



The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS & INFORMATION FROM STATEWIDE ACCOUNTING

Mileage Rate Adjustments

We have updated the *State Administrative and Accounting Manual* to reflect the increase to the reimbursement rate for privately owned vehicle (POV) mileage from \$0.67 to \$0.70 effective **January 1, 2025**, per [IRS Notice 2025-5](#).

In addition, we have increased the reimbursement rate for privately owned motorcycle from \$0.65 to \$0.68 and decreased the reimbursement rate for privately owned aircraft from \$1.76 to \$1.75 effective **January 1, 2025**, per [GSA FTR Bulletin 25-04](#).

The state Per Diem Rate maps were updated to reflect the POV mileage rate revision. The revised maps are available on OFM's Travel Resources website at: [Travel | Office of Financial Management](#).



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Thank You - The 2024 ACFR is Complete!

We are pleased to present the 2024 Annual Comprehensive Financial Report (ACFR). We received our audit opinion on December 23, 2024. We invite you to view the ACFR online at: [2024 Annual Comprehensive Financial Report | Office of Financial Management \(wa.gov\)](#).

While the majority of agencies were able to meet the year-end deadlines and ended the year without any exceptions, a number of agencies struggled again this year. This puts a strain on our timeline as the ACFR's completion depends on all agencies recording accurate and timely entries into AFRS and the Disclosure Forms. It is important that agencies review and clean up their exceptions each month and reach out to your agency's assigned consultant as soon as a question or issue arises.

We appreciate all the time and effort that the fiscal staff at each state agency devoted to closing the fiscal year and providing quality financial data for the ACFR. We realize it takes considerable effort, and we can all be proud of the work accomplished this year. Thanks to each of you for your part!

General Ledger Certifications

Thank you to all the agencies that have submitted their certifications for AFRS general ledger (GL) balances for “real” (i.e., balance sheet) GLs as of June 30, 2024.

We are reviewing responses and will reach out to:

1. Assist with exceptions or questions noted, and
2. Request copies of specific reconciliations to review for completeness and to verify it is an effective reconciliation.

As a reminder, agencies:

- must continue to keep general ledgers reconciled and work toward having any noted exceptions reconciled,
- must clear documents on the unbalanced in-process report within one month of the document date, and
- should begin the conversations with your management and budget teams to secure funding, if needed, to make any necessary adjustments or write-offs.

What resources are available to help reconcile the GLs?

- [General Ledger Reconciliation Resources](#)
- [Payroll Reconciliation Resources](#)
- Training:
 - In-Process [[Instructor-Led](#)] and [[On-Demand](#)]
 - General Ledger Basics [[On-Demand](#)]
 - GL Reconciliation: Basics [[Instructor-Led](#)]
 - Additional [Accounting courses](#) listed on our website
- Payroll reconciliation office hours [see article]
- [Find your Statewide Accountant or Statewide Payroll Advisor](#)

GASB Standards for FY 2025

Below is a summary of the GASB Standards we will be implementing for fiscal year 2025 reporting.

GASB Statement No. 101, *Compensated Absences* updates the recognition and measurement guidance for compensated absences by:

- Requiring liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.
- Establishing guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements.
- Amending the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability.

OFM is currently working on updates to the calculation of the compensated absences liabilities for agencies that use HRMS. In addition, we are working directly with agencies that have their own leave systems to assist them with implementing this change.

This year OFM will record beginning balance adjustments to the June 30, 2024, liability balances based on GASB’s new definition of compensated absences liabilities. The state’s liabilities for sick leave and other leave types will be increasing as we must now include leave balances expected to be used as leave, not just balances expected to be cashed out as previously required. As a result, we must also include additional leave types such as personal holidays and exchange time. The other change that agencies will see is that governments now have the option to record the net change in the liability. Therefore, agencies will no longer have to separately record the increases and decreases in the liability.

GASB Statement No. 102, *Certain Risk Disclosures* requires governments to disclose risks related to a government’s vulnerabilities due to certain concentrations or constraints if an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

OFM will develop a framework for analyzing the state’s risks to determine if a note disclosure will be required. This standard should have no impact to agencies.

Please reach out to Anna.Quichocho@ofm.wa.gov if you have any questions.

AFRS Table Roll

The recent decision to re-evaluate the Workday go-live date means that another AFRS table roll will be required for the AFRS chart of accounts. The AFRS table roll is the process by which current biennium (2025) AFRS program index, appropriation index, organization index, and descriptor tables are duplicated for the new biennium (2027), eliminating the need for agencies to rekey hundreds or thousands of records. The table roll is completed in phases with the first phase planned for April 2025 and the final phase, expenditure authority related tables, occurring after the Governor signs the 2025-27 budgets.

Fiscal officers should expect an email in February asking them to verify and/or update their agency-assigned contact information. Once that is completed, Statewide Accounting will send a communication providing details, instructions, and the planned schedule for the table roll. Information will also be posted as it becomes available on our Administrative and Accounting Resources webpage under [AFRS Table Roll](#).

What tasks should agencies be working on now?

