



Chapter 150 - Payables and Disbursements

Chapter, Topic	Title	Page Number
150.10	General Provisions	233
150.20	Specific Expenditures	241
150.30	Workday Transactions - Payables and Disbursements	254
150.40	Prepaid Expenses	264



Topic 10 General Provisions

Chapter, Topic, Section	Title	Effective Date	Page Number
150.10.100	Overview		233
150.10.110	Agency Responsibilities		233
150.10.120	Priority of Expenditures		234
150.10.130	Timing of Payments		234
150.10.140	Rapid Invoice Processing		235
150.10.150	Required Documentation for Disbursements		236
150.10.160	Disbursement Processes and Mechanisms		237
150.10.170	Handling Codes		239
150.10.180	Payment Remittance Advice		239

150.10.100 Overview

The purpose of this chapter is to provide guidance to agencies in making expenditures within the course of conducting authorized activities. Year-end recording of payables is discussed in [Chapter 250 - Period End Processing](#).

Goods and services must be ordered, contracted for, and paid to authorized suppliers and within the limitations prescribed by the Department of Enterprise Services (DES), Contracts and Legal Division ([RCW 39.26.090](#)), or other statute.

150.10.110 Agency Responsibilities

It is the responsibility of the agency head, or authorized designee, to certify that all expenditures/expenses and disbursements are proper and correct.

Agencies are responsible for processing payments to authorized suppliers, as defined in [Chapter 90 - Statewide Customers and Suppliers](#), providing goods and services to the agency. Goods and services include but are not limited to products, services, materials, equipment, and travel reimbursements.

Prior to payment authorization, agencies are to verify that the goods and services received comply with the specifications or scope of work indicated on the purchase or contract documents. Authorized personnel receiving the goods and services are to indicate the actual



quantities received, services provided, deliverable submitted, etc. Refer to [Chapter 40 - Internal Control](#), for guidance related to internal control procedures.

Agencies are to establish and implement procedures following generally accepted accounting principles. At a minimum, agencies are also to establish and implement the following:

- Controls to ensure that all expenditures/expenses and disbursements are for lawful and proper purposes and recorded in a timely manner (refer to [Chapter 20 - Fiscal Responsibilities and Accounting Principles](#) for guidance related to internal control procedures),
- Procedures to ensure prompt and accurate payment of authorized obligations, and
- Procedures to control cash disbursements.

150.10.120 Priority of Expenditures

Pursuant to [RCW 43.88.150](#):

Unless otherwise required by federal or other contractual requirement, where funding is available from both appropriated and non-appropriated sources for the same purpose, agencies are to charge expenditures in such a ratio as will conserve appropriated funds. For institutions of higher education, this subsection applies only to accounts funded by operating fee accounts as defined by [RCW 28B.15.031](#).

Unless otherwise provided by law, federal or other contractual requirement, if state moneys are appropriated for a capital project and matching funds or other contributions are required as a condition for receipt of state moneys, state moneys shall be expended in proportion to and only to the extent that matching funds or other contributions are available for expenditure.

150.10.130 Timing of Payments

Agencies are to establish procedures to ensure timely, accurate, and cost-effective payment of obligations to suppliers. An agency's payments will be considered timely when its records show that the agency pays 95% or more of its obligations to suppliers by the due date defined below.

Special attention is to be given to the following:



- **Due dates** - Supplier payments are to be made by the due date. Due dates for payments are established by the terms of the purchase document, invoice, or contract between the agency and suppliers. If the purchase document or contract is silent concerning terms or there is no written authorizing document, the terms are net 30 days. The 30 days, or other terms, begin upon receipt of the goods or services or a properly completed invoice, whichever is later. As prescribed in [RCW 39.76](#), agencies are required to pay interest at the rate of 1% per month on past due amounts when invoiced and there are no other exceptions. Due dates are postponed in the case of disputes. Refer to **Disputes** below.
- **Discounts** - Discounts offered by suppliers are considered in evaluating competitive bids; failure to earn such discounts through prompt payment increases the effective price to the state. Agencies are to pay all obligations in time to take advantage of the maximum discounts offered by suppliers.
- **Partial payments** - When agencies accept partial delivery of goods or services without reservation, prompt payment is to be made for the goods or services received upon receipt from the supplier of a properly completed invoice or in accordance with purchase document or contract terms covering the partial delivery.
- **Disputes** - Prompt and proper notification to a supplier of receipt of unsatisfactory goods or services or an incorrect invoice defers the due date. The due date is recalculated from the date the dispute is resolved. Proper authorization is required when material changes are made.

150.10.140 Rapid Invoice Processing

The use of Rapid Invoice Processing (RIP) is encouraged to reduce the costs of processing payments for small and/or routine transactions. With RIP:

- Confirmation of the receipt of goods and services is kept at a decentralized location instead of being forwarded to the payment office to be filed with the payment documents.
- Requests for payments are processed centrally and scheduled for payment.
- The risks associated with using RIP are mitigated through compensating controls, such as providing the decentralized location the opportunity to intervene in the payment process prior to the scheduled payment date.

The level/type of payments subject to RIP procedures is to be established carefully by each agency to ensure that a more positive system of control, such as centralized matching of signed receiving reports with requests for payment, exists to cover large and/or non-routine transactions.

Advance written authorization is to be obtained from the Office of Financial Management (OFM) for the use of RIP. Requests for authorization should be sent to OFM Statewide



Accounting and should identify the level and type of payments proposed for RIP procedures and the processes that will be used to mitigate the risks of using RIP.

150.10.150 Required Documentation for Disbursements

At a minimum, payment processing documentation should include evidence of authorization for purchase, receipt of goods or services, and approval for payment. Agencies may utilize paper or electronic forms. The following documentation, or equivalent, is to be maintained:

Authorization for purchases

There is no standard required internal purchase request form; however, a **sample purchase request form** is available. Agencies can develop and utilize their own internal request form, or utilize electronic systems to enhance internal control over requisitions. Refer to [Chapter 40 - Internal Control](#) for internal control procedures.

Workday has limited purchase-order-to-pay functionality in the current phase. Agencies may utilize the Workday Supplier Contract and Workday Purchase Order processes; however, the approval process is not a function of the current phase of Workday. For more details refer to [Chapter 130 - Procurement](#).

Approval of payment

There is no standard required payment authorization form; however, a **sample payment authorization form** is available. Agencies can develop and utilize their own payment authorization form or utilize electronic systems to enhance internal control over payments. Refer to [Chapter 40 - Internal Control](#) for internal control procedures.

A workflow that includes payment approval has been established in Workday for agencies utilizing the Workday Supplier Invoice process to make payments. Refer to [Topic 150.30 - Workday Transactions - Payables and Disbursements](#) for more details.

