



May 2024

2024 Fiscal Year- End Update

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OFM

OFFICE OF FINANCIAL MANAGEMENT



Agenda

- ACFR Completion Dates
- FY24 Closing Calendar
- To-Dos and Reminders
- GASB Updates
- Disclosure Form Changes
- Federal Update
- Resources

ACFR Completion Dates

The Fiscal Year 2023
Annual Comprehensive
Financial Report
was published on
December 7, 2023

The goal for publishing the
Fiscal Year 2024
Annual Comprehensive
Financial Report is
November 29, 2024

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State of Washington
Office of Financial Management
December 2023



THANK YOU

We appreciate the time and effort of our state fiscal staff at all agencies and the State Auditors Office ACFR team for helping us successfully publish the ACFR.

FY24 Closing Calendar



FY24 Closing Calendar

June 28 th	Cash Cut-off <ul style="list-style-type: none">• AFRS EFTs – June 26 by AFRS cutoff.• Warrants and IAP/IFT – June 27 by AFRS cutoff• OST EFT JV – June 27 by noon• JVs and cash receipts – June 28 by 3 p.m.
July 8 th	Disclosure Form Application Opens
July 24 th	Interagency Billings Mailed
July 31 st	Phase 1 Closes <ul style="list-style-type: none">• Record all revenue and expenditure accruals
August 16 th	Phase 1B Closes <ul style="list-style-type: none">• Interagency receivable/payables balancing due• Certain state disclosure forms due• Pollution remediation site status report due• Asset retirement obligation report due
September 6 th	Phase 2 Closes <ul style="list-style-type: none">• Agency adjustments completed• Remaining disclosure forms are due (application closes)
September 18 th	State disclosure certification form is due
February 28 th	Federal assistance certification is due

What happens after Phase 2 closes?

- **OFM Statewide Accounting**
 - Analyzes general ledger balances and activity
 - Reviews disclosure forms
 - Prepares the ACFR
- **State Auditors Office (SAO)**
 - Audits the accounting data
 - Audits the ACFR
- **Agencies**
 - Correct disclosure forms
 - Answer OFM and SAO questions
 - Prepare AFRS corrections, with SWA's approval

OFM must approve all entries after Phase 2 closes. If you or your auditor find a material adjustment or error after phase 2 close contact your OFM Accounting Consultant.

To Do's and Reminders

SAAM 90.20



Review Enterprise Reporting(ER) Reports

- Financial Reports → Accounting → Exceptions
- Run them daily and clear all variances
- The “Report purpose” at the bottom of each report contains more information about:
 - Report criteria (GLs, Revenue Sources, Subobjects, etc)
 - What needs to be to be done and by when
 - Applicable SAAM sections

Report purpose: To identify balances in Major Source 09 “Non-Revenue Activities”. Agencies need to reclassify balances at the major source, source level within each account prior to fiscal year end. Includes: GL 32xx for Major Source/Source 09xx with a debit and credit net balance not equal to zero. Refer to SAAM 90.20.70.b.

Review Appropriations

- Make sure there are no appropriations overspent!
- Are there any EA codes with no expenditures that should have them?
- Are there any EA codes that haven't been fully spent, but should be?
- Are all revenues and expenditures recorded in the correct fiscal year?
 - Goods and services must be received by June 30 to be recorded as a FY24 expenditure.

Estimated Accruals from Prior Fiscal Years/Biennia

- Do you have any payable balances left from last fiscal year or biennium?
 - Tip: Review the Unchanged GL Balance Report
- Liquidate within one year of the end of expenditure authority period, but no later than two years following the accrual
 - By June 30, 2024,
 - All FY23 estimated accruals *should* be liquidated
 - All FY22 estimated accruals *must* be liquidated
- Liquidate remaining accruals by crediting GL 3215- Immaterial Adjustments to Prior Periods with revenue source code 0486 - Recoveries of Prior Expenditure Authority Expenditures

Accruals for FY24 (first year of biennium)

What GL should I use to record my accrual?

