

May 2025

2025 Fiscal Year-End Update

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Statewide Accounting



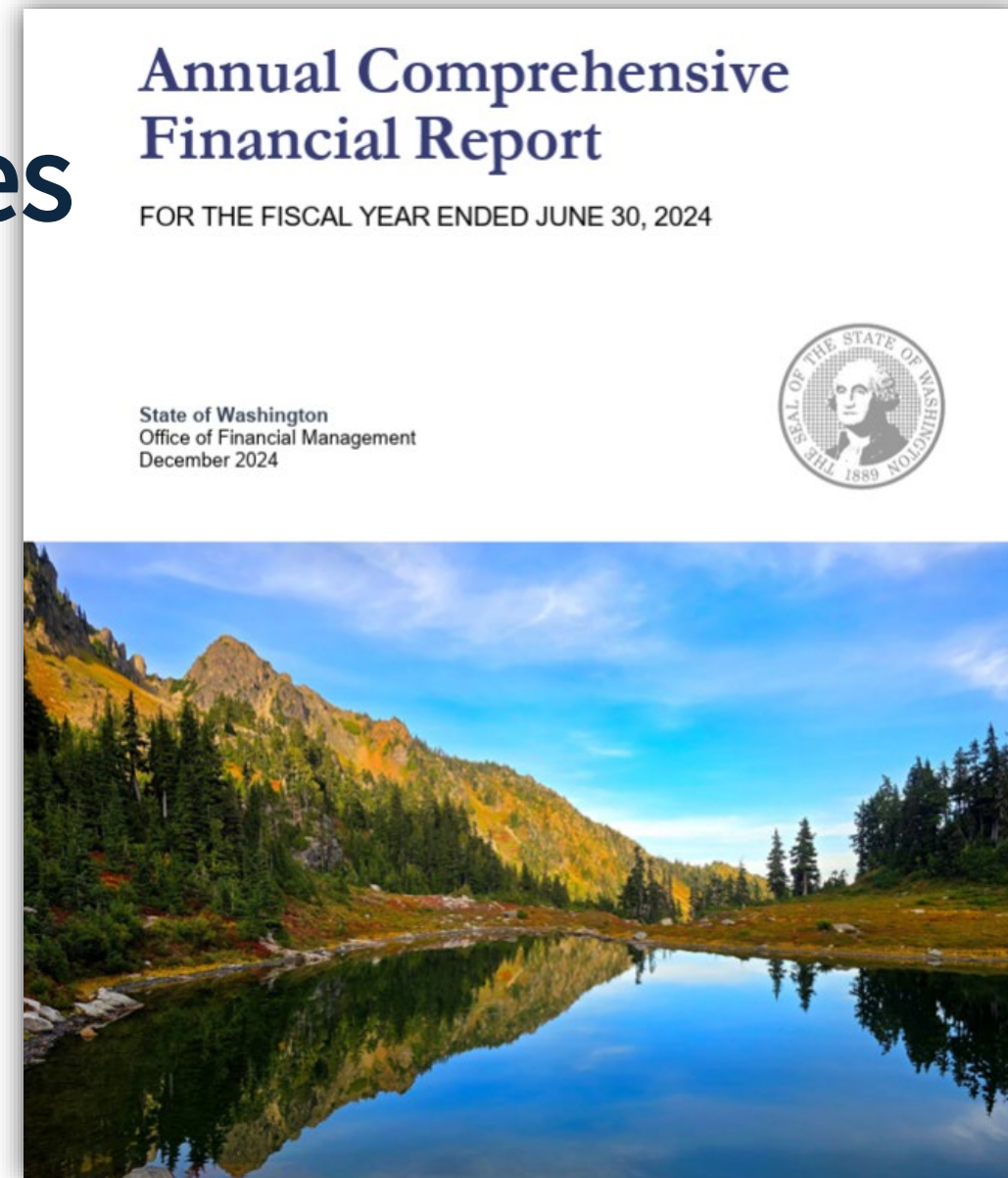
Agenda

- ACFR Completion Dates
- FY25 Closing Calendar
- To-Dos and Reminders
- GASB Updates
- Disclosure Form Changes
- GL Reconciliations
- Federal Update
- Resources

ACFR Completion Dates

The Fiscal Year 2024
Annual Comprehensive Financial Report
was published on
December 23, 2024.
Click [here](#) to check it out.

Our goal is to publish the Fiscal Year 2025
Annual Comprehensive Report on
December 3, 2025.





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.



Fiscal Year 2025 Closing Calendar

FY25 Closing Calendar

June 30	Cash Cut-off <ul style="list-style-type: none">• AFRS EFTs – June 27 by AFRS cutoff• Warrants and IAP/IFT – June 19 by AFRS cutoff• OST EFT JV – June 29 by noon• JVs and cash receipts – June 30 by 3 p.m.
July 7	Disclosure Form Application Opens
July 24	Interagency Billings Sent <i>(estimated invoices should be clearly marked)</i>
July 31	Phase 1 Closes <ul style="list-style-type: none">• Record all revenue and expenditure accruals
Continued on next slide...	

<https://ofm.wa.gov/accounting/administrative-accounting-resources/year-end-closing>

FY25 Closing Calendar cont.