Since agencies have been working with One Washington to sync up their AFRS chart of accounts with the Workday Foundation Data Model (FDM), the expectation is there will not be major changes to agency AFRS tables for the new biennium. With that in mind, one task that agencies could start working on now is identifying the AFRS codes that will not be needed in biennium 2027. The process to eliminate the codes varies depending on the table and whether the code was used in the current biennium. The table roll instructions will provide the specifics for eliminating these codes.

Throughout each step of the AFRS Table Roll, consideration should be made regarding the impact of the change to the FDM since we plan on keeping the chart of accounts and the FDM in sync.

For information about the table roll, please view the [AFRS Table Roll](#) webpage or contact Kendra Hanson at Kendra.Hanson@ofm.wa.gov.

New Payroll Office Hours

The Statewide Accounting Payroll Unit recognizes the need for assistance with agency payroll reconciliations. To meet this need, we are excited to announce we will be offering “Office Hours” beginning January 2025 between 10:00 AM and 12:00 PM the last Tuesday and Friday of each month to assist agencies with their reconciliations.

Individuals can book appointments as follows:

- Go to the [OFM-Statewide Accounting](#) calendar
- Select date (last Tuesday or Friday of the month) in the calendar
- Use dropdown to select Louisa or Sheila
- Choose 10:00 AM (10-11) or 11:00 AM (11-12) timeslot
- Complete “Add your details” section
- Complete “Provide additional information” section
- Click on “Book”

Appointments are broken out in 1-hour increments (10:00–11:00 and 11:00–12:00). If you feel you will need more than one hour, you will need to book two appointments.

Please note that providing specific information in the office hours request (e.g., General Ledger, specific situation, etc.) allows us to be better prepared to assist you.

Payroll Reconciliation resources can be found on our website at [Reconciliation | Office of Financial Management](#). For help and support for payroll reconciliations, please contact OFMmiSWAPayroll@ofm.wa.gov.

Upcoming Training Classes, Winter Quarter

Below is a list of the currently scheduled training classes for winter quarter offered by Statewide Accounting.

Course Title	Course Description	Upcoming Courses
Accounting 101: Basic Accounting	<p>This course provides an overview of the basics of general accounting, such as: the accounting equation, debits and credits, GL accounts, how to read financial statements, and journal entries.</p> <p>After completing the course, take the Accounting 101 Assessment in the Learning Center or on our website to determine your readiness to move on to Accounting 102.</p>	<p>In-Person (9:00 a.m.–noon)</p> <ul style="list-style-type: none"> February 6 <p>Virtual (9:00 a.m.–noon)</p> <ul style="list-style-type: none"> February 11 March 18
Accounting 102: Intermediate Accounting	<p>This training continues to build on foundational accounting information concepts learned in Accounting 101.</p>	<p>In-Person (9:00 a.m.–noon)</p> <ul style="list-style-type: none"> February 27 <p>Virtual (9:00 a.m.–noon)</p> <ul style="list-style-type: none"> January 16 February 11 February 25 March 11 March 27
Accounting 103: Introduction to Governmental Accounting	<p>This training introduces governmental accounting concepts. This course covers topics such as the differences between accounting principles for governments and private companies, how governments use fund accounting, and how to record and report financial transactions based on governmental accounting principles.</p>	<p>In-Person (9:00 a.m.–3:00 p.m.)</p> <ul style="list-style-type: none"> February 11 <p>Virtual (9:00 a.m.–3:00 p.m.)</p> <ul style="list-style-type: none"> February 20 March 13 March 27
In-Process Report Training	<p>This class provides an overview of the In-Process general ledgers (GL 7110–7140), Current Period Clearing Account general ledger (GL 9920) and the reports used to monitor them. The class covers the types of transactions included on the In-Process reports, examples of common In-Process problems, and tools for identifying and correcting the problems. The last part of the class provides time for participants to review their own agency’s unbalanced In-Process reports, identify the likely action needed, and prepare correcting journal entries.</p> <p>An On-Demand version of this course is also available here.</p>	<p>In-Person (9:00 a.m.–noon)</p> <ul style="list-style-type: none"> January 28 February 26 March 27

Upcoming Training Classes, Winter Quarter - continued from page 4

GL Reconciliation Basics	<p>This class provides an overview of basic reconciliation concepts. Emphasis will be placed on the purpose of reconciliations, which reconciliations should be performed and how often, and available tools.</p> <p>The On-Demand General Ledger Basics course is another helpful resource to get more familiar with Washington’s GL Accounts.</p>	<p>Virtual (9:00 a.m.–11:00 a.m.)</p> <ul style="list-style-type: none"> • February 25 • March 25
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Many On-Demand training courses are available on [our website](#).

All in-person courses are at the 1500 Jefferson Building in Olympia.

To register for instructor-led classes (in-person or virtual), visit the [Learning Center](#). The On-Demand eLearning classes do not require registration.

Additionally, the Association of Government Accountants (AGA) is sponsoring a number of webinars. The schedule is posted on the [Olympia AGA Training and Events](#) website.