Required documentation for payments

The following information, at a minimum, is to be indicated either on the disbursement documentation or in an automated system for compliance with federal regulatory agencies and internal control policies:

- Supplier name and address in compliance with U. S. postal regulations
- Unified Business Identifier (or other vendor approved identifier), as applicable
- Taxpayer ID Number (TIN), as applicable
- Invoice number, if available
- Invoice date
- Total invoice amount



- Invoice received date
- Payment terms
- Date of payment
- Payment number
- Appropriate account code and distribution
- Date the goods were received or the services were provided
- Approval by authorized individual

The Workday Supplier Invoice requires additional fields when processing payments from Workday. For a complete list of required fields, refer to the [Workday Required Fields resource on the OFM Workday Resources website.](#)

For payments made through Workday refer to [Section 150.10.180 - Payment Remittance Advice](#) for more details.

150.10.160 Disbursement Processes and Mechanisms

Agency disbursement processes should minimize the cost of making disbursements by using the most cost effective means available. To optimize cash management, agencies should minimize early payments unless the early payments result in supplier discounts. Refer to [Topic 150.30 Workday Transactions - Payables and Disbursements](#), for the details of the Workday transactions.

Disbursement mechanisms available to state agencies include:

- **Treasury Warrants** are payment instruments for an invoice or other evidence of indebtedness validated and released by the Office of the State Treasurer (OST) for payment.
- **Local Checks** are payment instruments written from local bank accounts managed by the agencies. Refer to [Section 180.xx.xxx](#) for more details.
- **Automated Clearing House (ACH)** payments are electronic fund transfers from a state bank account to a payee's account at their designated financial institution. ACH payments should be used, if possible, for payments from treasury funds to local accounts.
- **Accounting Journal Sources** include specific sources used for transferring cash between agencies or within one agency. Refer to [Chapter 200 - Financial Accounting](#), for a detailed listing of each Accounting Journal Source.
- **State Purchase Card** is negotiated by the Department of Enterprise Services (DES) under a single supplier contract. All purchase card services should be obtained through participation in the statewide contract administered by DES, unless there is specific



Washington Administrative and Accounting Manual

authority which authorized an agency to independently contract for purchase card services. Agencies must comply with the Commercial Card Service contract. For more information about the state purchase card and specific contract requirements, refer to the [Purchase Card Program](#).

Except as provided in [Section 230.10.170 - State Charge Card System](#), charge cards (e.g. purchase cards) may not be used for purchases between state agencies. [Section 230.10.170 - State Charge Card System](#) describes the use of charge cards for travel related expenses. Minimum requirements for agency purchase card programs are covered in DES policy. Agencies with central travel accounts and/or One Card programs should establish appropriate policies and controls.

- **Vehicle Fleet Credit Card** is also administered by DES. More information about the vehicle fleet credit card and specific contract requirements is available [online](#).
- **Prepaid Debit Cards** are cards for which the prefunded value is associated with a bank account, which must be accessed for payment authorization. These cards can be reloadable or disposable. Approval by the Office of Financial Management (OFM) is required prior to disbursing funds via this method. Refer to [Section 60.30.130 - Electronic Benefit Transfers, Payroll Cards, Stored Valued Cards, and Other Electronic Technologies](#).
- **Electronic Benefit Transfer (EBT)** payments are an alternative method for making disbursements to benefit recipients. EBT is similar in nature to a debit card. The recipient's benefits are encoded on a magnetic stripe card. Approval by OFM is required prior to disbursing funds via this method. Refer to [Section 60.30.130 - Electronic Benefit Transfers, Payroll Cards, Stored Valued Cards, and Other Electronic Technologies](#).
- **Payments Direct to Treasurer** - Some agencies generate payment files from their own systems and send payment request files for warrants, Automated Clearing House (ACH), and wire transfer payments directly to OST. Agencies will record an AdHoc Bank withdrawal transaction in Workday. Refer to [Section 180.xx.xxx](#) for more information about how to record these transactions in Workday.

Workday Payment Types:

- **Workday ACH** payments are electronic fund transfers that originate in Workday. The ACH payment information is processed nightly and communicated electronically to OST, who passes the information to the state's ACH operator. The effective date of these payments is the second working day after initial processing. Any agency entering transactions into Workday may issue ACH payments by utilizing statewide suppliers.
- **Workday warrant** payments are made to suppliers and miscellaneous payees that are not set up for ACH payments or are in the set-up process for ACH payments. The warrant payment information is processed nightly and communicated electronically to the OST. Any agency entering transactions into Workday may issue warrant payments by utilizing a Supplier Invoice or Miscellaneous Payment.

Agencies are responsible for including correct, meaningful remittance information (in the invoice number, invoice date, account number, and supplier message fields) so suppliers can post payments accurately.



150.10.170 Handling Codes

The payment **Handling Code** in Workday determines how the Workday warrants will be processed and distributed. All Workday warrants and the related remittance advices will be forwarded to Consolidate Mail Services (CMS). The Handling Code, which is on the Supplier Invoice and the Miscellaneous Payment Request, determines the distribution as follows:

- **Inserted Warrant (ISW)** – mailed to payees by CMS.
- **Hold Warrant for Pickup (HFP)** – held by CMS for pickup by agency and agency distributes.

If more than one invoice is being paid to the same supplier on the same day, all invoices will be combined into one payment.

Refer to Job Aid xx for more details.

150.10.180 Payment Remittance Advice

Suppliers who are paid by warrant receive a **Remittance Advice** with the warrant. Suppliers who are paid via ACH and have an email address on their supplier record receive the remittance via email. If there is no email address for the supplier, the remittance will be mailed.

Below is a table showing data that will appear on the Remittance Advice for a Supplier Invoice or a Miscellaneous Payment Request.

	Payment Remittance Advice field	Supplier Invoice	Miscellaneous Payment Request
1	Workday Invoice Number	Invoice Number	N/A
2	Miscellaneous Payment Request	N/A	Miscellaneous Payment Request Number
3	Payment Ref ID	Transaction Reference	Transaction Reference
4	Invoice Date	Invoice Date	Document Date
5	Payment Amount	Payment Amount	Payment Amount
6	Supplier's Invoice Number	Supplier's Invoice Number	N/A
7	Invoice Number	N/A	Miscellaneous Field 1
8	Payment Date	Payment Date	Payment Date
9	Line Memo	Memo (on Request Line)	Memo (on Invoice Lines)
10	Invoice Amount	Total Invoice Amount	Total Payment Amount



Washington Administrative and Accounting Manual

	Payment Remittance Advice field	Supplier Invoice	Miscellaneous Payment Request
11	Account Number	Memo (on header)	Miscellaneous Field 2
12	Supplier Contract Number	External Contract Number	N/A
13	External Purchase Order Number	External PO Number	N/A

Miscellaneous Payment Payment Advice

Example coming soon.

Supplier Invoice Payment Advice

Example coming soon.