August 22	Phase 1B Closes <ul style="list-style-type: none">• Certain state disclosure forms due• Interagency receivable/payable balancing due• Pollution remediation site status report due• Asset retirement obligation report due
September 5	Phase 2 Closes <ul style="list-style-type: none">• AFRS Entries complete• Remaining state and federal disclosure forms due
September 17	State Disclosure and GL Recon Certifications are due
Feb. 27, 2026	Federal assistance certification form is due

<https://ofm.wa.gov/accounting/administrative-accounting-resources/year-end-closing>

What happens after Phase 2 Closes?

OFM Statewide Accounting

- Reviews disclosure forms
- Analyzes general ledger balances and activity
- Prepares the ACFR

State Auditors Office (SAO)

- Audits the accounting data
- Audits the ACFR

Agencies

- Corrects disclosure forms, if needed
- Answers 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 Statewide Accountant.




To Do's and Reminders

SAAM 90.20

Schedule & Review Exception Reports

- Enterprise Reporting (ER)
 - Financial Reports → Accounting → Exceptions
- For example:
 - Assets with credit balances*
 - Liabilities with debit balances*
 - GLs with unchanged balances*
 - Transfers
 - Interfund/Interagency balances



Run them
daily and
clear all
variances

**Run these with Option B to show exceptions at the GL Subsidiary level*

Exception Report Purpose

- 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

1

Make sure there are no appropriations overspent!

2

Are there any EA codes that haven't been fully spent, but should be?

3

Are all revenues and expenditures recorded in the correct fiscal year?

Goods and services must be received by June 30, 2025 to be recorded as a FY25 expenditure.

Accruals – End of Biennium

By Phase 1 Close (July 31st), record all accruals for goods and services received on or before June 30, 2025.

Scenario	Debit	Credit
Amount is known	6505 - Accrued Expenditure/Expenses	Appropriate payable GL account*
Amount can be reasonably estimated	6560 - Estimated Accrued Expenditures/Expenses If amount becomes known prior to Phase 2 close, the estimate recorded in GL 6560 should be reversed and the actual amount should be recorded in GL 6505	

*Agencies should maintain a subsidiary ledger of estimated accruals at the account and expenditure authority level.

Liquidate Estimated Accruals from Prior Fiscal Years



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, 2025,

- All FY24 estimated accruals **should** be liquidated
- All FY23 estimated accruals **must** be liquidated

Liquidating Accruals from Prior Periods

Entries to liquidate accruals with expenditure authorities that have lapsed

Scenario	Debit	Credit
Overestimated accruals (Estimate was greater than actual)	Payable used to record estimated accrual	GL 3215 “Immaterial Adjustments to Prior Periods” with 0486 “Recoveries of Prior Expenditure Authority Expenditures”
Underestimated accruals (Estimate was less than actual)	Liquidate payable and record current year expenditure/expense for difference (Must submit a belated claim if an appropriated account)	Cash



Liquidating Accruals for Biennial EA

- Any estimated accruals charged against a biennial expenditure authority in FY2024, should be reversed in FY2025
- Payments related to the accruals are to be treated the same as other expenditures for FY 2025.

Encumbrances – End of Biennium

Operating Expenditure Authority

- Balances in GL 6410 - Encumbrances and 9514 - Reserved for Encumbrances for Continuing Operating Expenditure Authority must be zero at end of biennium
- Goods and services ordered, but not received by June 30, should be recorded as expenditures in fiscal year they are received

Capital Expenditure Authority

- Encumbrances reappropriated in the new biennium:
 - In FY25, Debit GL 9513 - Reserved for Encumbrances for Reappropriated Capital Appropriations, and Credit GL 6410
 - In FY26, Debit GL 6410 with new EA, Credit GL 9513
- Fund must have sufficient fund balance to cover this

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 expenditure when paid (purchases method)
Proprietary & Fiduciary Funds	Record as asset (GL 1510) when paid. Reduce asset and record expense as the supplies or services are used (consumption method)

Interagency Accrual Timeline

By Now

- Last year's balances should be liquidated
- Current balances should be reconciled

By July 24th

- Interagency invoices must be sent (can be estimates or actuals)

By Aug. 22nd

- Interagency payables and receivables must be in balance

Interagency Contact list is located on our [Year-End Closing resource site](#).

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 Reminders

- Biennium-End Reference Guide includes links to certain Central Service Agency's receivable balances and the State Board for Community & Technology Colleges' Interagency Balance website
- Use the appropriate subsidiary codes for GL 1354 and 5154.
 - Generally, first 4 digits of the subsidiary GL codes will match the agency number
 - Exception: Community & Technical Colleges: 6990 + 2nd & 3rd numbers of the 4-digit

	4-Digit Agency Number	GL Subsidiary Number
General Rule	1050 (OFM)	105000
Community & Technical Colleges	6750 (SPSCC)	699075

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
1352/5152	Amounts due from or due to Agriculture Commodity Commissions
5158	Sales and use tax due to DOR
1359/5159	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

Subobject Codes for Interagency Payments

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

Subobject	Subobject 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
EW	Archive & Records Mgmt Services	Sec of State



Receivables and Revenue Reminders

- Report receivables as the net amount expected to be collected.
- Estimate uncollectible receivables at least quarterly and record adjust entries to the allowance for uncollectible receivables.
- Reconcile receivables to subsidiary systems and/or records.