Scenario	Type of Accrual	Single-Year Appropriation	Biennial Appropriation
Good or service was received by close of business June 30, but not paid by then	Actual based on invoice or amount is known	Debit GL 6505/6510	Debit GL 6505/6510
	Estimate	Debit GL 6560	Debit GL 6505 and reverse in FY 25 when receive actual invoice
Good or service has been ordered, but not received	Encumbrance	None - GLs 6410 and 9510 must have a zero balance at year-end	Debit GL 6410, credit GL 9510

SAAM 90.20.30 and 90.20.35

Prepayments

Prepayments are generally not allowed (RCW 43.88.160)

- **Exceptions:**
 - Insurance, maintenance services contracts, Good To Go! toll accounts, postage, books, and periodicals. (SAAM 85.32.50)
 - Conference or training classes occurring soon after year-end that must be paid for in the current year to secure the individual's spot
- **Accounting:**
 - Governmental Fund
 - Record as an expenditure when paid (purchases method)
 - Proprietary & Trust fund
 - Record as an asset (GL 1510) when paid
 - Reduce the asset and record the expense as the supplies or services are used (consumption method)

Balance Interagency Receivables and Payables

- By now:
 - Last year's balances should be liquidated
 - Current balances should be reconciled
- By July 24th: Interagency invoices must be sent
- By Aug 16th: Interagency payables and receivables must be in balance
- Interagency Contact list is located on our year end resource site.
 - We have added earlier close dates on this list for any agencies that have internal close dates that differ from the OFM deadlines. For example, Community & Technical Colleges.

Interagency Accruals

BILLING AGENCY

- Accrue receivable for goods and services delivered by June 30, but payment was received after June 30*
- Can send estimated invoices, just clearly mark them
- Provide list of outstanding invoices to support receivable balances if asked by an agency

PAYING AGENCY

- Accrue payable for goods or services received by June 30, but payment was made after June 30*
- Record accruals based on estimates, but do not pay until actual invoice is received
- Provide list of unpaid invoices to support payable balances if asked by an agency

***Payment effective date:** date OST posts cash (GL 4310) for IAP, EFT, and JV payments or date shown on the face of the warrant/check for *paying* agency regardless of when it is received.

Interagency Subsidiary Codes

Use the appropriate subsidiary codes for GL 1354 and 5154

- Generally, first 4 digits of the subsidiary GL codes will match the agency number

4-Digit Agency Number	GL Subsidiary Number
1050	105000

- **Community & Technical Colleges exceptions**
 - Use 6990 as the agency number and the last two digits will reference the specific community or technical college.
 - Renton Technical College agency number = 6930
 - Subsidiary number = 699093
 - The State Board for Community and Technical Colleges subsidiary should be 699000 NOT 352000

Interagency payments NOT recorded in GL 5154

GL Code	Payment
5152	<ul style="list-style-type: none">• DRS withholdings for retiree medical insurance premiums due to HCA & special DRS billings for retirement contributions• Flexible spending administrative charge due to HCA• DOT Good to Go! accounts• Washington State Combine Fund Drive payments due to SOS
5152/1352	<ul style="list-style-type: none">• Amounts due to or due from state Agriculture Commodity Commissions
5158	Sales and use tax due to DOR
5152/1352	Amounts due to or due from discrete component units (see SAAM for list)
5173/5273	Certificates of Participation Payable due to OST
5180	Paid Family and Medical Leave Deductions Premiums due to ESD
5187	Worker's compensation premiums due to L&I

Subsubject Codes for Interagency Payments

- Only use these subsubjects when paying other agencies for services.
- DO NOT use these codes when paying outside entities

Subsubject	Subsubject Title	Pay to:
EK	Facilities & Services	DES
EL	Data Processing Services	WaTech, DES, OFM
EM	Attorney General Services	ATG
EN	Personnel Services	DES, OFM
ET	Audit Services	SAO
EV	Admin Hearing Services	OAH
EA	Archive & Records Mgmt Services	Sec Of State