DRAFT



Topic 20 Specific Expenditures

Chapter, Topic, Section	Title	Effective Date	Page Number
150.20.100	Overview		241
150.20.110	Prospective Employee Interview Expenses		241
150.20.120	Employee Moving Expenses		242
150.20.130	Costs for Meetings, Conferences, Conventions, and Training Sessions		246
150.20.140	Coffee and Light Refreshments		247
150.20.150	Meals With Meetings		248
150.20.160	Belated and Sundry Claims		250

150.20.100 Overview

While all expenditures are governed by laws and policies, some expenditures are governed by specific laws or policies. This topic discusses the expenditures that are governed by the specific laws and policies.

150.20.110 Prospective Employee Interview Expenses

A state agency may pay a qualified prospective employee, as defined below, the necessary travel expenses related to their employment interview or examination ([RCW 43.03.130](#)). The agency head has the responsibility to exercise prudent judgment in the payment of interview expenses and to follow the travel reimbursement policies stated in this section and in [Chapter 230 - Travel](#), of this policy manual.

With agency head authorization, an agency may pay for prospective employee interview expenses when the classified position is essential to carrying out the critical work of an agency. The requesting agency head is accountable for the action and is required to have appropriate documentation.

150.20.110.a Qualified Prospective Employees

Qualified **prospective employees** are limited to applicants for the position of director, deputy director, assistant director, state supervisor or equivalent or higher position, engineers or other personnel having both executive and professional status.



In the case of institutions of higher education, prospective employees are limited to applicants being considered for academic positions above the rank of instructor, or professional, or administrative employees in supervisory positions.

Community and technical colleges may pay travel expenses for prospective employees being considered for full-time faculty positions or administrative employees in supervisory positions.

The Washington State Investment Board may pay travel expenses for prospective employees being considered for investment officer positions.

150.20.110.b Allowable Travel Expenses

Allowable travel expenses are defined as necessary expenses, reimbursable by law, incurred by a prospective employee in traveling to and from an interview or merit system examination. Travel expenses may include:

- Transportation expenses,
- Per diem expenses, and
- Other miscellaneous travel costs.

Travel expenses may be reimbursed at rates not to exceed those established for state employees. Refer to [Chapter 230 - Travel](#). For example, the agency may reimburse the prospective employee for transportation costs not to exceed the lowest class fare for the transportation mode used.

150.20.110.c Required Documentation

Documentation of the travel expenses must be obtained by the agency before reimbursing the prospective employee. The prospective employee should document and submit travel expenses on a **Travel Authorization and Travel Expense Voucher** in the same detail as required for travel reimbursement to state employees. Original invoices should be attached to the voucher, or the agency file location referenced.

150.20.120 Employee Moving Expenses

An agency may pay the moving costs of qualified or transferred employees subject to requirements and restrictions in this chapter per [RCW 43.03.110](#) and [RCW 43.03.120](#). The employee is responsible for paying moving expenses in excess of the allowable costs defined below.



Agencies are responsible for complying with [IRS Publication 15-B](#), Employer's Tax Guide to Fringe Benefits

The agency head or authorized designee is responsible for authorizing the move and approving the expenses to be allowed by the agency. The agency is responsible for following [Department of Enterprise Services](#)' contracting and procurement guidelines. The employee is responsible for paying moving expenses not reimbursable within these regulations.

An agency director may authorize a lump sum relocation compensation payment to an employee under certain circumstances. Refer to [Section 150.20.120.a - Qualified Prospective Employee](#). Relocation expenses may be paid to current employees who are being transferred at the request of the agency. However, the agency is responsible for ensuring that the transfer of a new employee is not used as a means to avoid other aspects of the moving expense regulations.

150.20.120.a Qualified Prospective Employees

Any agency may pay the moving expenses of a qualified new employee hired in a permanent position who must move to accept state employment, pursuant to mutual agreement with the employee in advance of such employment. The payment of moving expenses for a new employee is normally limited to applicants for the position of director, deputy director, assistant director, state supervisor or equivalent or higher position, engineers or other personnel having both executive and professional status.

In the case of institutions of higher education, prospective employees are limited to applicants being considered for academic positions above the rank of instructor, or professional, or administrative employees in supervisory positions.

Community and technical colleges may pay moving expenses for prospective employees being considered for full-time faculty positions or administrative employees in supervisory positions.

The Washington State Investment Board may pay moving expenses for employees being considered for investment officer positions.

When there is an inability to fill a lower-level exempt or classified position, and the filling of the position is essential to carrying out the critical work of an agency, the agency can pay moving expenses as a recruiting aid. The requesting agency director is accountable for the action and is required to have appropriate documentation. The documentation should include:

- Prior recruiting efforts made to fill the position,
- The number of candidates available,



Washington Administrative and Accounting Manual

- Salary differences between the state position and comparable positions in industry or other states,
- The distance the applicant needs to move in order to accept state employment,
- Other related evidence which supports the need to pay moving expenses,
- The critical nature of the work, and
- The financial ability of the agency to pay the moving expenses.

If a new employee terminates or causes termination of his/her employment with the state within one year of the date of employment, the state shall be entitled to reimbursement for the moving costs which have been paid and may withhold such sum as necessary from any amounts due the employee. Refer to [RCW 43.03.120](#).

150.20.120.b Allowable Moving Costs

Allowable moving costs include the costs to move **household goods**, personal effects, and property used in a dwelling, and normal equipment and supplies used to maintain the dwelling from the former residence to their **new official station/residence**.

Agencies have discretion to reimburse employees for containers, time spent packing, moving the household goods to the new location, and unpacking.

The following provisions relate to common carrier costs:

- An agency may purchase **common carrier** transportation for a new or transferred employee, his/her spouse or **domestic partner** registered in the state of Washington, and their dependents from the employee's former residence to their **new official station/residence**.
- Agencies may pay the cost of moving up to 16,000 pounds of household goods via common carrier, including a reasonable allowance for packing, unpacking, and if authorized by the agency, up to 90 days storage in transit. Storage may be paid at point of origin, destination point of the move, or both, but shall not exceed a total of 90 days.
- Charges by common carrier include charges for appliance disconnections and hookups.
- The maximum amount of state provided insurance is \$75,000 for intrastate and \$100,000 for interstate and international per move while in transit, storage-in-transit, and delivery to or from the common carrier's storage warehouse. All adjustments of losses are to be based upon the replacement value of the items claimed. Coverage in excess of \$75,000 for intrastate and \$100,000 for interstate and international moves may be secured at the employee's expense.