Unavailable Revenue

- In governmental funds, revenue must be available to be recognized.
- Accrued revenue is unavailable if not expected to be collectible within 12 months of fiscal year end and is recognized as revenue in a future period when availability recognition criteria is met.
 - GL 5192 generally should only be used for property taxes receivable.
 - GL 5292 is used for revenue associated with LT receivables that will not be collected within the next 12 months and contracts for the harvest of timber that extend beyond 12 months.

Private/Local Revenue & Expenditures

- Verify private/local revenue and expenditures for all budgeted accounts are in balance
Report: Financial Reports>Accounting>Exceptions>Private/Local Revenue/Expenditures
- Record unearned revenue for money that has been received but not earned (GL Codes 5190/5290)
- Recognize revenue in a future period when expenditures are recorded and earning criteria is met

Federal Revenue & Expenditures

Federal revenue and expenditures should balance at the account level on ER
Report: Financial Reports/Accounting/Federal/Federal Revenues & Expenditures

- Expenditures cannot exceed revenue
- It is possible for revenue to exceed expenditures if
 - Federal expenditures are paid using a Nonappropriated EA (Type 6)
 - Overpayments were recovered (resulting in a net debit to federal revenue and a credit to GL 3210, source 0486 – recoveries of prior period expenditure authority)
- All exceptions must be explained on the Federal Direct Disclosure Form.

Administering Agency Responsibilities

Administering agencies provide general oversight of financial accounting records at the Account level

- Monitor cash balances
- Investigate unusual activity and/or GL balances
 - Do any agencies have activity in the fund that shouldn't?
 - Are the balances in the fund reasonable?
- Alert OFM Budget and SWA about fund balance or cash issues

Administering Agency Reports

The screenshot shows a web browser window with the address bar displaying `rp.ofm.wa.gov`. The browser's taskbar includes icons for SAAM, Fund Reference Ma..., ACFR (OFM), WDesk, and OFM-OneWA Finan..., along with the address `https://reporting.of...` and an application icon.

The web application header features the Office of Financial Management logo and the text "Office of Financial Management Enterprise Reporting Services".

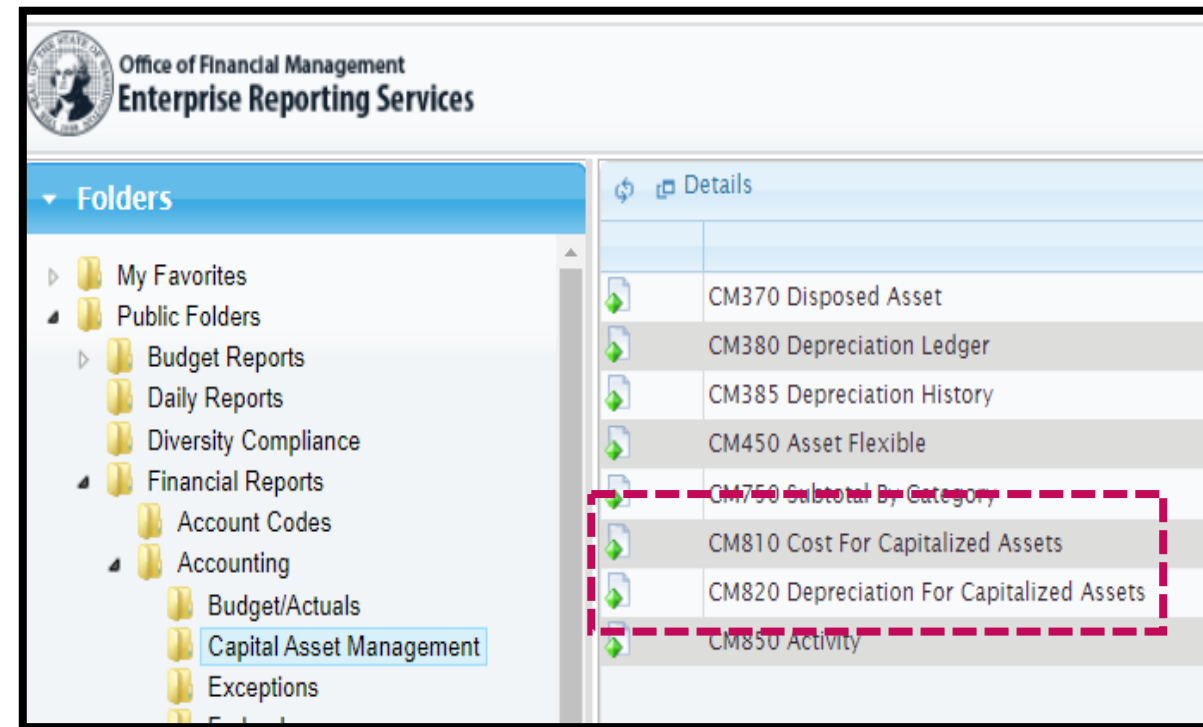
The interface is divided into two main sections:

- Folders:** A sidebar on the left with a tree view containing:
 - My Favorites
 - Public Folders
 - @@Cloud Prod
 - Budget Reports
 - Daily Reports
 - Diversity Compliance
 - Financial Reports
 - Account Codes
 - Accounting
 - Administering Agency** (highlighted)
 - Allotment Expenditure Flexible
- Details:** A table on the right showing a list of reports under the "Details" header:

	Details
	Administering Agency Trial Balance
	Projected Treasury Cash Balance
	Questionable Balance - Assets and Deferred Outflows of Resources
	Questionable Balance - Liabilities and Deferred Inflows of Resources
	Treasury Cash Allotments Versus Actuals
	Treasury Cash Allotments Versus Actuals by Month

Capital Asset Reminders

- Record current year depreciation, additions, disposals, and adjustments using the correct transaction codes
- Reconcile balances in capital asset system to AFRS GL balances
- For agencies using CAMS, use these ER Reports to reconcile FY25 balances and activity to AFRS and get FY25 entries
 - CM810 – Cost for Capitalized Assets
 - CM820 – Depreciation for Capitalized Assets



Capital Asset Reminders & Resources

- Reconcile GL 2510 – Construction in Progress
 - Add any FY25 costs that need to be capitalized
 - Reclassify any assets placed in service/completed to appropriate asset GL account
- See the [Capital Asset Resources site](#) for:
 - Capital asset transcode cheat sheet
 - Instructions to correct errors in reporting capital assets
 - CAMS reconciliation templates and instruction

Leases and SBITAs

Each fiscal year the following tasks need to be completed:

- Ensure lease/SBITA data in DebtBook is up to date:
 - Add new capitalizable leases/SBITAs
 - Update with any changes to current leases/SBITAs (amendments, extensions, early terminations)
 - Funding changes
- Post transactions to AFRS using reports generated out of DebtBook
- Reconcile GL balances between AFRS and DebtBook
- Fill out Disclosure Forms utilizing DebtBook reports

Leases and SBITAs

To assist agencies with their annual Lease/SBITA tasks, but sure to visit our [Leases, SBITAs, and PPPs resource page](#). The following resources will be available before the end of June 2025:

- Updated Lease & SBITA procedures training
- Updated DebtBook to AFRS Crosswalks for postings AFRS entries
- NEW DebtBook to AFRS reconciliation template
- Updated Frequently Asked Questions

Refer to SAAM 90.20 for More Details

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
- Transfers
- Suspense revenue
- Bond and COP transactions
- Clearing 01P
- And more!



GASB Updates



New GASB Standards for FY2025

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

GASB 101 – Compensated Absences

Effective for fiscal year 2025, governments will need to recognize a liability for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means, considering the factors below.

GASB 101 – What is changing?

1. The way we calculate the liability will change, most notably as follows:
 - Need to consider sick leave that is more likely than not to be taken for time off in addition to the amount paid out at retirement
 - Additional leave types are considered compensated absences, including personal holidays, exchange time, and shared leave received.
2. We will report the net increase or decrease in the liability from the beginning of the fiscal year.
3. AFRS general ledger (GL) accounts 5128 and 5228 were renamed to indicate that it includes leave types other than compensatory time such as the personal holiday.

GASB 101 Timeline

OFM has begun beginning balance adjustments and will complete by end of July

SAAM updates will be published in June

FY25 Memo with instructions to non-HRMS agencies will be sent in July

FY25 liabilities and Instructions will be sent to HRMS agencies in early August

Agencies will record FY2025 liability adjustments by Phase 2 Close



GASB 102 – Certain Risk Disclosures

- New standard requiring a note disclosure for certain risk disclosures
- Only impacts agencies that prepare their own financial statements.
- OFM is preparing the analysis for the state

GASB 102 – Certain Risk Disclosures

Disclosure required if:

1. A **concentration** or **constraints** is known prior to issuance
2. A concentration or constraint makes reporting unit vulnerable to the risk of a **substantial impact**
3. **An event or events** associated with the concentration or constraint that could cause a substantial impact **have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months** of the date the financial statements are issued.

GASB 102 – Certain Risk Disclosures

Constraint

- Vulnerabilities that limit an organization's ability to acquire resources or control spending
- Examples:
 - Limits on raising revenue
 - Limits on spending
 - Mandated spending

Concentration

- Lack of diversity related to an aspect of a significant inflow of resources or outflow of resources
- Examples:
 - Specific employers
 - Industries
 - Revenue sources



Upcoming GASB Standards

- Fiscal year 2026:
 - GASB 103 – Financial Reporting Model
 - GASB 104 – Disclosure of Certain Capital Assets



Disclosure Forms



Disclosure Forms

- 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 5 forms that are required to be completed by all agencies:
 - Cash and Investments Restricted Disclosure
 - Miscellaneous Disclosure
 - Internal Control/Internal Audit Questionnaire
 - Leases and SBITAs Disclosure
 - State Financial Disclosure Certification

Disclosure Forms Due Dates

- **Phase 1B – Certain disclosure are due 8/22/2025**
 - 4 Cash & Investment forms,
 - 3 Bond forms,
 - 2 COP forms,
 - Internal Control/Internal Audit Questionnaire, and
 - Miscellaneous Disclosure.
- **Phase 2 - All remaining forms are due 9/5/2025**
 - Completion of disclosure forms require all related AFRS entries are also complete by this date.

