



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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May 10, 2011

OFM DIRECTIVE 11A-04

TO: Agency Directors and Policy Manual Users

FROM: /s/ Wendy Jarrett, Statewide Accounting Manager
Accounting Division

SUBJECT: Chapter 75 – Uniform Chart of Accounts; Chapter 85 - Accounting Procedures; and Chapter 90 – State Reporting

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to enhance governmental fund balance reporting by establishing new fund balance classifications (nonspendable, restricted, committed, assigned, and unassigned). Implementation of GASB 54 is required for fiscal year ending June 30, 2011.

To implement GASB 54, several changes were made to Chapters 75, 85 and 90 in the *State Administrative and Accounting Manual* (SAAM). These changes are effective June 1, 2011. For more information and agency guidance on GASB 54, refer to OFM's Administrative and Accounting Resources website at: <http://www.ofm.wa.gov/resources/gasb54.asp>.

Revisions to Chapter 90, State Reporting, include the state reporting policies and procedures for Fiscal Year 2011. This directive also contains the timetable related to fiscal year-end reporting and closing schedule.

The Fiscal Year 2011 update to Chapter 95, Federal Assistance Reporting, is pending release of this year's OMB Circular A-133 Compliance Supplement.

Key changes to the policies include the following:

Chapter 75 - Uniform Chart of Accounts

(Sections 75.30, 75.40, and 75.80)

- Added new two new rollup funds: AC, Administrative Accounts in the General Fund and AZ, Other Accounts in the General Fund (75.30.40)
- Removed one rollup fund: BC, School Construction Fund (75.30.40)
- Changed rollup fund codes and fund type codes on various accounts (75.30.50). Refer to the [account list](#) of changes on OFM's Administrative and Accounting Resources website.

- Changed administrative agency for two accounts: 10T, Hood Canal Aquatic Rehabilitation Bond Account and 775, Seized Contraband Account (75.30.50)
- Added new accounts created in the 2011 legislation: 17K, Basic Health Plan Stabilization Account and 17L, Foreclosure Fairness Account (75.30.50 and 75.30.60)
- Added and removed several general ledger (GL) codes to implement GASB 54 (75.40.10 and 75.40.20). Refer to the [crosswalk](#) of new and old fund balance GL codes on OFM's Administrative and Accounting Resources website.
- Added new revenue source codes: 0447, 0458, 0688, 0871, 0872 (75.80.30 and 75.80.40)

Chapter 85 - Accounting Procedures

(Sections 85.42, 85.50, 85.52, 85.54, 85.56, 85.65, 85.80, and 85.85)

- Revised fund balance language to incorporate GASB 54.
- Updated references and illustrative entries for new GL codes. (85.42.20, 85.50.60, 85.50.70, 85.52.30, 85.54.25, 85.54.40, 85.56.20, 85.56.40, 85.65.14, 85.65.16, 85.65.18, 85.65.24, 85.65.28, 85.65.36, 85.65.38, 85.65.46, 85.80.10, and 85.85.70)
- Revised language related to permanent funds managed and invested by the State Investment Board. (85.52.50)

Chapter 90 - State Reporting

(Sections 90.10, 90.20, 90.30, and 90.40)

- The federal assistance financial information required to be reported on the Schedule of Expenditure of Federal Awards (SEFA) should be reconciled and adjusted during Phase 2. (90.20.70.c)
- Added two columns for GL codes and comments to question #10 on the Cash and Investments General Disclosure form, regarding unspent bond proceeds. (90.40.20)
- Added a reconciliation box of operating lease payments to AFRS subobject codes ED and EH on the Lease Disclosure form. (90.40.45.a)
- Added a reconciliation box to the Certification of Participation Disclosure form. (90.40.45.c)
- Revised language to question #3 on the Bonds Payable General Disclosure form, stating agencies should disclose bonds they anticipate issuing between July 1 and December 31 of the current fiscal year. (90.40.55.a)
- Updated the GL codes in question #3 on the Miscellaneous Disclosure form to reflect the new GASB-related fund balance GL codes; also added two columns to question #4b for reporting the total revenue and assets of the entity relating to discretely reported component units, related organizations, and/or joint ventures. (90.40.75.a)
- Included new language to the Financial Disclosure Certification form to reflect the new GASB 54 standards. Also, refer to the requirement for attachments noted in items #2 and #15 if applicable, and any exceptions. **Note: This fiscal year the certification is due on September 27, 2011, two weeks after the disclosure form application closes.** (90.40.95)

Timetable for Year-End Reporting and Closing:

Important Dates	Reporting Items
July 22, 2011	Mail out interagency billings (whether based on actuals or estimates).
July 29, 2011	Phase 1 Close, Agency Accrual Phase.
Aug. 1, 2011	Electronic State and Federal disclosure forms available online.
Sept. 13, 2011	Phase 2 Close, Agency Adjustment Phase: <ul style="list-style-type: none">· All State and Federal electronic disclosure forms are due (not including certifications).· If agency adjusting entries need to be made after Phase 2, OFM approval is required.
Sept. 27, 2011	State Financial Disclosure Certification form is due.
Oct. 7, 2011	Phase 3 Audit Adjustment Phase.
Dec. 6, 2011	Federal Assistance Certification form is due.

Additional year-end closing resources are available on OFM's Administrative and Accounting Resources webpage at: <http://www.ofm.wa.gov/resources/yearend.asp>.

If you have questions regarding the State disclosure forms, please contact your assigned OFM Accounting Consultant. If you have questions regarding the Federal disclosure forms, please contact Andrea Brown at (360) 725-0183 or e-mail at: andrea.brown@ofm.wa.gov.

Mail the signed **original** State Financial Disclosure Certification form (due September 27, 2011) and Federal Assistance Certification form (due December 6, 2011) to the following address:

Office of Financial Management
Statewide Accounting
PO Box 43113
Olympia, WA 98504-3113

The policies and procedures prescribed in SAAM are the minimum requirements that state agencies must meet. An agency may adopt more restrictive or detailed policies as long as the agency meets the required minimum standards.

Please be aware that in addition to the SAAM policies, all OFM directives, technical corrections, and superseded policies are available online on OFM's website at: <http://www.ofm.wa.gov/policy/default.asp>.

Additional administrative and accounting resources are also available on OFM's website at: www.ofm.wa.gov/resources/default.asp.

If you are maintaining a hardcopy manual, a link to the replacement pages is available at: <http://www.ofm.wa.gov/policy/replacement-pages.asp>.