The following provisions relate to costs to rent moving equipment for self-moves:



Washington Administrative and Accounting Manual

- The maximum allowable moving costs using rental equipment or employee direct hire of a common carrier may not exceed the cost of moving a maximum of 16,000 pounds of household goods between the same origin and destination points by common carrier. If the employee estimates that costs of the rental or direct hire of a common carrier will be less than \$10,000, the employee can select the rental unit or common carrier and pays the rental or common carrier. Items allowable for reimbursement include rental of vehicle(s), fuel costs for the rental vehicle, packing materials, equipment rental, toll bridge/road fees, ferry charges, labor fees (associated with packing, loading/unloading). Receipts are required to be submitted for all items over \$50. Ferry charges and bridge/road tolls do not require receipts. The employee shall submit the original receipts directly to the hiring agency for reimbursement.

If the employee estimates that the costs will exceed \$10,000, the employee must first obtain three competitive bids. Reimbursement is limited to the lowest bid or the state contracted rate, whichever is less for intrastate moves and \$100,000 for interstate and international moves.

- Allowable moving costs may include a mileage allowance for towing a trailer by personal automobile which is to be paid at the standard mileage rate.
- The employee may secure and be reimbursed for the cost of transit insurance up to a maximum of \$75,000 coverage on such household goods, or the same amount of coverage at the state contracted rate, whichever is less.

The following provisions relate to costs to move by state-owned vehicle:

- It is the responsibility of the agency to provide an experienced truck driver when the employee does not have adequate truck driving experience. The driver of the state-owned vehicle is to possess a valid driver's license.
- The employee may secure and be reimbursed for transit insurance up to a maximum of \$75,000 coverage on the employee's household goods.

The following provisions relate to costs related to per diem and mileage expenses:

- When a new or transferred employee is eligible to be moved at state expense, the agency may authorize a relocation allowance for a temporary period while the employee is moving and looking for a new home. The allowance cannot exceed the Maximum Per Diem Rate for one person at the rates stated in [Section 230.60.150 - Travel Rates \(PDF file\)](#). The lodging portion of the per diem rate shall be reimbursed at actual costs, as evidenced by a receipt, up to the specific daily maximum allowable lodging rate in effect at the time of travel for the specific area or locality.
- In connection with a single move, agencies may reimburse a new or transferred employee for the expenses related to driving or transporting up to two personal motor vehicles from the employee's old residence to the new residence. Maximum reimbursement shall be for the distance the motor vehicles were transported or driven using the Privately Owned



Washington Administrative and Accounting Manual

Vehicle (POV) mileage reimbursement rate displayed in [Section 230.60.150 - Travel Rates \(PDF file\)](#). The employee is responsible for arranging the transportation of his/her personal motor vehicle.

150.20.120.c Moving Costs Not Covered

The following items are specifically excluded from allowable moving costs and may not be moved at state expense:

- Animals and articles of sentimental or high intrinsic value (defined as an item where value exceeds \$100 per pound). The employee is to personally arrange for and pay the cost of transportation of items such as jewelry, ammunition, negotiable, and collectors' items.
- Excessive hobby material and equipment, farming equipment, automobiles, motorcycles, boats, airplanes, camping vehicles, and mobile homes which are not the primary residence of the employee, explosives and other dangerous goods, property liable to damage the mover's equipment or other property, perishable foodstuffs subject to spoilage, building materials, fuel or other similar non-household articles.
- Penalties imposed by a carrier, rental agency, or mover as a result of negligence by the employee.
- Maid service or other third-party convenience services of a similar nature.

The following items are related to insurance and damage claims:

- The premium for the state household goods blanket insurance policy for up to \$75,000 for intrastate moves and \$100,000 for interstate and international moves will be provided under contract at no additional cost to the state or employee.
- The employee should understand that any claim for loss or damage must be negotiated directly between the employee and the mover and/or insurance carrier.

150.20.130 Costs for Meetings, Conferences, Conventions, and Training Sessions

When meetings or conferences are necessary, agencies should consider cost to the state, accessibility to attendees, and other relevant factors in their selection of the location. First priority is to be given to using state-owned or other public-owned facilities in lieu of renting or leasing private facilities.

When a conference, convention, training session, or meeting held or sponsored by the state is conducted at a rented/leased non-state facility, the person responsible for the choice of location and facilities is to submit justification in advance in writing to the agency head or authorized designee for approval.



The justification is to include:

- The purpose and objective of the meeting;
- The name of the organizations or persons expected to attend and an estimate of the attendance;
- An estimate of the anticipated cost to the state to include travel costs of travelers; and
- An explanation why state-owned or other public-owned barrier-free facilities cannot be used.

Limit the number of persons from an agency attending a particular conference, convention, meeting, or training session to the minimum necessary to benefit from the event.

Agencies making conference registrations may, when required by the lodging facility, make reimbursement for up to one night lodging costs plus applicable taxes when a travel advance is not allowable. Prior authorization of the agency head or designee is required, and if conference registration is cancelled, the agency is to seek reimbursement of the costs from the lodging facility. To prevent abuse in this area, agencies should strictly adhere to [Section 230.10.230 - Reimbursable Travel Expenses](#) and have written internal policies and procedures for when these transactions may be allowable.

150.20.140 Coffee and Light Refreshments

An agency may provide **coffee and/or light refreshments** at meetings and formal training sessions if the agency has adopted written internal policies and procedures that describe the approval process for these items.

In accordance with [Executive Order 13-06](#), executive cabinet agencies are required, and all other agencies strongly encouraged, to incorporate healthy food and beverages in their coffee and light refreshment internal policies. Refer to [Healthy Nutrition Guidelines](#).

Per [RCW 43.03.050\(4\)](#), with approval of an agency head or authorized designee, an agency may serve coffee or light refreshments at a meeting where:

- The purpose of the meeting is to conduct state business or to provide formal training that benefits the state; and
- The coffee or light refreshment is an integral part of the meeting or training session; and
- The agency obtains a receipt for the actual costs of the coffee and/or light refreshments.

Per [RCW 43.03.050\(3\)](#), coffee and/or light refreshments may be served to elective or appointive officials or state employees regardless of travel status where:



Washington Administrative and Accounting Manual

- The meeting or training session takes place away from the employee's or official's **regular workplace**; and
- The agency person responsible for the meeting receives agency approval for the serving of coffee and/or light refreshments prior to the event.

All legally authorized boards and commissions may provide coffee and/or light refreshments at their official public meetings, including executive sessions.

Agencies are not required to provide coffee and/or light refreshments at meetings. This authority is not intended for use with the normal daily business of elective or appointive officials or state employees, but rather for special situations or occasions, as determined by the agency head or authorized designee, for example, recognizing agency or employee accomplishments.

Agencies may not make expenditures for coffee and/or light refreshments in the following situations:

- For anniversaries of agencies, receptions for new, existing, and/or retiring employees or officials, election celebrations, etc.
- Any "hosting" activities. "Hosting" includes, but is not limited to, those activities that are intended either to lobby a legislator or a governmental official or are to be a social rather than governmental business event and include expenditures for coffee and/or light refreshments for those whom agencies are not legally authorized to reimburse.