Minimal Disclosure Form Changes

Form	Detail of Change
Leases and SBITAs	Modified the questions asking if your agency had any variable or other payments for leases or SBITAs
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 and made minor wording changes
State Certification	Updated the dates and made minor wording changes



Certifications due 9/17/2025

1. State Disclosure Certification
2. General Ledger Reconciliation Certification

Certifications due 9/17/2025

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



Reconciliations



Fiscal Year-End Reconciliations

- ALL General Ledgers should be reconciled before Phase 1B close to allow time to make corrections if needed by Phase 2
- Final reconciliation should be completed by 9/17/2025, when the GL Certification is due
- Any GLs not reconciled should be listed as exceptions

Why are reconciliations needed?

- To produce an accurate ACFR
- Safeguard the state's assets
- Identify and correct errors
- Detect and prevent fraud
- Ensure federal grant billings are correct
- Manage budgets effectively
- To prepare for Workday!



Reconciliation Certification

I certify that, to the best of my knowledge, the following statements are true for all accounts/funds and all balance sheet general ledgers used by this agency. Any exceptions are listed in the applicable section below.

1. All general ledgers for all accounts/funds have been reconciled as of the close of fiscal year 2025, and any adjusting entries have been posted to AFRS as of the current date.
2. There are no documents on the unbalanced in-process report older than one month (based on the document date) as of the current date.
3. All agency systems that will continue to be used when Workday is implemented have been reconciled to the AFRS fiscal year 2025 balances at the account/fund and general ledger level.

What does “reconciled” mean?

1

Comparing transactions and activity in AFRS to supporting documentation

2

Resolving discrepancies

GL Reconciliation Requirements

- SAAM is the minimum reconciliation requirement
 - See SAAM reconciliation requirements on the [General Ledger Reconciliation resource page](#)
- Agencies may have additional reconciliation policies due to their business operations and the risk level of their accounts.
- Agencies using an internal accounting system must reconcile all AFRS GLs to their system.

General ledger reconciliation

What is a reconciliation? The process of correlating one set of records with another set of records and/or a physical inventory count that involves identifying, explaining, and correcting differences.

The foundation of quality financial information is in the detail data recorded at the general ledger (GL) level. Reconciliations serve as a key element of a system of internal control and are required by state policy.

The following resources are intended to provide general guidance for state agencies.

General information

- [Items to consider when reconciling GLs](#) - provides best practice ideas to incorporate into your agency's reconciliation policy/procedures.

SAAM reconciliation requirements

- [Alphabetically by category](#) - provides alphabetical list of reconciliations required by SAAM.
- [Numerically by GL code](#) - provides a list of most frequently used GL codes, frequency of their reconciliations, and source to which they should be reconciled.

On this page:

- General information
- SAAM reconciliation requirements
- Training classes related to GL reconciliation
- Examples

Other websites:

- The Learning Center

GL Reconciliation Best Practices

- Reconciliations should be done throughout the year, not just at fiscal year-end.
 - Cash must be reconciled daily and it is best practice for in-process GLs to also be reconciled daily
 - All other reconciliations should be completed monthly
 - If monthly isn't possible, focus on the GLs with the largest balances and/or most activity monthly and do the remaining GLs quarterly.
- Reconcile all your GLs across all funds - problems with one GL are frequently related to another GL or the same GL in another fund.

Reconciliation Procedures

At a minimum, procedures should include:

1. The assigned preparer
2. The source document(s)
3. A comparison or reconciliation of the AFRS balance or activity to the source document – a GL activity report from ER is not in itself a recon
4. Steps to identify discrepancies and correct errors – Include the why
5. The assigned reviewer

It is important to reconcile related GLs together or the same GLs across funds.

What are you reconciling to?

Examples:

GL Title	GL code	Reconcile to:
Cash in Bank	1110	Bank statements
Accounts Receivable	1312	Subsidiary ledgers
Capital Assets	2xxx	Capital Asset Management System
Travel Advances	1383	Subsidiary ledgers
Sick/Vacation leave	5x25, 5x27	OFM's year-end memo or internal leave system

What are you Reconciling to?

General Ledgers Reconciliations: How often to reconcile and what to reconcile to

This document contains the General Ledgers most commonly used by agencies. Agencies should review their Agency Trial Balance report for additional GLs used and add to this list as needed. All assets and liabilities should be reconciled annually at a minimum, but Best Practice is generally monthly or quarterly.

