



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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June 30, 2021

OFM DIRECTIVE 21A-03

TO: Agency Directors and Policy Manual Users

FROM: /s/ Brian Tinney, Assistant Director
Accounting Division

SUBJECT: Chapter 30, Capital Asset Policies; Chapter 40, E-Commerce; Chapter 75, Uniform Chart of Accounts; Chapter 80, Accounting Policies; Chapter 85, Accounting Procedures

We have revised several policies in the *State Administrative and Accounting Manual (SAAM)* effective July 2021. Key changes to the policies in SAAM include the following:

Chapter 30: Capital Asset Policies

(30.10, 30.20, 30.30, 30.40)

- Removed sentences allowing interest incurred during the construction period to be capitalized in Proprietary and Trust Fund Type Accounts due to implementation of GASB Statement No. 89.
- Added definition of right-to-use lease agreements and related policies due to the implementation of GASB Statement No. 87
- Updated policies for lease-to-own agreements (previously called capital leases) due to the implementation of GASB Statement No. 87

Chapter 40: E-Commerce

(40.20, 40.30)

- Expanded the allowable use of purchase cards for the Department of Transportation's GoodToGo! program to include "pay-as-you-go" toll accounts.

Chapter 75: Uniform Chart of Accounts

(75.20, 75.30, 75.40, 75.70, 75.80)

- Added new agency: 2290 – Office of Independent Investigations
- Added new accounts: 24N, 24W, 25D, 25E, 25F, 25G, 25H, 25J, 25K, 25L, 25M, 25N, 25P, 25Q, 25R, 25S, 25T, 26A, 26B, 26C, 26D, 26E
- Updated name on Account 104

- Added new general ledgers: 1321, 1345, 1621, 1645, 2610, 2620, 2630, 2640, 2650, 2660, 5174, 5274, 5295
- Added new Subobject JS
- Added new Sub-subobjects: ED-D200, ED-D201, ED-D202, ED-D203, EH-H200, EH-H201, EH-H202, EH-H203, JS-S000
- Deleted [Sub-subobjects that were not used](#) in either BI 19 and BI 21
- Added new revenue source codes: 0435, 0436, 0437
- Modified titles and descriptions of several revenue source codes

Chapter 80: Accounting Policies

(80.30)

- Removed sentences allowing interest incurred during the construction period to be capitalized in Proprietary and Trust Fund Type Accounts due to implementation of GASB Statement No. 89.
- Updated the capitalization policy for lease assets due to the implementation of GASB Statement No. 87

Chapter 85: Accounting Procedures

(85.54, 85.60, 85.65, 85.72, 85.85)

- Removed sentences allowing interest incurred during the construction period to be capitalized in Proprietary and Trust Fund Type Accounts due to implementation of GASB Statement No. 89.
- Added subsections on accounting procedures and illustrative entries for right-to-use lease agreements due to the implementation of GASB Statement No. 87
- Updated general ledger titles in sections for lease-to-own agreements due to the implementation of GASB Statement No. 87

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.