Agencies must document the request and approval for expenditures for coffee and/or light refreshments. The documentation should provide support for the authorization, including:

- The names of the state organizations or persons attending the meeting (includes conferences, conventions, and formal training sessions), and
- The purpose of the meeting or expenditure.

A spend category, Goods | Coffee and Light Refreshments (SC00037), has been created in Workday to track expenditures for this purpose.

150.20.150 Meals With Meetings

The authority for providing meals with meetings is in [RCW 43.03.050\(3\)](#). This statute provides for reimbursement for meals for certain business meetings (includes conferences, conventions, and formal training sessions) involving elective and appointive officials, and state employees. Additionally, other statutes may authorize agencies to provide reimbursement for meals for other individuals regardless of travel status.



Washington Administrative and Accounting Manual

In accordance with [Executive Order 13-06](#), executive cabinet agencies are required, and all other agencies strongly encouraged, to incorporate healthy food and beverages at meals with meetings when applicable. Refer to [Healthy Nutrition Guidelines](#).

The agency head or authorized designee may authorize reimbursement for the allowable cost of meals, *per diem rates do not apply*, for elective and appointive officials and state employees regardless of travel status, and without regard to [Section 230.30.100 - Reimbursable Meal Costs](#). This authority is intended for use when the agency requires a person to attend a mandatory meeting where business meals are served, and where:

- The purpose of the meeting is to conduct official state business or to provide training to state employees or state officials; and
- The meals are an integral part of the business meeting or training session, and
- The meeting or training session takes place away from the employee's or official's **regular workplace**, and
- The agency obtains a receipt for the actual costs of the meals with meetings, and
- The agency head or authorized designee approves payment for the meals in advance of the meeting by defining in the agency internal policies and procedures ([Section 230.10.130 - Agency Responsibilities](#)) those meetings where attendance by agency employee(s), official(s) or others as authorized by statute, and reimbursement for the meals regardless of travel status, is advantageous to the state.

This authority is not intended for use with the normal daily business of elective or appointive officials or state employees, but rather for special situations or occasions.

Agencies may not make expenditures for meals in the following situations:

- For anniversaries of agencies, receptions for new, existing, and/or retiring employees or officials, election celebrations, etc.
- Any "hosting" activities. "Hosting" includes, but is not limited to, those activities that are intended either to lobby a legislator or a governmental official or are to be a social rather than governmental business event and include expenditures for meals for those whom agencies are not legally authorized to reimburse.

Agencies must document the request and approval in advance for expenditures for meals with meetings. One-time approvals for recurring meetings can be made at the time of the initial request. The documentation should provide support for the authorization, including:

- The names of the state organizations or persons attending the meeting (includes conferences, conventions, and formal training sessions), and
- The purpose or accomplishments of the meeting.



A spend category, Goods | Meals with Meetings (SC00036), has been created in Workday to track expenditures for this purpose.

150.20.160 Belated and Sundry Claims

Belated claims are obligations for goods and services which were received on or before June 30 but were not accrued in the concluding appropriation period. Shortages in estimated accrued expenditures/expenses are also treated as belated claims of the prior appropriation period. This policy is effective only for appropriated expenditures associated with an enacted budget that specifically allows for belated claims. The authenticity and correctness of obligations paid through the belated claims procedure is the sole responsibility of the agency.

As required by the transportation and operating budgets, belated claims must be approved by the Office of Financial Management (OFM) prior to payment by the requesting agency. Payment of belated claims against non-appropriated accounts does not require OFM approval.

Claims that will cause an agency to over spend current appropriation authority, must be discussed with the OFM Statewide Accountant and the OFM Budget Analyst prior to submitting the request.

Belated claims needing OFM approval are to be submitted following the close of each appropriation period. Agencies are to submit a request to OFM Statewide Accounting in writing identifying vendor, date of receipt of goods or services, amount of claim, account and appropriation that should have been charged had the claim been paid timely, and the account and current appropriation to be charged. Refer to the [sample belated claim request form](#).

Belated claim requests are verified by OFM as described below and a decision regarding belated claims will be made in writing to the requesting agency.

- If the agency has unexpended appropriation authority from prior appropriation periods sufficient to satisfy the claim and is able to pay the claim from current appropriation authority without causing an over expenditure, OFM will approve the belated claim request to be coded and charged as a current appropriation expenditure.
- In the event that the applicable prior appropriation authority is not sufficient to cover the claim, the agency's request is to also include an explanation of the reason for the over expenditure and the actions taken to preclude the situation from recurring. If the agency's explanation is deemed reasonable and the agency is able to pay the claim from current appropriation authority without causing an over expenditure, OFM will approve the belated claim request.



Sundry claims represent injury and property loss for which the State of Washington may be responsible, but the injury or loss was not caused by the tortious activities of state employees. These claims include self-defense claims and wildlife damage claims. Sundry claims, including those dealt with by administrative action and those requiring legislative action, are to be submitted to the Department of Enterprise Services (DES), Office of Risk Management. For information, contact [DES Office of Risk Management](#).

DRAFT



Topic 30 Workday Transactions - Payables and Disbursements

Chapter, Topic, Section	Title	Effective Date	Page Number
150.30.100	Overview		254
150.30.110	Transaction Statuses		255
150.30.120	Supplier Invoice Dates		255
150.30.130	Supplier Invoice - Payments		256
150.30.140	Supplier Invoice - Adjustments		257
150.30.150	Supplier Invoice – Credit Memos		259
150.30.160	Supplier Invoice - Recurring		260
150.30.170	Miscellaneous Payment Request Dates		261
150.30.180	Miscellaneous Payment Request		261
150.30.190	Miscellaneous Payee Records in Workday		263
150.30.200	Revenue Refunds		263

150.30.100 Overview

In Workday, the process of paying suppliers is accomplished through the use of two operational transactions: the Supplier Invoice and the Miscellaneous Payment Request. The **Supplier Invoice** is used in making payments to established suppliers. The **Miscellaneous Payment Request** is used to make a payment to a one-time payee. Refer to [Chapter 90 - Statewide Customers and Suppliers](#) for more details on Suppliers and Miscellaneous Payees.

This topic includes information about the Supplier Invoice and Miscellaneous Payment Request and specifications about each transaction. Some of the details in this topic are specific to either the Supplier Invoice or the Miscellaneous Payment Request while some apply to both. Additional training and job aids for the Supplier Invoice and the Miscellaneous Payment Request are available in The Learning Center.

This section applies only to agencies making payments directly from Workday.

There are several fields Workday requires on transactions and those are marked with a red asterisk (*) on the Workday screen. There are additional required fields mandated by the state of Washington and those fields do not include a red asterisk (*) as these screens are used by all Workday customers. Additionally, required fields can change depending on the



agency and the data entered. For a complete list of required fields, refer to the [required fields workbook](#).

