



# OVERVIEW

During fiscal year 2024, we will begin utilizing a new software platform, [DebtBook](#), for Lease (GASB 87) and SBITA (GASB 96) accounting and tracking.

## High Level Timeline:

- December 2023 through March 31, 2024
  - OFM Statewide Accounting is:
    - Creating an implementation plan.
    - Completing the initial data load from the Facilities Portfolio Management Tool (FPMT) to DebtBook.
  - OFM Statewide Accounting will work with agencies to:
    - Review the data for accuracy.
    - Answer additional lease questions (i.e., options to extend), as needed.
  - OFM Facilities is removing accounting functionality from FPMT and modifying roles. The interface with AFRS will be deactivated 3/31/2024.
- April through June
  - OFM Statewide Accounting will:
    - Make beginning balance adjustments in AFRS as needed.
    - Provide training and materials to agencies on the new process.
  - Agencies will begin making payments manually through AFRS utilizing old sub-subobject coding, for example ED/D010 (no principal/interest split) and will continue making these manual payments going forward.
- June through August
  - Agencies will post annual transactions generated out of DebtBook. These include:
    - Record NEW leases/SBITAs.
    - Reclassify monthly payments between Principal/Interest.
    - Post amortization for the lease/SBITA asset.
    - Reclassify the short-term liability due within the new fiscal year.
    - Remove the lease/SBITA asset at the end of the agreement.
  - Agencies will reconcile GL balances between AFRS and DebtBook.
  - Agencies will continue to fill out Disclosure Forms utilizing information from DebtBook.
- Ongoing
  - Lease and SBITA data will need to be maintained in DebtBook for leases/SBITAs exceeding the capitalization threshold, at a minimum.

# FREQUENTLY ASKED QUESTIONS

*Note: This document will be updated as new questions arise.*

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## 1. What will DebtBook be used for?

DebtBook will be used to track right-to-use lease agreements and subscription-based IT arrangements in order to comply with GASB Statement numbers 87 and 96. DebtBook will prepare amortization schedules and reports that will be used to record year-end accounting entries for leases and SBITAs and to record information in the Leases and SBITAs disclosure form.

## 2. Will DebtBook send accounting entries to AFRS?

DebtBook will not send transactions directly to AFRS, nor will it generate payments. Agencies who have utilized FPMT to make Lease/SBITA payments will need to revert back to making these payments outside of the system. Agencies are not expected to split the expenditure coding on each payment between principal and interest. Rather, we expect agencies to record lease payments to subobject/subsubobject ED/D010 as the payments are made. Then, at year-end an adjusting journal entry will be recorded using the journal entries provided by DebtBook.

## 3. When will FPMT stop making payments?

This functionality will be turned off in FPMT April 1, 2024. The March 2024 payment is the last one that FPMT could send.

Agencies are welcome and encouraged to make the change earlier. To do so, you go into FPMT and change “Manually Record Accounting Transactions” to “YES” for each lease.

## 4. What assets will be entered in DebtBook?

Agencies will be required to track the following in DebtBook:

- All right-to-use lease agreements that meet the state’s capitalization policy of \$500,000 in total lease payments.
- Subscription-based IT arrangements (SBITAs) that meet the state’s capitalization policy of \$1,000,000 in total subscription payments.

There is more information on which contracts qualify as a right-to-use lease and SBITA in SAAM [30.20](#) as well as the decision trees on the [Leases \(GASB 87\) Accounting site](#) under Resources and in DebtBook. However, some of the key attributes are as follows:

- It is a capital asset (building, land, or equipment) or software
- The contract **is not** between state agencies
- The lease/subscription term is greater than 1 year

#### 5. Will I still need to record leases in the Facilities Portfolio Management Tool (FPMT)?

Yes, all state-owned and leased facilities still need to be recorded and maintained in FPMT for the annual [Facilities Inventory](#) and biennial [Six-Year Facilities Plan](#). After March 31, 2024, agencies will not be able to track leases for land or other assets in FPMT.

#### 6. Why did the state transition to new lease accounting software?

Workday's current lease accounting functionality will not work for the state as we had hoped and the initial plan to use the Facilities Portfolio Management Tool (FPMT) had a number of unexpected complications, including:

- Differences in data requirements for accounting and facilities.
- Automated transactions from FPMT to AFRS caused multiple issues, resulting in complicated reconciliations.

#### 7. How do I get access to the DebtBook?

In order to gain access to DebtBook,

1. Complete the DebtBook User section (Part 2) of the [DebtBook Security Access Form](#). A user can have edit or view-only access.
2. Get approval from your Agency's DebtBook Administrator. [Find your Agency's DebtBook Administrator](#).
3. Send a PDF copy of the electronically signed Access Form to: [HereToHelp@ofm.wa.gov](mailto:HereToHelp@ofm.wa.gov).
  - Electronically signed can be an electronic signature or a typed name in the signature line.

#### 8. What training is available?

Training currently available is posted on OFM's [DebtBook](#) page.

#### 9. Who can I contact if I have more questions?

Contact either your agency's OFM [Statewide Accounting Consultant](#), Kelly Diaz ([Kelly.Diaz@ofm.wa.gov](mailto:Kelly.Diaz@ofm.wa.gov)), or Anna Quichocho ([Anna.Quichocho@ofm.wa.gov](mailto:Anna.Quichocho@ofm.wa.gov)).