Audit Resolution Report

Washington State laws (RCW 43.09.310 and RCW 43.09.340) require post audits of every state agency by the State Auditor’s Office (SAO). As part of the audit process, exceptions to specific expenditures or financial transactions become a matter of public record. State law (RCW 43.88.160) requires the Office of Financial Management (OFM) to ensure agencies take corrective actions to address exceptions and annually report on the status of these audit resolutions to the appropriate committees of the legislature, the state auditor, and the attorney general.

Agencies are required to submit corrective action plans to OFM within thirty days of issuance of the audit reports in which exceptions are taken. The Audit Resolution Report summarizes the status of corrective actions taken by state agencies to resolve exceptions reported in accountability audits, the statewide single audit, as well as financial statement audits and frauds reported by the SAO.

The 2024 [Audit Resolution Report](#) was published and distributed in December 2024 and included findings issued by the SAO from November 1, 2023, to October 31, 2024. Below are the summary statistics from the 2020 to 2024 reports:

Findings Reported:	2024	2023	2022	2021	2020
Federal	86	69	61	65	70
Non-federal	9	18	4	5	9
Fraud	7	5	2	5	6
Total	102	92	67	75	85
Number of agencies included	19	25	13	16	16

The 2024 report has been posted on the OFM website. If you are interested in reading details of the findings, please refer to the audit reports published on the SAO [website](#).

For more information, please contact: Stacie Boyd (Stacie.Boyd@ofm.wa.gov).

Federal Update

Federal Funding Accountability and Transparency Act reporting

For agencies who are federal prime awardees (i.e. prime grant recipients and/or prime contractors) and are subject to the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, some changes are coming.

Currently, pass-through entities are required to enter certain data elements about first-tier subawards and subcontracts of \$30,000 or more through the FFATA Subaward Reporting System (FSRS.gov). In November 2024, the U.S. General Services Administration (GSA) announced that it will be retiring the FSRS reporting system in March 2025. In the coming months, GSA will be working toward the launch of a modern subaward reporting capability in SAM.gov.

SAM.gov is an official website of the U.S. government and can be used to register for a Unique Entity Identifier; search for assistance listings, entity registration, and exclusion records; and access publicly available award data via data extracts and system accounts.

This change not only impacts current FSRS.gov users who report data about subawards, it also impacts SAM.gov entity administrators at agencies who may or may not be involved with subaward reporting. Entity administrators will have to grant new authorities to staff who report on subawards but are new to SAM.gov, as well as to current SAM.gov users who report on subawards but do not have the appropriate permission for the new capabilities planned for the transition.

GSA is planning on providing training, information, and materials for the upcoming transition. This is a good time for agencies to think about how this change may impact internal processes and procedures, and what needs to be done before the transition.

Please stay tuned to the [GSA website](#) for more information as they move forward in the coming weeks and months.

FY24 Single Audit

The State Auditor's Office (SAO) has informed us that the fiscal year 2024 audit report package is expected to be completed by April 23, 2025, which means the state will not meet the filing deadline of March 31, 2025. As a result of the delay, the normal audit timeline has been adjusted. SAO will issue draft findings promptly upon completion of program audit work, but no later than February 28, 2025, and is anticipating that all final findings will be issued by April 3, 2025. Upon receiving the complete audit package, OFM will compile and submit the Single Audit Report to the Federal Audit Clearinghouse by April 30, 2025. The due date of the Federal Assistance Certification is February 28, 2025.

It is important that agencies continue to provide SAO with timely access to information, documentation, and staff needed to complete the audits, and to promptly communicate issues and concerns with the auditors. It should also be noted that the adjustment in the single audit timeline does not change the existing OFM process and due date expectations for agencies to submit corrective action plans. Corrective action plans are due to OFM no later than March 31, 2025.

SAO provided an open letter about the reasons for the audit delay and their efforts to meet the deadline in the future, which was already shared with the U.S. Department of Education and the U.S. Department of Health and Human Services. OFM has also shared the letter with agencies with programs included in the fiscal year 2024 Single Audit. Other agencies are encouraged to share the open letter with their federal grantors as needed to address any concerns with the delay in the Single Audit Report.

For more information, please contact: Stacie Boyd (Stacie.Boyd@ofm.wa.gov).

Registration Unit Preparing for Workday

In preparation for the transition to Workday, the Statewide Registration Unit has been reviewing existing AFRS vendor records to ensure consistent and accurate data is loaded into Workday at go-live.

The registration unit is currently reviewing legal addresses in AFRS to identify the official legal address for each entity or individual. This project is especially important for entities with multiple suffixes. The analysis of vendor records will be conducted transparently, ensuring it aligns with Workday parameters and remains seamless to outside agencies. This review impacts approximately 8,700 records.

The unit is also reviewing and standardizing vendor legal names. This exercise targets records with multiple suffixes and aims to standardize naming conventions for these vendors. Agencies may notice minor changes in names, such as "Univ of WA" being updated to "University of Washington." This review covers approximately 21,000 records.

In addition to the AFRS vendor record cleanup, the registration unit is in the process of updating the registration forms and the [statewide vendor/payee services website](#) for the new Workday process. Stay tuned for more information as we get closer to Workday go-live.

For questions, please contact PayeeRegistration@ofm.wa.gov.