There are multiple custom validations in Workday. These are edits in the system to assist in ensuring transactions are recorded properly, with the proper data and according to accounting policies. The critical validations must be passed for the transaction to process, warning messages alert the user to check the data, however the transaction can still be approved. For a complete list of validations, refer to the [custom validation workbook](#).

150.30.110 Transaction Statuses

The status of the Supplier Invoice and the Miscellaneous Payment Request changes as each moves through the process in Workday as follows:

- **Draft** – The Supplier Invoice or the Miscellaneous Payment Request has been entered but not submitted for approval and changes can be made.
- **In Progress** – The Supplier Invoice or the Miscellaneous Payment Request has been entered in the system and submitted for approval but has not yet been approved; changes can be made. If changes are made the approval routing starts over.
- **Canceled** – The determination has been made that the Supplier Invoice or the Miscellaneous Payment Request is not needed.
- **Approved** – The Supplier Invoice or the Miscellaneous Payment Request has been approved and has posted to the actuals ledger; changes can be made if payment hasn't been made. If changes are made the approval routing starts over.

The payment status associated with a Supplier Invoice or the Miscellaneous Payment Request also changes as each moves through the process as follows:

- **Unpaid** – The Supplier Invoice or the Miscellaneous Payment Request is either pending approval or has not reached the payment date.
- **Paid** – The Supplier Invoice has been paid either with a paper warrant, wire, or an ACH payment; or the Miscellaneous Payment Request has been paid with a paper warrant.

150.30.120 Supplier Invoice Dates

Several dates are associated with each Supplier Invoice transaction as follows:

- **Invoice Date** is the date listed on the invoice for the transaction and defaults to the current date. The invoice date is used to determine the payment due date.



Washington Administrative and Accounting Manual

- **Invoice Received Date** is the date the invoice was received by the agency.
- **Accounting Date Override** drives the fiscal period the transaction posts to and must be an open ledger period to validate Appropriation worktags.
- **Due Date** is the date the invoice is due or will be paid and is based on the invoice date and payment terms of the supplier (all suppliers are set up as 'Pay Immediately').
- **Due Date Override** allows the due date to be changed so that the payment is made at a future date, up to 30-days from the invoice date, for all agencies except HHS agencies. If a Grant worktag is on the Supplier Invoice, the Due Date Override is not allowed.
- If the Fiscal Month of the Accounting Date on the transaction is closed, the Supplier Invoice will post to the next open Fiscal Month. If the Due Date is moved to a future date, the expense and payable are posted when the Supplier Invoice is approved.

Refer to Job aid **xxxx** for additional details.

150.30.130 Supplier Invoice - Payments

The **Supplier Invoice** is used in making payments to established suppliers that have an existing supplier record in Workday. A supplier can receive an Automated Clearing House (ACH) payment, a paper warrant, or a wire transfer. All suppliers are established and managed by the Office of Financial Management (OFM), Statewide Registration Desk. Employees will be set up as suppliers in Workday until the Human Capital Management and Payroll is implemented. Refer to [Topic 90.30 - Suppliers](#).

The Supplier Invoice transaction records an expense, a reduction of revenue, or a reduction of a previously established liability (for example retainage payable) and establishes the payable to the supplier. A Spend Category is required for each line of the Supplier Invoice as it determines the Ledger Account for each line of the transaction.

Each supplier is assigned to a supplier category that determines the payable ledger account assigned in the transaction. The Supplier Invoice can have many expense lines but only one supplier.

The expense and a payable will be recorded when the Supplier Invoice is approved. A sample accounting entry for an office supplies Supplier Invoice is as follows:

Supplier	Spend Category*	Spend Category Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
Office Depot	SC0057	Office Supplies	61000	Goods and Services	1,000	
			21100**	Accounts Payable		1,000

* Only basic Worktags for this example are included.

**The Ledger Account is determined by the Supplier Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).



Washington Administrative and Accounting Manual

The settlement process runs daily to clear the payable and create the payment to the supplier, which can be a warrant or an ACH payment. Wire payments do not process through the settlement run. Refer to [Chapter 180 - Banking and Settlement](#), for details related to the payment types.

Once the settlement run is processed, Workday creates the following journal entry:

Supplier	Spend Category*	Spend Category Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
Office Depot			21100**	Accounts Payable	1,000	
			11060	Cash in Treasury		1,000

* Only basic Worktags for this example are included.

**The Ledger Account is determined by the Supplier Category (refer to [Chapter 90 - Statewide Customers and Suppliers](#)).

The settlement run generates payment files that are sent to the Office of the State Treasurer (OST) for approval and processing. OST approves the payment run, releases the signature, and authorizes Department of Enterprise Services to print the warrants, or sends the ACH payment file to the bank.

Refer to SA1 Supplier Invoice Job Aid.

150.30.140 Supplier Invoice - Adjustments

A Supplier Invoice Adjustment can be entered in Workday as a related action with an existing Supplier Invoice. There are several related actions to the Supplier Invoice that can be used depending on the status of the invoice, payment status, and the desired outcome. Each related action is not a separate transaction, but a follow-on action associated with the Supplier Invoice.

A Supplier Invoice Adjustment is a Debit or Credit Memo. A Debit Memo is a Supplier Invoice Adjustment that increases the amount owed to the Supplier. A Debit Memo creates a new Supplier Invoice that will link to the previously issued Supplier Invoice for the transaction. A Credit memo is a Supplier Invoice Adjustment that decreases the amount owed to the Supplier.

There are three options to initiate a Supplier Invoice Adjustment in Workday:

1. Create Adjustment from the Supplier Invoice Related Actions
2. Create Adjustment from the Supplier Invoice
3. Type Create Supplier Invoice Adjustment in the Search bar



Washington Administrative and Accounting Manual

The table below specifies the invoice and payment statuses and each related action available with the description of what can or cannot be done at each stage in the process.

Invoice Status	Payment Status	Related Action	Description
Draft	Unpaid	Edit	<ul style="list-style-type: none">a. Any changes can be made at the header or line level.b. Supplier Invoice remains in 'Draft' status until submitted for approval.
Draft	Unpaid	Create Adjustment	<ul style="list-style-type: none">a. Used to create a credit or debit memo on this invoice.b. Creates a new Supplier Invoice that will need to be approved after submitting the original invoice.c. New Supplier Invoice retains original worktags and references original invoice.d. Can only be used if there is an increase or decrease to liability/payable.e. Separate operational journals are created once this Supplier Invoice Adjustment is fully approved.
In Progress	Unpaid	Change	<ul style="list-style-type: none">a. Any changes can be made at the header or line level.b. Supplier Invoice is sent through the approval process again.c. Supplier Invoice status remains 'In Progress' until all approvals are complete.
In Progress	Unpaid	Create Adjustment	<ul style="list-style-type: none">a. Used to create a credit or debit memo on this invoice.b. New Supplier Invoice is created with original worktags and references original invoice.c. Can only be used if there is an increase or decrease to liability/payable.d. Separate operational journal is created once this Supplier Invoice Adjustment is fully approved.
Approved	Unpaid	Change	<ul style="list-style-type: none">a. Any changes can be made at the header or line level.b. Supplier Invoice is sent through the approval process again.c. Supplier Invoice will remain in 'Approved' status even after settlement.d. Original operational journals are backed out when the change is approved, and new operational journals are posted.
Approved	Unpaid	Change Approved Invoice	<ul style="list-style-type: none">a. Limited header level changes can be made (supplier invoice number, memo, override the payment type, add/change the handling code, external Purchase Order #, and payment can be put on hold).b. Supplier Invoice does not go through approval process again.c. Supplier Invoice will remain in 'Approved' status even after settlement.d. No worktags can be changed through this task.e. No operational journals are created.



