



# The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS & INFORMATION FROM STATEWIDE ACCOUNTING

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## General Ledger Reconciliation

**NEW:** Check out the recently-added GL 5111-Accounts Payable reconciliation resources on our [General Ledger Reconciliation](#) webpage under ‘Templates and examples.’ There is a blank template and procedure for reconciling GL 5111 for all accounts, and there is an example of a completed reconciliation. As always, we appreciate your feedback on existing documents and ideas for other resources you think would be helpful for you and your peers. Contact [cheryl.hainje@ofm.wa.gov](mailto:cheryl.hainje@ofm.wa.gov).

## After Fiscal Year Close

Surely, we can all agree that the months of July and August are stressful, challenging, and \_\_\_\_\_ (insert word of your choice) for many folks in state fiscal shops. And, when it’s over and you have (hopefully) taken some time off work to relax and recharge, it’s natural to want to get back into your routine and try to forget the ordeal of those two months.

However, we all know that in nine months, we’re going to do it all again. So, why not take a different course and institute concrete changes that will improve next year’s experience? Otherwise, to quote Henry Ford:

*“If you always do what you’ve always done, you’ll always get what you’ve always got.”*

Rather than tell you what we at OFM think you should do, we reached out to a group of agencies and asked them for the top three things that helped their fiscal year close go smoothly and the three things they would do differently if given the chance (you know, if we could travel back in time).

One agency said, “We have our process down pretty good, so I don’t have any examples of what we would do differently.” We share that quote so you know things can and do go smoothly for agencies that have implemented best practices. So, read what these agencies have to say and choose one or two ideas to implement starting now.

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## After Fiscal Year Close - continued from page 1

### Things that helped:

- **Calendar/Task List**
  - Use a SharePoint site for all tasks with start and end dates and mark items as complete as they are finished.
  - Review and modify the task list every year adding new items and clarifying descriptions.
  - Work on this throughout the year, but review with staff weekly starting in June.
- **Communication**
  - Start communications early (March/April), including information to all agency staff regarding timesheets, travel, contracts, and other deadlines.
  - Send notices to program staff on year-end cutoff requirements and follow up with individuals on specific deadlines.
  - Frequent communication with other agencies to balance due to/due from, sending reports back and forth to help match up invoices/payments.
  - Overcommunicate with staff reminding them of certain cutoffs such as last day to enter interfund transactions, due dates/times for sending documents to OST, etc.
  - Ask for help sooner rather than later.
- **Reconciliations/Exceptions**
  - Stay on top of reconciliations and correct discrepancies as quickly as possible. Having all accounts reconciled through June is helpful.
  - Check exception reports regularly. One agency assigns each exception report to a specific manager and the reports are reviewed weekly starting in July, daily during Phase 2.
- **Training/Documentation**
  - Train financial staff prior to year-end. Provide example JVs and OFM's year-end reference guide.
  - Meet with OFM consultant in person to go over FYE document.
  - Utilize staff that have been through close here before – they have historical knowledge and understanding of our agency's book of business.
  - Create an electronic library to store documents (instructions, examples, JVs, emails, disclosure forms, etc.) by year. Keep three years so you can look back at how a task was done at the end of a biennium versus mid-biennium.
  - Keep an email folder for each fiscal year close.
  - Make a binder (yes, hard-copies) for each fiscal year with instructions, OST memo, calendars, TC list, OFM correspondence – such as how to correct something, GASB implementations, anything unusual (pay off building/COPs), final copy of disclosure forms including lead sheet and backup.

### Things we would do differently:

- Interagency payables/receivables
  - Be more proactive on reaching out to other agencies sooner.
  - Reconcile GLs 1354 and 5154 prior to July 1: Ensure all invoices (payables) are paid/liquidated and complete any needed corrections. Also, document and communicate. We ended up duplicating work.
  - Make timesheet corrections earlier. Late corrections prevented timely invoices to other agencies.
- Training
  - We need to refine our internal year-end training and require staff to take OFM accounting classes.
  - Work on getting program staff to send invoices to fiscal more timely.