GL Code	GL Title/Description	Offset GL	Reconciliation Frequency (BP = Best Practice)	Source/Supporting Documentation. What to reconcile the GL to:	SAAM references	Category
	Cash Receipts		Daily	On a daily basis, collections are to be counted and reconciled with cash receipt records and local account deposit slips.	85.20.10	Cash
11xx	Cash in Bank		Monthly	Bank statement for local accounts.	85.50.40.c	Cash
1130	Petty Cash		Monthly	Bank statement or petty cash count.	85.50.40-70	Cash

<https://ofm.wa.gov/accounting/administrative-accounting-resources/general-ledger-reconciliation>



Reconciliation Resources

- [General Ledger Reconciliation](#) resource site includes requirements, templates, and examples
- [Payroll Reconciliation](#) resource site
- [Accounting Corrections](#) resource site includes:
 - In-process reconciliation (GLs 7110-7140, 9920) resources, and
 - other resources related to errors from prior periods

Reconciliation Resources

- Training:
 - [GL Reconciliation: Basics](#) class teaches the fundamental concepts and provides practice exercises.
 - In-Process Report Training: [in-person](#) or [on-demand](#).
 - [General Ledger Basics](#) (on-demand).

We are always happy to review journal entries, especially ones your agency has questions about or that are not recorded very often.



Federal Update

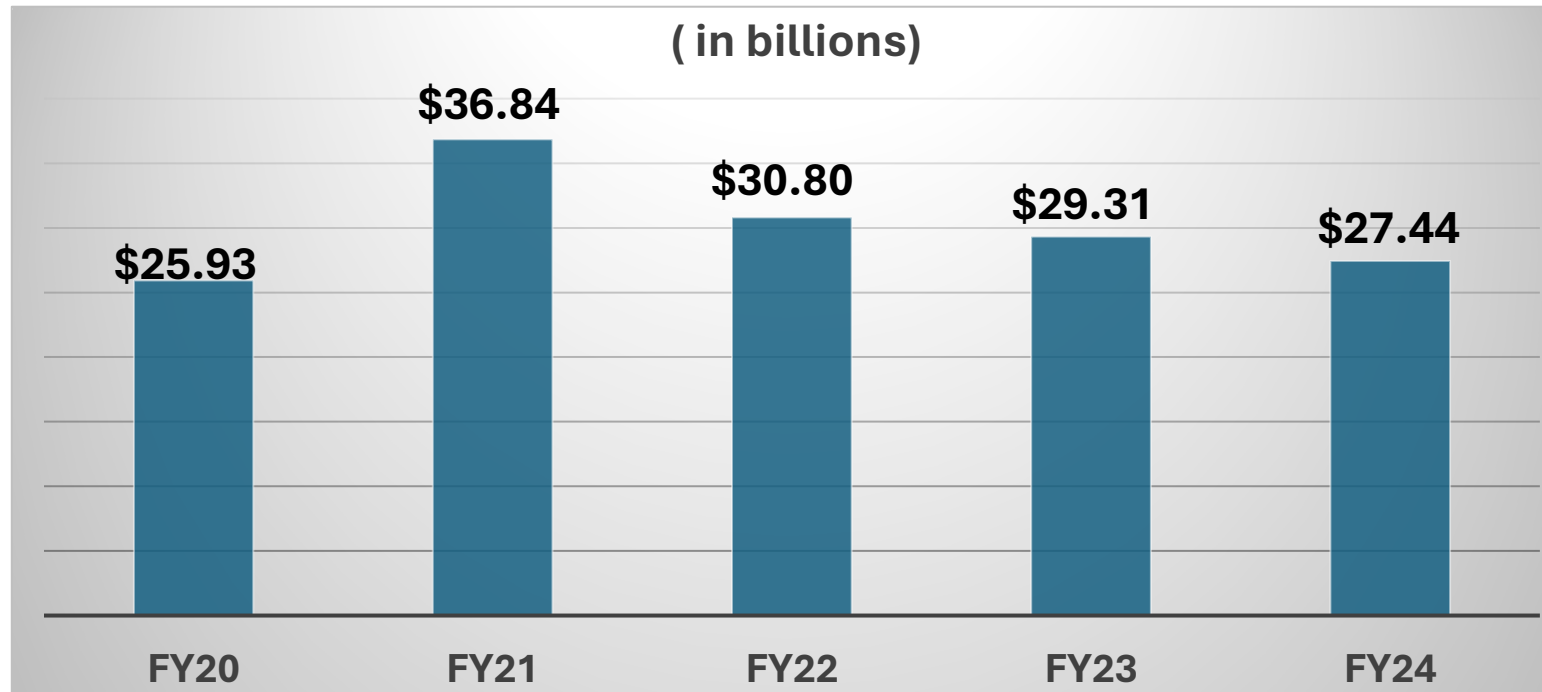
Fiscal Year 2024 Single Audit

April 30, 2025 - [Statewide Single Audit Report](#) submitted to the Federal Clearinghouse.