Washington Administrative and Accounting Manual

Invoice Status	Payment Status	Related Action	Description
Approved	Unpaid	Create Adjustment	<ul style="list-style-type: none"> a. Used to create a credit or debit memo on this invoice. b. New Supplier Invoice is created with original worktags and references original invoice. c. Changes at the header level cannot be made here (supplier invoice number, payment type, memo, etc.). d. Can only be used if there is an increase or decrease to liability/payable. e. Separate operational journal is created once this Supplier Invoice Adjustment is fully approved.
Approved	Paid	Create Adjustment	<ul style="list-style-type: none"> a. Used to create a credit or debit memo on this invoice. b. New Supplier Invoice is created with original worktags and references original invoice. c. Changes at the header level cannot be made here (supplier invoice number, payment type, memo, etc.). d. Separate operational journal is created once this Supplier Invoice Adjustment is fully approved. e. Accounting Journal is required to adjust worktags.

A Supplier Invoice can be canceled when in any status unless it has been paid and gone through settlement.

Refer to SA3 Adjustments and Cancellations Job Aid.

150.30.150 Supplier Invoice – Credit Memos

A Credit Memo received from a supplier is entered into Workday as a Supplier Invoice Adjustment. A Journal Entry with the **worktags** from the original Supplier Invoice is created for approval. The **credit memo** amount is used when the next payment is made to the **supplier** from the same agency.

In the example below, the original Supplier Invoice was \$1,000 paid from the General Fund. The Credit Memo for returned items is \$150. The next invoice from that supplier for the same agency is \$2,500 and is paid from the 911 Fund.

The Supplier Invoice Adjustment with the Credit Memo generates the following Journal Entry with the **worktags** from the original Supplier Invoice:

Supplier	Spend Category	Worktags*	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
Office Depot		FD0001 General Fund	21100**	Accounts Payable	150	
	SC0057 Office Supplies	FD0001 General Fund	61000***	Goods and Services		150



Washington Administrative and Accounting Manual

* Only basic Worktags for this example are included.

** The Ledger Account is determined by the Supplier Category (refer to [Section 90.30.130 - Supplier Categories and Groups](#)).

*** The Ledger Account is determined by the Spend Category (refer to [Topic 80.80 - Spend Category Worktag](#)).

When a subsequent Supplier Invoice is received, the gross amount (without considering a credit that may be included on the new supplier invoice) is entered with the applicable **Worktags** for that Supplier Invoice. The new Supplier Invoice references the Credit Memo, and creates the following Journal Entry:

Supplier	Spend Category	Worktags*	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
	SC0057 Office Supplies	FD0039 911 Account	61000	Goods and Services	2,500	
Office Depot			21100**	Accounts Payable		2,500

* Only basic Worktags for this example are included.

** The Ledger Account is determined by the Supplier Category (refer to [Section 90.30.130 - Supplier Categories and Groups](#)).

When the settlement run generates the payment, the Credit Memo and the new Supplier Invoice are netted to create the payment. The following Journal Entry is made:

Supplier	Spend Category	Worktags*	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
Office Depot		FD0039 911 Account	21100**	Accounts Payable	2,500	
		FD0001 General Fund	11060	Cash in Treasury	150	
Office Depot		FD0001 General Fund	21100**	Accounts Payable		150
		FD0039 911 Account	11060	Cash in Treasury		2,500

* Only basic Worktags for this example are included.

** The Ledger Account is determined by the Supplier Category (refer to [Section 90.30.130 - Supplier Categories and Groups](#)).

Refer to SA3 Adjustments and Cancellations Job Aid.

150.30.160 Supplier Invoice - Recurring

Supplier Invoices can be set up as Recurring Supplier Invoices as:

- Fixed – the amount is the same each month, or
- Variable – the amount can be changed each month

The Recurring Supplier Invoice:



- Is generated based on the Installment Invoice Date as calculated in the background;
- Is establish for a period of time by identifying the first invoice date and an end date;
- Appears in the Accounts Payable Data Entry Specialist's in-box, once each installment Supplier Invoice is generated; and
- Routes through the standard approval process and must be updated to include the required fields (Accounting Override Date, Control Total Amount, Invoice Number).

Refer to SA2 Recurring Supplier Invoice Job Aid.

150.30.170 Miscellaneous Payment Request Dates

There are two dates associated with each Miscellaneous Payment Request transaction as follows:

1. Document Date – The date listed on the payment request and defaults to the current date and determines the due date and accounting date.
2. Due Date – Defaults from the Document Date but can be changed to pay at a future date for all agencies other than HHS agencies. If a Grant worktag is on the Supplier Invoice, the Due Date Override is not allowed.

The date entered determines the fiscal month. If the date entered in the Document Date corresponds to a closed fiscal month, the Miscellaneous Payment Request will post to the next open fiscal month. If the Due Date is moved to a future date, the expense and payable are posted when the Miscellaneous Payment Request is approved.

Refer to Job Aid xxxx for additional details.

150.30.180 Miscellaneous Payment Request

The Miscellaneous Payment Request is only used for one-time payments to a Miscellaneous Payee and should only be used once per payee. If a Miscellaneous Payee needs to be used again, a Statewide Supplier should be established through the OFM Statewide Registration Desk (refer to [Chapter 90 - Statewide Customers and Suppliers](#)). Employees cannot be paid using the Miscellaneous Payment Request. Miscellaneous Payees can only receive payment by warrant, ACH payments are not allowed.

The Miscellaneous Payment Request includes a Request Category that details the reason for the payment. The Request Categories are:



Washington Administrative and Accounting Manual

- Grant One-Time Direct Payments – for payments to grantees or ProviderOne providers. Can only be used with certain spend categories.
- Miscellaneous One-Time Payments – cannot include any salaries, wages, or benefits.
- Non-Employee Reimbursements – cannot include any salaries, wages, or benefits.
- Payroll Emergency and Related 3rd Party Payments – only used in the State Payroll Revolving Account (FD0033).
- Reissue Federally Funded Payroll SOL (DSHS) – restricted to DSHS.
- Revenue Refunds – can only be used with certain Ledger Accounts.
- Hold – keeps the Miscellaneous Payment Request from being included in a settlement run.