A big thank you to the agencies that sent in their ideas. If you have thoughts about what OFM can do to assist agencies (FMAC presentations, providing a way for agencies to share documents, adding to our resource site, etc.), please send an email with **specific ideas** to [cheryl.hainje@ofm.wa.gov](mailto:cheryl.hainje@ofm.wa.gov). One last thought from one of your peers:

*Do your best and try not to stress!*

# IT Coding for Cloud Services

Did you know that there are multiple sub-subobjects (SSOs) under EY-Software Licenses, Maintenance, and Subscription-Based Computing Services for cloud services? It is important to pay Cloud Service Provider (CSP) invoices (i.e., Azure, Amazon Web Services (AWS) and Google Cloud Platform (GCP)) using the proper sub-subobjects based on services consumed, as follows:

- **EY/Y040 – Software as a Service (SaaS)**  
Costs associated with software services where there is no tangible product available to the user. SaaS solutions are subscriptions for services that are entirely vendor managed and delivered through the internet. All components of service delivery and application development are managed by a vendor.
- **EY/Y050 – Platform as a Service (PaaS)**  
Costs associated with software services where there is no tangible product available to the user. PaaS solutions are subscriptions where a vendor manages the delivery and configuration of software infrastructure, but the application development is handled by the customer.
- **EY/Y060 – Infrastructure as a Service (IaaS)**  
Costs associated with software services where there is no tangible product available to the user. IaaS solutions are subscriptions where a vendor manages the physical infrastructure that hosts a solution, but operational attributes of the infrastructure as well as application development are handled by the customer.

Below are some questions and answers (Q&As) to help agencies identify and code CSP invoices correctly.

**Q: My agency only receives CSP invoices from SHI International or another 3<sup>rd</sup> party payer. Does this still apply to us?**

**A:** Yes, CSP invoices received through 3<sup>rd</sup> party payers such as SHI International can include multiple types of cloud services, such as: Azure, Amazon Web Services (AWS) and Google Cloud Platform (GCP). It is important to thoroughly review these invoices and work with your Information Technology (IT) department to identify the actual services being consumed. Also work with your IT department to identify all invoices that may have CSP charges.

**Q: What EY sub-subobject should CSP invoices be coded to?**

**A:** Cloud services for infrastructure (most common) should be coded EY/Y060. Oftentimes, CSP invoices may also include line items for platform as a service (EY/Y050) or software as a service (EY/Y040). For example, your agency may have a contract with SHI that includes Microsoft 365 (SaaS) and Azure (IaaS). CSP invoices should not be coded EY/Y000, EY/Y010, or EY/Y020.

**Q: How should agency financial staff get a breakout of services by invoice?**

**A:** Agency financial offices should work with their IT department for a breakout of services by invoice.

**Q: What if my IT department has a hard time providing a breakout of services?**

**A:** [WaTech's Technology Business Management \(TBM\) program](#) has an invoice reconciliation report that ingests and automates CSP invoices. This tool is available to agencies through the TBM program at no additional cost. Please contact [OCIOtBMProgramOffice@watech.wa.gov](mailto:OCIOtBMProgramOffice@watech.wa.gov) for more information.

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# Remediating HRMS

As you know, OFM is the business owner of the Human Resource Management System (HRMS). While moving through the development of Phase 1A of the One Washington (OneWA) project, we realized we needed to revisit the initial decision not to remediate HRMS to align with the new financial coding structure in Workday.

We knew the decision to remediate HRMS would impact agencies' work, so through multiple sessions in May and June 2023, we shared our proposal with your Finance, HR, Payroll, and IT teams. During these sessions, we asked agencies to analyze how remediating HRMS for the OneWA Phase 1A go-live would impact their systems and processes. Thank you for your responses and assessments!

Based on your feedback and analysis, **OFM has decided to move forward with remediating HRMS using the Foundation Data Model (FDM) worktags for the OneWA Phase 1A implementation.**

Agency responses confirmed that there is general agreement that remediating HRMS will set us up for a smoother transition and reduce the overall workload in the long run.

## Pros for remediating HRMS in Phase 1A:

- Payroll and Accounting staff become familiar with Workday FDM at the same time.
- Financial coding in HRMS matches the coding in Workday, eliminating the need for a crosswalk between HRMS and Workday.
- Payroll staff can easily link data in HRMS to data in Workday.
- Financial coding in HRMS aligns with coding in remediated agency systems, avoiding the need to crosswalk inbound or outbound data.
- Encourages remediation of systems at other agencies.
- Somewhat eases the eventual transition from HRMS to Workday Human Capital Management.
- Prepares agencies to move away from Master Index codes, which are not supported in Workday.
- Budget and Fiscal staff benefit by using FDM worktags instead of AFRS chart of account codes to determine employee/position funding since FDM worktags for budgets and allotments will be used at go-live.

