



# The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS & INFORMATION FROM STATEWIDE ACCOUNTING

## Travel Rate Updates

Effective October 1, 2022, we updated reimbursement rates for lodging and meals to reflect changes adopted by the U.S. General Services Administration. In addition, we updated the state Per Diem Rates map and table to reflect these changes. The revised map and rate tables are available on OFM's Travel Resources website at: <http://www.ofm.wa.gov/resources/travel.asp>.

In conjunction with the meal reimbursement rate update, we revised the breakfast, lunch, and dinner percent allocations in SAAM 10.40.10.c. These percentages are used to reimburse for individual meals from the daily meal and incidental rate when the agency has to calculate the meal breakdown for out of state travel, for example.

For questions on travel, please contact your assigned OFM accounting consultant or Toni Smith at [toni.smith@ofm.wa.gov](mailto:toni.smith@ofm.wa.gov).



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## A Big Thank You

As Statewide Accounting enters our heads-down work on preparing the 2022 Annual Comprehensive Financial Report (ACFR), we want to take a moment to thank the fiscal staff at every agency for your hard work in meeting the ACFR deadlines. We want you to know you are all greatly appreciated!

This year, in addition to the continued challenges of accounting for the federal relief funds, we implemented a new GASB standard that affected over 60 agencies. GASB Statement No. 87, Leases, had an array of new tasks for agencies and OFM alike. Agency fiscal staff had to learn to use the Facility Portfolio Management Tool (FPMT) to update information for payments, look up and verify information, and run reports; understand and review AFRS transactions generated by FPMT or create their own accounting entries, both of which included the use of new general ledger accounts and sub-subobjects; and complete revised disclosure forms for the lease activity and right-to-use assets. OFM took on the responsibility of preparing and posting required beginning balance entries to record lease liability and right-to-use asset information for over 450 capitalized leases.

This was quite an undertaking that we could not have accomplished without everyone's contribution. Kudos to you all and a special shout-out to OFM's Anna Quichocho and Kelly Diaz who tracked all the activity and provided outstanding training, reference materials, and assistance to agencies.

## Federal Training

The Federal Grants Community of Practice workgroup was established with the goal of creating a community of resources and offering relevant training opportunities to address grant management needs. For the upcoming meeting on Oct 6, 2022, we are pleased to inform you that the State Auditor's Office (SAO) will be providing a mini training on Federal Funding Accountability and Transparency Act (FFATA) reporting. This is a great opportunity to learn about the FFATA requirements, reporting responsibilities, federal guidance, and available resources. Come and learn about the audit objectives and procedures SAO follows for auditing this compliance requirement.

For more information, please contact: Marina Yee at [marina.yee@ofm.wa.gov](mailto:marina.yee@ofm.wa.gov)

## Sign-up for IRS 1099 Forms Training

Online training sessions are coming this fall and winter for state employees doing 1099 Reporting. These live, virtual training classes demonstrate 1099 Reporting best practices. Representatives from OFM will also be on hand during the training to answer your 1099-related questions.

If you would like to attend the 1099 Reporting training, please register as soon as possible in the [Learning Center](#). You will find the course listed as [OFM 1099 Reporting Virtual Training](#). Several classes are scheduled for October, November, and December:

DATE	TIME
Tuesday, October 18, 2022	8:00 AM to 11:00 AM
Thursday, October 20, 2022	1:00 PM to 4:00 PM
Tuesday, November 15, 2022	8:00 AM to 11:00 AM
Thursday, November 17, 2022	1:00 PM to 4:00 PM
Tuesday, December 13, 2022	8:00 AM to 11:00 AM
Thursday, December 15, 2022	1:00 PM to 4:00 PM

This training will help you get off to a great start with 1099 Reporting and provide you with best practices to make preparing your 1099 forms as seamless and productive as possible.

In addition, Statewide Accounting will publish the updated 1099 MISC and NEC Form Data Analysis e-Learning in December. Participants will learn about reportable and non-reportable payments and vendors, who is responsible for what, important dates to remember, and how to use the tools available for reporting. This course will also cover key changes to the reporting forms and how these changes may affect your data analysis and preparation.

## Training in November for SBITAs and PPPs

We are offering training in November on the two Governmental Accounting Standards Board (GASB) standards that must be implemented in fiscal year 2023, GASB Statement No. 94, Public-Private and Public-Public Partnerships (PPPs) and GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). Accounting and financial reporting for leases under GASB Statement No. 87 provides the basis and conceptual starting point for the required accounting and financial reporting for these standards.

If you would like to attend the training, please register in the [Learning Center](#). You will find the course listed as [OFM Accounting Subscription-Based Information Technology Arrangements and Public-Private and Public-Public Partnerships](#). Several classes are scheduled for November:

DATE	TIME	FORMAT
Thursday, November 3, 2022	1:00 PM to 2:30 PM	Virtual only
Wednesday, November 9, 2022	9:30 AM to 11:00 AM	Hybrid
Wednesday, November 9, 2022	1:00 PM to 2:30 PM	Hybrid
Wednesday, November 16, 2022	9:30 AM to 11:00 AM	Virtual only

The virtual classes will be delivered live through Zoom. The hybrid classes will be delivered in person at the Helen Sommers Building as well as through Zoom.