The Miscellaneous Payment Request transaction records the expense or reduction of revenue and establishes the liability to the Miscellaneous Payee. The Settlement process runs daily and clears the liability and creates the warrant payment to the Miscellaneous Payee. The accounting entry from the Miscellaneous Payment Request is as follows:

Miscellaneous Payee	Spend Category	Worktags*	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
	SC01083 Grants	FD0001 General Fund			1,000	
Sally Jones		FD0001 General Fund	21100	Accounts Payable**		1,000

* Only basic Worktags for this example are included.

**The liability is always 21100 Accounts Payable for the Miscellaneous Payment.

Once the Settlement run is processed, the following entry is made, and the payment is sent to OST for approval:

Miscellaneous Payee	Spend Category	Worktags*	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
Sally Jones		FD0001 General Fund	21100	Accounts Payable**	1,000	
		FD0001 General Fund	11060	Cash in Treasury		1,000

* Only basic Worktags for this example are included.

** The liability is always 21100 Accounts Payable for the Miscellaneous Payment.

A Miscellaneous Payment Request can be canceled if the Payment Status is “Unpaid” (before Settlement). Adjustments cannot be made to Miscellaneous Payment Request once it has gone through settlement.

Refer to SA1 Miscellaneous Payment Request Job Aid.



150.30.190 Miscellaneous Payee Records in Workday

A Miscellaneous Payee is used on a Miscellaneous Payment Request. A Miscellaneous Payee should only be used once per payee. If a Miscellaneous Payee needs to be used again, a Statewide Supplier should be established through the OFM Statewide Registration Desk (refer to [Topic 90.30 - Suppliers](#)). To establish a Miscellaneous Payee, the agency first creates a Miscellaneous Payment Request. The Miscellaneous Payee is entered on the Payment Request. The data required for each Miscellaneous Payee includes:

- Miscellaneous Payee Name
- Miscellaneous Payee Category:
 - Miscellaneous One Time Payee
- Address

150.30.200 Revenue Refunds

A revenue refund is a correction of an overpayment of cash revenue due to an erroneous or excessive payment. A Supplier Invoice or Miscellaneous Payment Request can be used to make the payment if the refund is not related to an Accounts Receivable Customer Invoice generated in Workday. Refer to [Chapter 160 - Accounts Receivable](#) for refunds related to Workday accounts receivable.

The Supplier Invoice or Miscellaneous Payment Request require a Spend Category. Spend Categories exist that are tied to Revenue Ledger Accounts. Those Spend Categories include 'Refunds' in the description.

The Revenue Category from the original deposit is required on the Supplier Invoice or Miscellaneous Payment Request when using a refund Spend Category. The Revenue Category is entered as an additional worktag when a Spend Category is used for refunds. This will allow identification of the specific revenue that is being refunded for reporting.



Topic XX Payment Cancellations, Escheatment, and Returns

Coming soon....

Topic 40 Prepaid Expenses

Chapter, Topic, Section	Title	Effective Date	Page Number
150.40.100	Overview		264
150.40.110	Prepaid Expense Policy		265
150.40.120	Workday Prepaid Supplier Invoice		265

150.40.100 Overview

Prepaid expenses are specific types of supplies and/or services (not inventory) that are acquired or purchased during an accounting period but not used or consumed during that accounting period. In Washington, because goods and services generally must be received prior to payment, prepaid expenses will be limited.

Some types of expenditures can be prepaid in accordance with specific provisions in the law or authority by **OFM** such as:

- **Maintenance Services Contracts** - Pursuant to [RCW 43.88.160\(5\)](#), under certain conditions, payments for equipment maintenance services may be made up to twelve (12) months in advance, except that institutions of higher education as defined in [RCW 28B.10.016](#) and the Washington Technology Solutions agency created in [RCW 43.105.006](#) may make payments in advance for equipment maintenance services up to sixty (60) months in advance.
- **Postage, Books, and Periodicals** - Pursuant to [RCW 42.24.035](#), agencies may make payment for the costs of postage, books, and periodicals in a manner consistent with normal business practices; but in the case of subscriptions, for periods not in excess of three (3) years.
- **Washington State Department of Transportation Good to Go toll accounts** - Agencies may preload their Good to Go toll accounts; however, agencies should not exceed one (1) month's estimated usage on the account.



150.40.110 Prepaid Expense Policy

In governmental funds, prepaid expenses are generally accounted for using the purchases method. Under the purchases method, prepaid expenses are treated as expenditures when purchased rather than accounted for as an asset. For Higher Education agencies, prepaid expenses are allowed in Special Revenue Funds. In the rare instance that a prepaid expense in the government fund is necessary, work with OFM Statewide Accounting to create the accounting journal to record the prepaid expense. At the end of the fiscal period a reclassification accounting journal with the automatic reversal will be used to reclassify the fund balance from unassigned to nonspendable Prepaid Expense (Ledger Account ID 31060).

In proprietary and fiduciary funds, prepaid expenses are recorded as assets. The portion of supplies or services consumed or used during a period is recorded as an expense. The balance that remains is reported as an asset in Ledger Account 15800 - Prepaid Expenses until consumed or used.

150.40.120 Workday Prepaid Supplier Invoice

Proprietary and Fiduciary funds use the Prepaid Expenditure tracking in Workday identified by a field on the Supplier Invoice that is available to check to indicate the expenditure should be tracked as prepaid.

When the Prepaid Expenses box is 'checked' on the Supplier Invoice, there are additional fields on the Prepaid Details tab for the user to input for the Prepaid Expense.

The example below is for recording a prepaid expense in Workday:

Supplier	Spend Category*	Prepaid Expenses Checkbox	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
Office Depot	SC0057 Office Supplies	<input checked="" type="checkbox"/>	15800	Prepaid Expenses	1,000	
Office Depot			21100**	Accounts Payable		1,000

* Only basic Worktags for this example are included.

**The Ledger Account is determined by the Supplier Category (refer to [Section 90.30.130 - Supplier Categories and Groups](#)).

Recording the portion of prepaid goods and services used during the period will be done either via accounting journal or by using the Prepaid Amortization functionality in Workday.

The example below is for recording the portion of prepaid goods and services used during the period.



Washington Administrative and Accounting Manual

Supplier	Spend Category*	Spend Category Description	Ledger Account	Ledger Account Description	Debit Amount	Credit Amount
	SC0057	Office Supplies	61000	Goods and Services	300	
			15800**	Prepaid Expenses		300

* Only basic Worktags for this example are included.

**The Ledger Account is determined by the Supplier Category (refer to [Section 90.30.130 - Supplier Categories and Groups](#)).

Refer to SA2 Prepaid Amortization job aid.

Topic XX IRS Non-payroll Tax Reporting (1099 Reporting)

Coming soon....