



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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May 13, 2014

OFM DIRECTIVE 14A-02

TO: Agency Directors and Policy Manual Users

FROM: /s/ Wendy Jarrett, Assistant Director
Accounting Division

SUBJECT: Chapter 12, Transportation; Chapter 35, Inventories; Chapter 75, Uniform Chart of Accounts; and Chapter 90, State Reporting

We have revised several policies in the *State Administrative and Accounting Manual (SAAM)* effective June 1, 2014.

Key changes to the policies in SAAM include the following:

Chapter 12: Transportation

(Subsection 12.40.10)

- Clarified the role of the Office of Risk Management in the Self-Insurance Liability Program.

Chapter 35: Inventories

(Subsections 35.10.25 and 35.10.40)

- Clarified agency responsibility for defining inventory control point in agency policy.
- Increased consumable inventory threshold for year-end reporting to \$50,000 per inventory control point. (This increase is also reflected in Subsections 80.30.40 and 85.56.20.)

Chapter 75: Uniform Chart of Accounts

(Sections 75.30 and 75.80)

- Added new accounts: 19L Charter Schools Oversight Account, 19M Seattle University Account, 19N Diesel Idle Reduction Account, 19W Wolf-livestock Conflict Account, and 566 Community Forest Trust Account.
- Changed administrative agency: 18A Investing in Innovation and 18K 24/7 Sobriety Account.
- Changed fund type and rollup fund: 16C Real Estate and Property Tax Administrative Assistance Account.
- Deleted accounts: 12A Tourism Enterprise Account and 264 Washington State Economic Development Commission Account.

Chapter 90 - State Reporting
(Sections 90.10, 90.20, and 90.40)

Revisions to Chapter 90 establish state reporting policies and procedures for fiscal year 2014. This directive also contains the timetable related to year-end reporting and the fiscal year-end closing schedule.

- Updated the fiscal year-end cut off dates for fiscal year 2014. (90.20.05)
- Clarified question 11 regarding restricted cash on the Cash and Investments general disclosure form. (90.40.20)
- Clarified that the total of the Cash in Bank columns (Insured or Collateralized and Uninsured Uncollateralized) should equal the cash balance on the June 30 bank statement on the Cash on Hand and in Bank disclosure form.
- Added a requirement for an explanation in the Comments field to explain the reason and/or nature of any amounts listed in the Uninsured/Uncollateralized column to Cash on Hand and in Bank disclosure form. (90.40.20.B)
- Added a column for Adjustments to the Capital Asset form. Adjustments may include transfers between agencies and/or accounts, impairments, and certain immaterial prior year corrections. (90.40.38)
- Revised the Lease disclosure form to report data by account and fund type (Governmental and Internal Service fund type accounts, and Enterprise fund type accounts). (90.40.45.a)
- Removed certain 5xxx GL codes from the Liabilities by Major Class form. Added verbiage that for COPS (GL codes 5173/5273) in proprietary fund type accounts the increase amount should equal the par amount of the new COP. (90.40.45.b)
- Added verbiage in Bond Debt by Major Class Table 6 “Reconciliation of Other Bond Related GL codes” that current year amortization activity should be recorded in GL codes 6512 or 6593. (90.40.55.b)
- Added the Student Achievement Council as an agency required to complete the Pension and OPEB disclosure – Higher Education Institutions. (90.40.70)
- Added a new question on the Miscellaneous disclosure form related to joint ventures. (90.40.75.A)
- Added requirement to email the State Financial Disclosure Certification form (including attachments) to OFM. (90.40.10)
- Added new certifications to the State Financial Disclosure Certification form (90.40.95):
(No. 17) –Service providing organizations and Service Organization Control (SOC) reports;
(No. 18) – Services of a specialist, such as an actuary;
(No. 19) – Impaired assets;
(No. 20) – Carrying value or classification of assets and liabilities;
(No. 21) – Expenditures made during the FY for all awards provided by federal agencies; and
(No. 22) – Methods of measurement of federal expenditures.
- Clarified certifications in the State Financial Disclosure Certification form related to GL reconciliations (No.1) and internal controls (No. 7). (90.40.95)

Timetable for Year-End Reporting and Closing:

Key Dates	Reporting Items
July 23, 2014	Mail out interagency billings (whether based on actuals or estimates).
July 15, 2014	Disclosure form application opens
July 31, 2014	Phase 1 Close, Agency Accrual Phase
Aug. 22, 2014	Phase 1B due date for certain state disclosure forms
Sept. 5, 2014	Phase 2 Close, Agency Adjustment Phase: <ul style="list-style-type: none"> • Remaining State and all Federal disclosure forms are due (not including certifications). • Prioritize interagency receivable/payable reconciliations as many agencies have an early internal close date. • All agency adjusting entries made after Phase 2 require OFM approval.
Sept. 17, 2014	State Financial Disclosure Certification form, including attachments, is due.
Dec. 5, 2014	Federal Assistance Certification form is due.

Agencies are encouraged to establish an internal close prior to September 5th in order to ensure that all entries are posted in AFRS and disclosure forms are completed by Phase 2 close. The Phase 2 close date is firm.

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

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

If you have questions regarding the State or Federal disclosure forms, please contact your assigned OFM Accounting Consultant.

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>.