Visit the [Leases, SBITAs, and PPPs Accounting Resource Site](#) for additional information and resources, including the [Contract Inventory Template and Contract Analysis Tool](#), which can assist you in tracking contracts to analyze and determine whether it is a SBITA or a PPP.

# Payee Registration Unit News

## Welcome to Crystal Ith

Please join us in welcoming Crystal Ith – our newest member of the payee registration team!

Crystal has worked for the State of Washington for twelve years at various agencies, including DOH, DOR, DNR and the Governor's office. Crystal has a daughter who is 21 and lives in Bellingham where she is working on a degree in nursing. Crystal has two cats, Jack and Squeaky, who are spoiled rotten. She is an avid Seahawks fan and participates in fantasy football. Crystal is also an avid reader and has more books than she can count.

Crystal is a welcome addition to the team.

## Statewide vendor unit releases new accessible forms

The payee registration unit, in conjunction with the OFM accessibility committee, has completed the initial release of new accessible vendor registration forms. It was determined that payee registration forms are by far the most downloaded documents within OFM. Thanks to the accessibility committee for identifying this issue. Special thanks to Viet La of OFM's IT Services Division for making this a priority. Our goal is to have all our forms accessible in the near future.

## Payee registration contact information / payment questions

We understand that agencies may have a need to reach out to a group of new or potential payees. For example, perhaps the agency has received a new grant award and will be making payments to a specific group of payees that need to register as statewide payees. We ask that you contact us before sending letters that include the Statewide Vendor/Payee Unit phone number. This keeps us informed and allows us to collaborate with you to ensure the payees receive accurate information including the roles of the paying agency versus the Statewide Vendor/Payee Unit.

Providing complete information upfront can prevent many payee phone calls to us that we simply cannot answer, such as when someone will be paid. This is a question for the agency, and ideally there is a direct number the payee can call to get an answer. One of our top priorities is to provide excellent customer service to both agencies and payees, and we depend on your cooperation to do that.

If you have any questions, please don't hesitate to contact the payee registration desk at 360-407-8180 ext. 5.

# Federal Update

## FY21 Single Audit Results

The 2021 Single Audit Report was submitted to the Federal Clearinghouse on August 8, 2022, within the six month-extension granted by the federal government to provide administrative relief to states impacted by COVID-19. The [Report](#) is available on the OFM website.

Here are a few highlights of the FY21 Single Audit and a comparison with prior years:

	FY2021	FY2020	FY2019	FY2018	FY2017
Federal Assistance Expenditures	\$36.8 billion	\$26 billion	\$18 billion	\$17.7 billion	\$17.5 billion
Known Questioned Costs (from SAO reporting package)	\$724.3 million	\$ 960.5 million	\$164.9 million	\$21.9 million	\$43.1 million
Total number of findings	62	65	70	61	52
Special Tests and Provisions	15	23	11	12	9
Activities Allowed/Unallowed and Allowable Costs/Cost Principles	11	9	21	21	23
Subrecipient Monitoring	10	11	15	8	3
Reporting	8	4	4	5	3
Activities Allowed + Other Compliance Requirement	6	8	2	1	3

Federal assistance expenditures increased over 41% compared to the level in the prior fiscal year. While the influx of federal stimulus funding provided much needed relief to the state as a result of the pandemic, it also brought along new programs and compliance requirements that we had to learn about and work with.

For the fiscal year 2021 audit, the amount of known questioned costs identified by the auditors decreased from the previous year. It should be noted that almost 89% of the questioned costs are related to Activities Allowed/Unallowed & Allowable Costs/Cost Principles for three programs – Child Care and Development Fund Cluster (Payments to Childcare Providers), Medicaid Cluster (Supported Living Providers) and Temporary Assistance for Needy Families (Payments to Childcare Providers).

Out of the 62 findings issued, 15 were for non-compliance with Special Tests and Provisions. With the increasing focus on greater accountability and transparency for federal financial assistance, we will expect to see more specific terms and conditions included on grant awards. The auditors issued 17 findings related to non-compliance with Activities Allowed and Allowable Costs. As always, it is important that internal controls and processes in place are adequate to ensure federal expenditures are proper and supported. There were 10 findings issued for non-compliance with subrecipient monitoring requirements. The Uniform Guidance has recently included more stringent federal requirements for grantees who make subawards. Agencies need to be aware of these additional requirements and design appropriate monitoring activities to ensure federal compliance.

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### **FY22 Single Audit**

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 2022 Single Audit Report.

After Phase 2 and the disclosure form application closed on September 2, 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 2022 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 FY22 Federal Assistance Certification Form is due on February 28, 2023.

For more information, please contact:  
Stacie Boyd at [stacie.boyd@ofm.wa.gov](mailto:stacie.boyd@ofm.wa.gov)

### **Coronavirus State and Local Fiscal Recovery Funds**

The upcoming Quarterly Project and Expenditure report for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), part of the American Rescue Plan Act, will be due to the U.S. Treasury in October 2022. Statewide Accounting already sent requests to agencies for programmatic and financial information of projects using SLFRF funding and will compile the statewide information submitted by agencies for reporting. Please ensure your agency adheres to the response deadline to allow Statewide Accounting necessary time to work on preparing and submitting the quarterly report timely.

For more information, please contact:  
Evelyn Kover at [evelyn.kover@ofm.wa.gov](mailto:evelyn.kover@ofm.wa.gov)