We will continue to work with your teams and rely on your feedback as we build out the final project and change management plan. Once key milestone dates are confirmed, we will provide an updated Q&A document and project plan.

In the meantime, please send your questions to [OFMHRMSRemediation@ofm.wa.gov](mailto:OFMHRMSRemediation@ofm.wa.gov).

# Travel Rate Updates

Effective October 1, 2023, we updated the reimbursement rates for lodging to reflect changes adopted by the U.S. General Services Administration. In addition, the state Per Diem Rates map and table were updated 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>.

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

# Federal Update

## Schedule of Expenditures of Federal Awards

OFM Statewide Accounting has started working on different components of the 2023 Single Audit Report.

After Phase 2 and the disclosure form application closed in September, the preparation of the Annual Comprehensive Financial Report (ACFR) and Schedule of Expenditures of Federal Awards (SEFA) began. The SEFA was submitted to SAO on September 28, 2023, for review. Any material misstatements will be corrected before the final audited SEFA is incorporated into the 2023 Single Audit Report. Based on the SEFA, SAO has completed audit planning and finalized major program selection.

SEFA expenditures for fiscal year 2023 totaled \$29.4 billion which remained fairly consistent with prior years due to agencies still receiving a significant amount of pandemic funding. Pandemic funding accounted for \$6.1 billion, almost 21% of total SEFA expenditures in fiscal year 2023. We expect the federal funding level to decrease in fiscal year 2024.

The following shows the ten state agencies with the highest federal expenditures in fiscal year 2023:

Agency Name	FY23 SEFA Expenditures
Health Care Authority	\$ 9,711,751,031
Department of Social and Health Services	\$ 8,167,596,120
Office of Superintendent of Public Instruction	\$ 2,222,906,783
University of Washington	\$ 1,761,916,286
Employment Security Department	\$ 1,540,896,382
Department of Commerce	\$ 1,036,439,861
Department of Transportation	\$ 931,686,855
Department of Children, Youth, and Families	\$ 783,347,142
Department of Health	\$ 732,350,092
Military Department	\$ 542,534,960

We want to thank agencies for your efforts in completing this year's federal disclosure forms early to help facilitate the preparation of the SEFA. This is important to help drive the flow of the audit work and the progress of the Single Audit Report.

### Statewide Single Audit

The State Auditor's Office (SAO) is currently conducting audits of selected federal programs. The expenditure threshold used by SAO to select major programs for the fiscal year 2023 audit is \$44.1 million. There are 30 programs selected:

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## Federal Update - continued from page 5

Program Title	Agencies	FY23 SEFA Expenditures
Medicaid Cluster	DSHS/HCA	\$ 13,283,535,094
Supplemental Nutrition Assistance Program (SNAP)	DSHS	\$ 2,720,262,235
Coronavirus State and Local Fiscal Recovery Fund	OFM/DSHS/COM	\$ 1,669,128,747
Unemployment Insurance	ESD	\$ 1,413,368,673
Education Stabilization Fund (HERF) (CARES Act)	OSPI	\$ 1,124,202,437
Highway Planning and Construction	DOT	\$ 806,283,327
Child Care & Development Fund (CCDF) Cluster	DCYF/DSHS	\$ 554,920,946
Temporary Assistance for Needy Families (TANF)	DSHS	\$ 357,741,200
Special Education Cluster (IDEA)	OSPI	\$ 282,724,337
Title I, Part A	OSPI	\$ 276,043,173
Epidemiology and Laboratory Capacity for Infectious Diseases	DOH	\$ 198,554,930
Children's Health Insurance Program (CHIP)	HCA	\$ 154,924,520
Foster Care - Title IV-E	DCYF	\$ 143,134,935
Immunization Cooperative Agreements	DOH	\$ 122,307,741
Low-Income Home Energy Assistance Program	COM	\$ 107,448,913
Formula Grants for Rural Areas	DOT	\$ 80,287,497
Block Grants for Prevention and Treatment of Substance Abuse	HCA	\$ 70,334,859
Global AIDS	UW	\$ 69,890,420
Workforce Innovation & Opportunity Act (WIOA) Cluster	ESD	\$ 69,776,808
Vocational Rehabilitation - Grants to States	DSHS/DSB	\$ 65,527,590
Emergency Rental Assistance	COM	\$ 62,485,004
Adoption Assistance	DCYF	\$ 58,857,404
Veterans State Nursing Home Care Grant	DVA	\$ 53,366,221
Refugee and Entrant Assistance Discretionary Grants	DSHS	\$ 49,990,800
Money Follows the Person Rebalancing Demonstration	DSHS	\$ 46,275,743
Social Services Block Grant	DCYF	\$ 45,796,187
Child and Adult Care Food Program	OSPI	\$ 45,480,864
Aging Cluster	DSHS	\$ 39,558,349
Homeowner Assistance Fund	HFC	\$ 35,099,003
Pandemic EBT Administrative Costs	DSHS	\$ 17,091,912