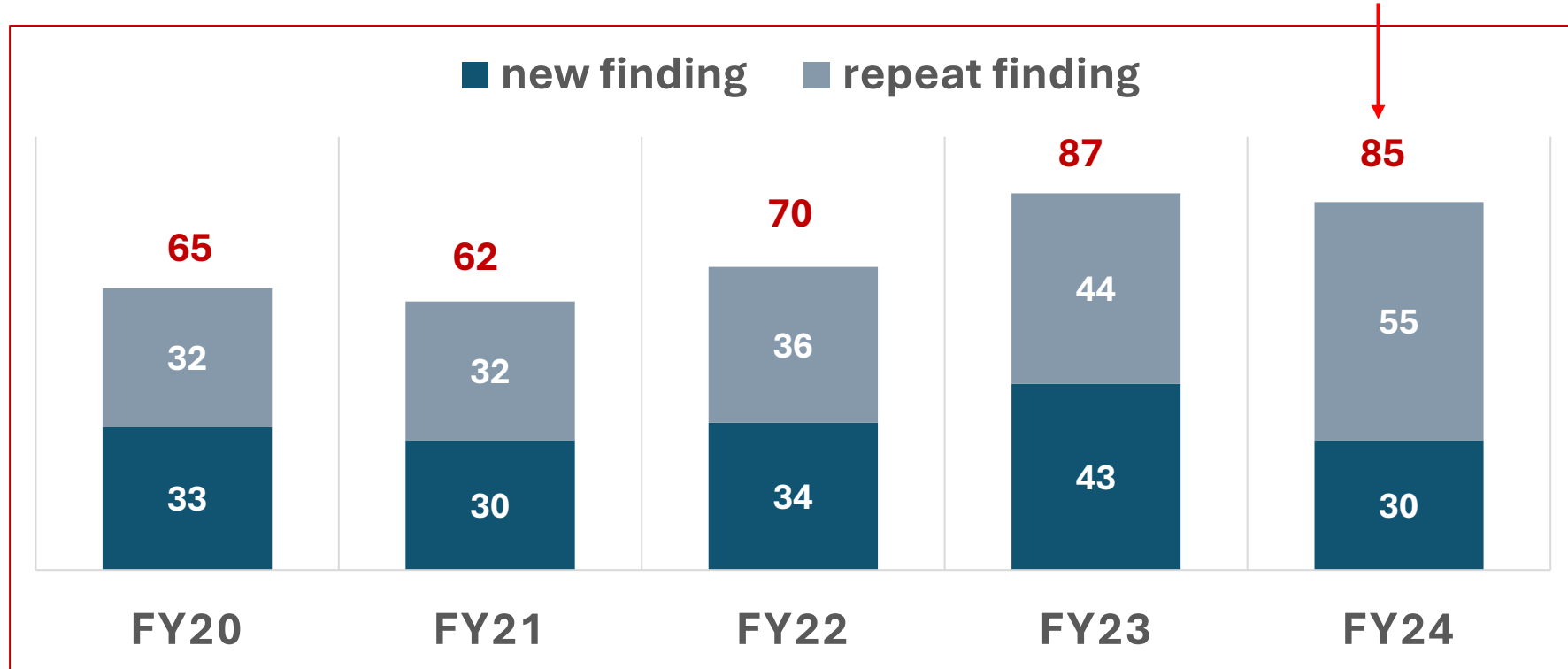
Posted on the [OFM website](#)

Audit Report	Due Date	Date Submitted
FY20	9/30/2021 (OMB extension)	8/25/2021
FY21	9/30/2022 (OMB extension)	8/8/2022
FY22	3/31/2023	6/22/2023
FY23	3/31/2024	5/17/2024
FY24	3/31/2025	4/30/2025
		Planned
FY25	3/31/2026	4/23/2026