Capital Asset Reminders

- Record current year activity using the correct transaction codes
- Reconcile AFRS capital asset GL balances to capital asset system

- CAMS agencies – use CM810 and CM820 in Enterprise Reporting for CAMS balances/activity

- See the [Capital Asset Resources site](#) for:

- Capital asset trans code cheat sheet
- Instructions to correct errors in reporting capital assets
- CAMS reconciliation templates and instruction



Reconciliations

- ALL General Ledgers should be reconciled before Phase 1B close to allow time to make corrections if needed by Phase 2.
- What does GL reconciliation mean:
 - Knowing what makes up the balance in each GL
 - Ensure that GL balances tie to subsidiary records
 - Having a plan to correct the balance, and taking action

Per the State Certification:

Data has been recorded in the financial system to support proper recording of all transactions in the financial records.

Unbalanced In-Process Reconciliation

- No in-process ledgers in Workday - Need to be cleaned up before the transition
- Look for process changes to prevent documents from ending up on the unbalanced in-process
- Easier to find the information needed to correct an in-process problem as soon as it occurs
- Resource: On-Demand eLearning class (full course is 1 hour, but can also review certain sections)
 - Guide for Common In-Process Problems in course resources

On-demand training

Click on a link below to launch the virtual training. For the best experience, do not use Internet Explorer.

Accounting training

- [General Ledger Basics](#) (90 minutes)
- [In-Process](#) (1 hour)

In-Process Reconciliation Common Issues

Issue #1: One-sided transactions

If only this posted:	Then we're missing:
OST posted receipt of cash	Agency revenue, recovery of expenditures, liquidation of an asset (e.g., accounts receivable)
OST posted cash disbursement	Agency expenditures, liquidation of a liability (e.g., accounts payable), reduction of revenue
Agency posted revenue	OST increase to cash
Agency posted expenditures	OST reduction of cash

Review and update your procedures so that all actions related to a document are done at one time.

Examples:

- If you enter an A-8 into TM\$, also enter the transactions into AFRS
- If you enter a cancellation on in AFRS, send the JV to OST right away

In-Process Reconciliation Common Issues

Issue #2: Making corrections between funds using GL 9920

- GL 9920 should only be used when making corrections within the same fund, such as changing the SO, PI, or revenue coding
- Corrections between funds require the movement of cash and need to go through OST and you should use GL 7140
 - Best to use Inter-Fund Transfer transaction codes (021, 022, 025, 026, 669, 670). When using these codes, don't send the JV to OST because AFRS does that for you.

Review the rules about when to use GL 9920 with staff and, especially, with those who review and approve JVs.

Reconciliation Resources

- Reconciliation Resource Website
- Your agency's OFM accounting consultant
- Are you caught up on your GL reconciliations?