Finally, please note that the FY23 Federal Assistance Certification Form is due on February 29, 2024.

For more information, please contact:

Stacie Boyd at [stacie.boyd@ofm.wa.gov](mailto:stacie.boyd@ofm.wa.gov)

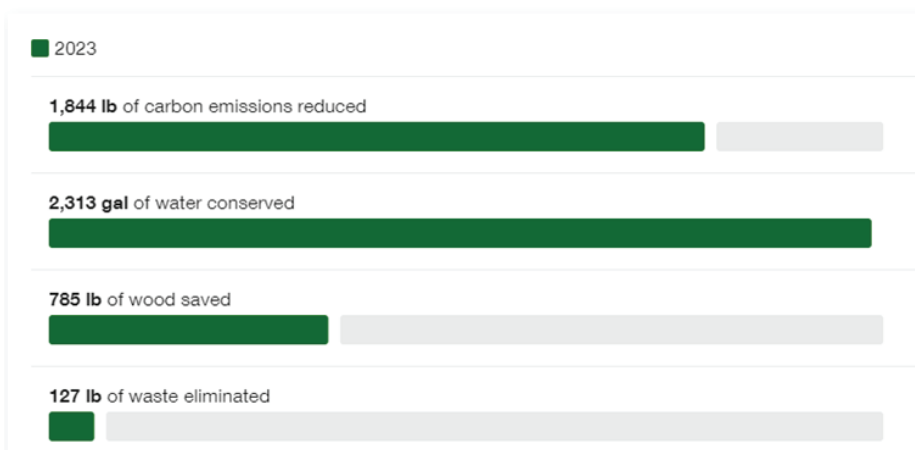
# Payee Registration Unit News

In July 2023, the payee registration unit launched DocuSign™ which allows vendors to register online using DocuSign's™ electronic signature. Vendors are also able to register or change their record using their smartphones. This simplifies the registration process, and it also provides accessibility to people who are unable to use the "wet-ink" signature. Many of these people are from the BIPOC community or have mobility barriers. For the first quarter, DocuSign™ use was robust, with 6,265 records and, not surprisingly, it has been good for the environment. If you haven't yet gotten the word out to your staff or vendors, please forward the following link(s):

- [Vendor/payee Registration form](#) (DocuSign™)
- [Vendor/payee Change form](#) (DocuSign™)
- [Direct Deposit Authorization form](#) (DocuSign™)

Please note that the unit continues to put a high priority on security, fraud prevention, and verifying changes. The electronic signature process afforded by DocuSign™ has not changed our competing priorities of excellent customer service and fraud detection.

## Payee Registration's environmental savings



## IT Coding for Cloud Services - continued from page 3

- Q: Do I have to use project type X and Y with these SSOs?**
- A:** Yes, agencies are required to use project types X (used to indicate IT acquisitions/new development expenditures) and Y (used to indicate IT maintenance and operations expenditures) on all expenditures in subobject EY as well as with the other subobjects and sub-subobjects listed [here](#), per SAAM 75.65.20.
- Q: Why is it important that I code the CSP invoices to the proper SSO?**
- A:** It is important that IT spend is categorized properly because this data is used by OFM Budget, the OCIO, and the legislature to help the state know where it can improve IT investments. Specifically, IT spend data is captured in the IT Budget Detail Report, which identifies current baseline funding for information technology, proposed and ongoing major information technology projects, and costs (RCW 43.88.092). In addition, the OCIO's TBM program uses the data to help identify opportunities for savings and efficiencies and monitor ongoing financial performance of the state's IT investments.
- Q: How does this impact arrangements that have been identified as a SBITA under GASB 96?**
- A:** SBITAs should continue to be paid using the proper SSO coding as outlined above. All expenditure-related adjustments for SBITAs should be made using GL 6525.

