations, and guidance related to their grant programs as an integral part of their federal grant management process.

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2021 Statewide Single Audit Update

The State Auditor's Office (SAO) is currently conducting audits of selected federal programs, and OFM Statewide Accounting has started working on different components of the 2021 Single Audit Report.

After Phase II and the disclosure form application closed on September 3, the preparation of the Annual Comprehensive Financial Report (ACFR) and the Schedule of Expenditures of Federal Awards (SEFA) is in full-gear. SAO will perform audits of the ACFR and SEFA in November, after which the two reports will be incorporated into the financial section of the 2021 Single Audit Report.

We want to thank agencies for your efforts in completing this year's federal disclosure forms to help facilitate the preparation of the SEFA.

Finally, please note that the FY21 Federal Assistance Certification Form is due on February 28, 2022.

For more information, please contact:

Sara Rupe at (360) 725-0189 or sara.rupe@ofm.wa.gov

Marina Yee at (360) 725-0221 or marina.yee@ofm.wa.gov

One Washington Update: The FDM, Agency Workbooks, and the Config2 Tenant - *continued from page 5*

- This is the beginning of the iterative process to develop, revise, and finalize the FDM and business processes for our new system.

Now that the Config2 tenant has been loaded with additional FDM values and agency data from the mapping workbooks, what is next for agencies?

- The Finance Team will review the agencies updates to the agency workbooks, update the data in the system with revisions, and will develop more in-depth scenarios for the next customer confirmation sessions.
- These sessions will allow agencies to provide feedback on the FDM configuration and values, along with how the business processes will be performed in the new system.

If you have any questions, please contact OneWA@ofm.wa.gov.