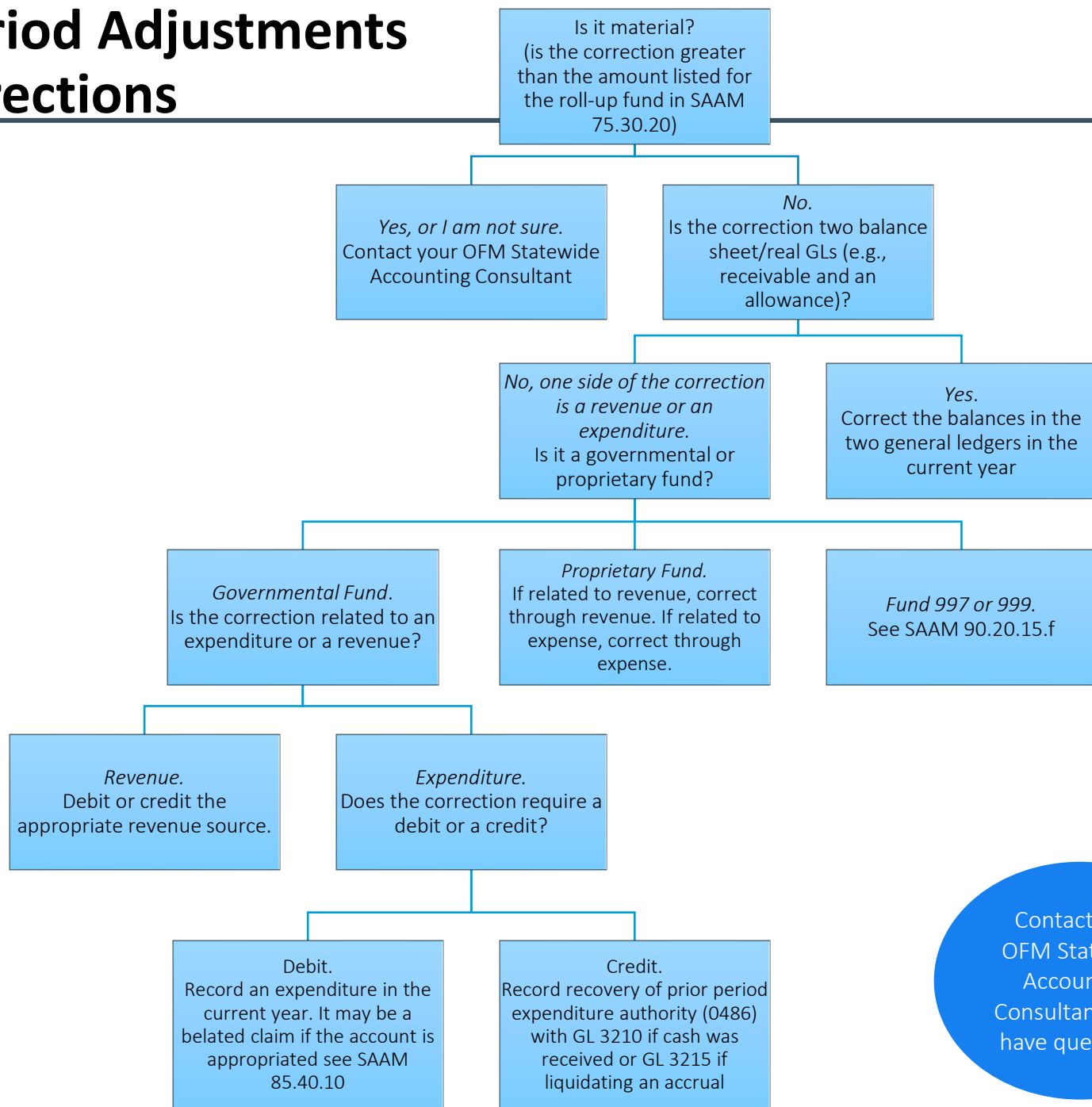
If not, and you need help, reach out to your OFM Statewide Accountant to receive one-on one assistance.

Please provide additional information about what you need assistance with so we can make sure we have the appropriate people at the meeting.

Prior Period Adjustments and Corrections

- Prior period adjustments are corrections of errors discovered after a fiscal year has been closed.
- I have found an error what should I do next?
 - Use your T-Accounts to map out what entries were recorded and what entries should have been recorded
 - I have my correction, now what? See next slide.

Prior Period Adjustments and Corrections



Contact your OFM Statewide Accounting Consultant if you have questions!

Review Balances and Activity

- **Complete an Analytical Review**
 - In terms of a dollar change or a percentage change, does the current GL balance appear reasonable?
- **Review your Trial Balance**
 - Have prior year short term receivables and payables been liquidated?
 - Do I have all GL activity reported in the correct GL?
 - Do the balances agree with supporting documentation or internal systems?

Other To-Do's and Reminders

For the complete list of To-Dos and Reminders please take the complete **Fiscal Year-end Update eLearning Class** located on our website.