# One Washington Update

As we approach the end of 2023 and move toward the start of the next tenant build in Workday, One Washington (OneWA) is requesting updated agency specific data so the tenant will be loaded and ready for testing mid-2024. This information includes the completed Foundation Data Model (FDM) files for Cost Centers, Programs, Projects, and Grants.

An important component to the testing is the assigning of security roles to the different Workday functions. The project completed Security Role Mapping Surveys prior to the last two tenant builds to gather this information; however, that was before agencies saw the configured Workday system and understood how the roles work. In the next month or two, a new survey will be sent to agencies to complete. We will then load agency staff into the new tenant with the appropriate security roles, based on the completed surveys, so you can properly test the system.

Today in AFRS, we have three different security roles to do our work: View, Input, and Release. In Workday, the same concept exists: Analyst roles provide view access to data in a particular module; Specialist roles provide the ability to input data; and Lead or Manager roles provide the approval to release the transaction. One big difference in Workday is each module has its own set of security roles, which will provide agencies with better control over access to the different modules and tasks in the tenant.

Why is it important to be thoughtful in completing this next Security Role Mapping Survey? As we mentioned, the information will be used to set up security roles in the new tenant and for testing the system. The selection of the different roles provides agencies with the ability to have better internal controls over the different business processes in the system, which is key. Workday has built-in controls that restrict a person's ability to input and approve a transaction. In addition, the system will provide an audit trail of the approval process, including the date and time of the business process steps. As each agency completes the survey, keep in mind the steps in the business process and which roles to assign staff. This will help when testing the system next year.

Before the next survey is sent out, OneWA will hold a kickoff session to provide instructions on how to complete the survey and additional information regarding security roles. As a reminder, in the last round of information sessions, OneWA discussed the security roles for each functional area. Feel free to review the presentations and recordings presented by the Functional Teams to better understand the use of each role. The recordings and presentations can be found on the Agency Support Team (AST) SharePoint site. Contact your agency's [AST Lead](#) for more information.





# Training Offered by Statewide Accounting

We are happy to announce that the **Accounting 101: Foundations of Accounting** course is a success! Our instructor led virtual and in-person classes have been filling up quickly. The next available courses are:

- November 16, 2023 (in person)
- December 7, 2023 (in person)
- December 12, 2023 (virtual)
- January 18, 2024 (in person)

Accounting 101 covers the basics of general accounting, such as: the accounting equation, debits and credits, GL accounts, how to read financial statements, and journal entries.

After completing Accounting 101, head over to The Learning Center to take the Accounting 101 Assessment which will be available by the end of October. This short quiz will help determine your readiness to move on to the next course in the 100 level accounting series.

We are currently developing the next training courses in the accounting series:

- **Accounting 102: Implementing Foundational Accounting.** This training covers many of the same topics as the 101 class but in more detail, along with normal balances, real and nominal GLs, and practice preparing transactions.
- **Accounting 103: Introduction to Accounting Standards and Available Resources.** This training provides an overview of the accounting standard-setting bodies, as well as a guide to available resources for following the standards. The training is supplemented with digital resources and reference materials that the learner can access as needed.
- **Accounting 104: Foundations of Governmental Accounting.** Building off the foundational accounting trainings, this course covers topics that are specific to governmental accounting. Through this training, you will understand the ways in which governmental accounting is consistent with private sector accounting, and the ways that it is different.

We are also pleased to announce that we are once again offering instructor-led payroll accounting classes:

- October 31, 2023 - Payroll Revolving Account Reconciliation (virtual)
- November 28, 2023 - Accounting for Payroll (virtual)

**Payroll Revolving Account Reconciliation** provides a detailed analysis of the accounting entries in the State Payroll Revolving Account (035), as well as reconciliation of the account.

**Accounting for Payroll** is a review of the *State Administrative and Accounting Manual (SAAM)* payroll policies and procedures for payroll transactions, such as payroll computations, overtime, shared leave, deceased employee payments, and much more.

In addition, we offer several online (i.e., eLearning) courses that cover a variety of subjects, such as:

- General Ledger Basics
- In-Process
- Travel
- Capital Assets
- Leases
- OFM IT Systems
- And more!

Please view our [Training Page](#) for more information. The eLearning courses do not require registration. To register for the instructor-led classes (in-person and virtual), visit the [Learning Center](#).