Federal Assistance Expenditures



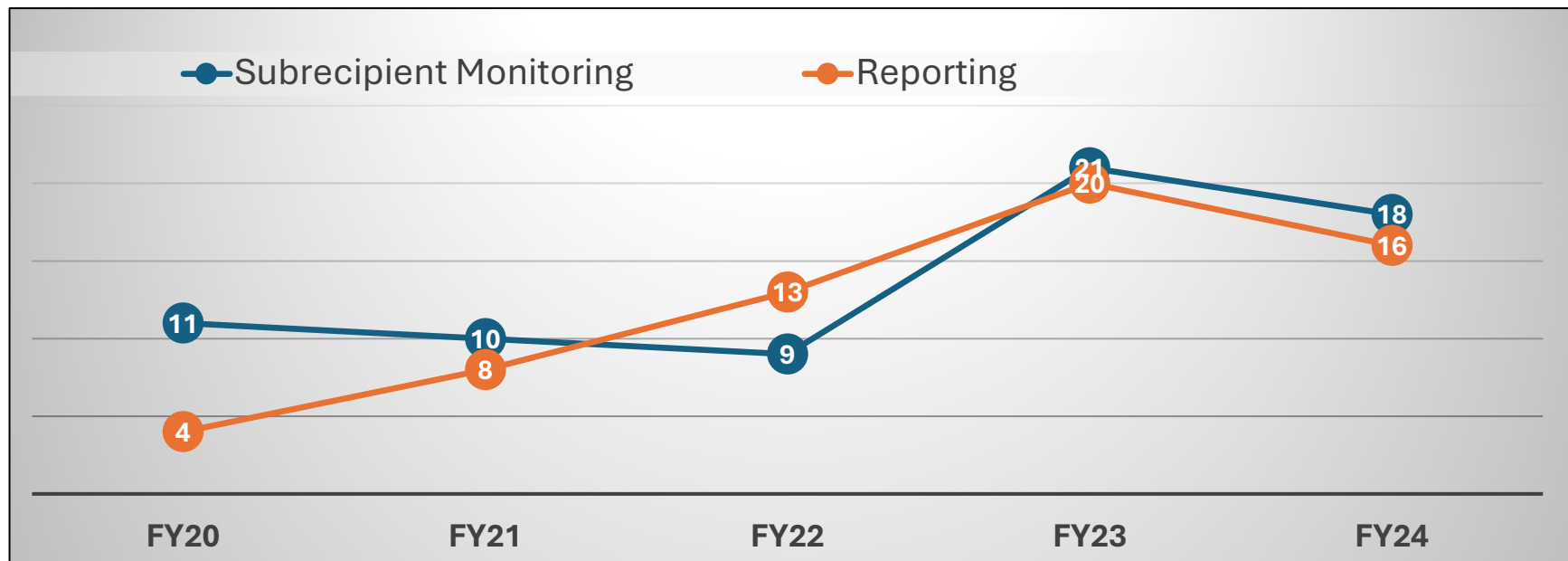
Number of Findings and Questioned Costs



Known Questioned Costs	\$960.5M	\$724.3M	\$1.2B	\$1.2B	\$559.7M
Likely Questioned Costs	\$334.9M	\$299.6M	\$534.6M	\$155.3M	\$12.4M

Most Findings by Compliance Requirement

Compliance Requirement	FY20	FY21	FY22	FY23	FY24
Activities Allowed/Cost Principles	17	17	18	15	12
Special Tests and Provisions	23	15	19	14	20
Subrecipient Monitoring	11	10	9	21	18
Reporting	4	8	13	20	16



Fiscal Year 2025 Single Audit

Entrance conference on May 7, 2025

25 Major Programs

The remaining program selection pending SEFA

Will follow up on all unresolved prior findings

SAO sent initial information requests to some agencies

Bi-weekly audit update meetings

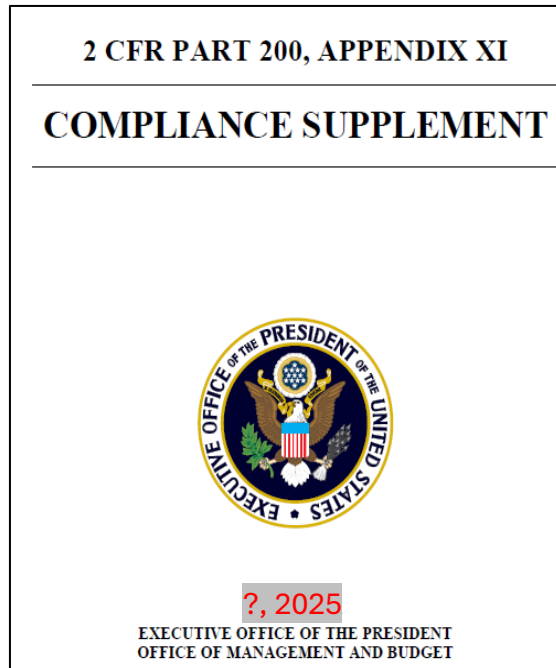
2024 Uniform Guidance Updates

- Effective October 1, 2024, and apply to awards of federal financial assistance made to a recipient or subrecipient on or after that date.
- **Increased single audit threshold** from \$750,000 to \$1 million:
 - State of WA with fiscal year starting July 1 – effective for FY 2026 audit.
 - Subrecipients with fiscal year starting October 1 to January 1 – effective for FY 2025 audit.
- **The de minimis indirect cost rate** increased from 10% to 15%.
- **Capitalization threshold** for federal funded equipment and supplies increased from \$5,000 to \$10,000.
 - all new, renewal, and supplemental awards with a start date on or after October 1, 2024.
 - Previous capitalization threshold for awards issued before this date will remain in effect until grant expires.
- **Internal Controls** - 2 CRF 200.303 (a) applicable to all FY25 audits
 - ...must establish, “**document**”, and maintain effective internal control over the Federal award....

[Uniform Grants Guidance 2024 Revision: Evaluation](#) - Council of Federal Financial Assistance

[Exploring the Revisions to the Uniform Guidance and handouts](#) - webinar

OMB Compliance Supplement



Provides program specific guidance and compliance testing requirements for federal awards and agreements.



Includes suggested audit procedures for auditors to meet audit objectives for most federal programs.



Helps agencies determine program requirements and ensure compliance.

- Waiting for the 2025 Compliance Supplement
- SAAM Ch. 95 Federal Assistance Reporting - updates to reporting requirements.

Looking Ahead...

Disclosure Form
Application
opens on July 7,
2025

Encourage
completing
Federal Forms by
Phase 1B,
if possible

Regular update
meetings with
SAO to track
audit progress.

Communicate
with agencies if
anything that
may impact the
work you do.

- Federal Disclosure Form reminders - June Federal Group meeting
- Guidance for Higher Education Loan reporting
- SAO Federal Grants Requirements training in September



Resources



Resources

- [OFM's Year-End Accounting Resource Site](#)
 - Closing Calendar
 - Online Training
 - Biennium-End Reference Guide Transaction Codes
 - OST Year-End Cash Cut-Off Memo
 - Interagency Receivables/Payables contact list
- [Contact your agency's accounting consultant](#)

Additional Year-End Training

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

For more information

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