This includes information about:

- In-process
- Interagency Payables
- Transfers
- Capital assets
- Accruals
- Corrections
- Unearned and Unavailable Revenue
- Administering Agencies
- And more!

<https://ofm.wa.gov/accounting/training-accounting-and-budget-staff>

GASB Updates



GASB Standards – FY24

Fiscal Year 2024

- GASB 100 - Accounting Changes and Error Corrections

Upcoming GASB Standards

Fiscal Year 2025

- GASB 101 – Compensated Absences
- GASB 102 – Certain Risk Disclosures

Major Projects

- Revenue and Expense Recognition
- Financial Reporting Model
- Going Concern Uncertainties and Severe Financial Stress

Disclosure Forms



Disclosure Form Security

- Each agency has one Security Administrator
 - Can add new users
 - Edit user access
- To designate your agency Security Administrator
 - This form can be found by clicking on 'Help' on the main log on page.
http://swfs.ofm.wa.gov/disclosure_form_qa/DFsecurityform.pdf
 - Allows electronic signature

Disclosure Forms - General

- Only complete forms that apply to your agency
 - May not have any transactions
 - Some forms are specific to certain agencies
- There are 4 forms that are required to be completed by all agencies:
 - Cash and Investments Restricted Disclosure
 - Miscellaneous Disclosure
 - Internal Control/Internal Audit Questionnaire
 - State Financial Disclosure Certification
- SAAM Section 90.40 has detailed instructions for each form.

Disclosure Forms Due Dates

- Phase 1B – Certain disclosure are due 8/16/2024
 - 4 Cash & Investment forms,
 - 3 Bond forms,
 - 2 COP forms,
 - The Internal Control/Internal Audit Questionnaire, and
 - The Miscellaneous Disclosure.
- Phase 2 - All remaining forms are due 9/6/2024
- Completion of disclosure forms require all related AFRS entries are also complete by this date.

Minimal Disclosure Form Changes in FY24

Form	Detail of Change
Leases and SBITAs	Wording changes to the following questions: <ul style="list-style-type: none">• Future Payments since the values for this question will now come from a DebtBook report not FPMT.• Future Lease and SBITA Commitments to clarify what information we need
Federal Financial Assistance – Direct	Agencies now have the ability to edit the Award Contract Number for all ALNs.
Federal Certification	<ul style="list-style-type: none">• Updated Single Audit threshold from \$750,000 in federal awards expended within a fiscal year to \$1 million• Updated the dates
State Certification	Updated the dates

State Financial Disclosure Certification – Due 9/18/24

1. Read all 30 statements on the form
2. Prepare any required attachments
3. Agency Director and CFO signs form
 - OFM will accept official electronic signatures
 - Agencies must follow their own internal policies
4. Email signed copy with attachments by 9/18/24
 - OFMAccounting@OFM.WA.GOV
5. Re-sign and re-submit if material changes are made after original submission.

Resources



Resources

- [OFM's Year-End Accounting Resource Site](#)
 - Closing Calendar
 - Online Training
 - Year-end Reference Guide
 - OST Year-End Cash Cut-Off Memo
 - Interagency Receivables/Payables contact list
- **Contact your agency's accounting consultant**
 - <https://ofm.wa.gov/accounting/about-statewide-accounting/find-your-ofm-accounting-consultant>

Additional Year-End Training

- In-Person Fiscal Year-End Workshop (4-hr detailed course)
 - Sign-up in [The Learning Center](#)
 - May 23
 - June 6
 - June 18
- On-Demand Training – Visit [SWA Training Page](#)
 - Fiscal Year-End Workshop
 - Fiscal Year-End Update (this class)
 - Disclosure Forms (updated in June)

New Accounting Training

- Sign-up in The Learning Center (virtual or in-person):
 - Accounting 101: Basic Accounting
 - Accounting 102: Implementing Foundational Accounting
- Coming Fall 2024:
 - Accounting 103: Governmental Accounting



FOR MORE INFORMATION:

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