STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT
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May 26, 2026

OFM DIRECTIVE 26A-03

TO: Agency Directors and Policy Manual Users

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

SUBJECT: **Chapter 25: Payroll; Chapter 30: Capital Asset Policies; Chapter 40: E-Commerce; Chapter 50: Federal Compliance; Chapter 65: Financial Services and Agreements; Chapter 75: Uniform Chart of Accounts; Chapter 80: Accounting Policies; Chapter 85: Accounting Procedures; Chapter 90: State Reporting; Chapter 95: Federal Assistance Reporting, Glossary**

We have revised policies in the State Administrative and Accounting Manual (SAAM), with various effective dates for Fiscal Year 2026. Key changes to the policies in SAAM include the following:

Chapter 25: Payroll
(Subsection 25.40.10)

- Updated general guidelines for the state's shared leave program and added references to applicable sections in the Revised Code of Washington and the Washington Administrative Codes.
- Modified the language for agencies' responsibilities in the shared leave program requirements and restrictions from "shall" to "may."

Chapter 30: Capital Asset Policies

(Subsection 30.50.10.a)

Updated the following class codes:

- 5805 – Updated name from "Telephone and Telegraph Equipment, and Cell Phones" to "Telephone and Telegraph Equipment". Cell phones should be coded to 7014 "Tablets and Smart Phones"
- 6290 – Corrected title from "Portable Electric Lighting Equipment" to "Flying Insect Control". "Portable Electric Lighting Equipment" should be coded to 6230.

Chapter 40: E-Commerce: Electronic Acceptance and Disbursement of State Funds
(All sections and Glossary)

- Removed Office of Financial Management's responsibilities related to delegation of cash management responsibilities to agencies.
- Clarified which electronic payment types require an Economic Feasibility Study (EFS).
- Added acceptance of electronic payment types where an EFS may be required.
- Removed requirement of prior approval from OST for any ACH deposited to the state treasury.
- Updated language regarding direct deposit forms being sent to OST.
- Removed language that ACH into local accounts must be on the list of services in the statewide contract that has been negotiated by OST with the local bank.
- Clarified when state agencies are and not allowed to use online payment processing services.
- Added to the allowable use of a purchase card to pay other state agencies.
- Removed requirement that the EFS must include which card brands will be accepted.
- Made revisions throughout the chapter including updating links and minor edits, and:
    - Added definitions for fleet card, gift card, and payment card industry (PCI) security standards.
    - Deleted definitions for point of sale and stored value card.

Chapter 50: Federal Compliance
(Sections 50.30, 50.40)

- The Single Audit threshold of $1,000,000 is now fully effective for audits performed for fiscal year 2026 and thereafter (50.30.25).
- Changed terminology for federal non-financial assistance to non-cash assistance (50.30).
- Removed the threshold expenditures of $75 million for a federal program to be included on the Treasury-State Agreement and changed to a minimum threshold to be determined by OFM in accordance with 31 CFR 205.5. (50.40.30)

Chapter 65: Financial Service Agreements
(Section 65.10)

- Removed the Office of Financial Management's responsibilities related to agency requests for delegation of cash management authority from the Office of State Treasurer.

Chapter 75: Uniform Chart of Accounts
(Sections 75.20, 75.30, 75.70, 75.80)

Agencies
- Changed agency name: 086 – Office of Indian Affairs

Accounts
- Added new accounts: 30E, 30F, 30G, 30H, 30J, 30K, 30L, 30M, 30N, 30S, 30T
- Changed account title: 024, 738
- Changed administrative agency: 738

Sub-Objects
- Added a new sub-subobject under subobject NB. The agency-specific Object N sub-subobjects can be found in the document titled "Statewide sub-subobject table-BI27"on the OFM SAAM webpage.

Revenue Sources
- Added new revenue source: 0148
- Removed revenue sources: 0871, 0872

Chapter 80: Accounting Policies
(Subsections 80.20 and 80.30, Glossary)

The following revisions due to the implementation of GASB Statement 103*, Financial Reporting Model Improvements*:

- 80.20.70 and 80.20.80
  - Added new requirement for budgetary comparison reports
  - Updated Management's Discussion and Analysis description
- 80.30.67
  - Replaced "special and extraordinary items" with "unusual or infrequent items" and updated the definition of operating and nonoperating revenues and expenses.

Chapter 85: Accounting Procedures
(Section 85.20.15, 85.60.40)

- Added a new policy on cash transaction rounding due to the discontinuation of pennies (85.20.15).
- Updated wording regarding immaterial prior period adjustments for Capital Assets and added links to policies and illustrative entries for proprietary/fiduciary fund type accounts (85.60.40).

Chapter 90: State Reporting
(Sections 90.20, 90.30, 90.40)

Revisions to Chapter 90 establish state reporting policies and procedures for fiscal year 2026:

- Updated the fiscal year-end cut off dates for fiscal year 2026 (90.20.05)
- Updated the disclosure form dates for fiscal year 2026 (90.40.10)
- Added a section for Capital Asset immaterial prior period adjustments in proprietary/fiduciary fund type accounts with illustrative entries (90.20.15, 90.30.35).
- Added new tax type "Cigarettes and other tobacco products," changed tax type "Fuel" to "Fuel & Prorated Fuel Tax," and removed tax types "Insurance Premiums" and "Beer & Wine" (90.40.30).
- Reworded adjustment section to include all fund types for immaterial prior year corrections and updated links (90.40.38).
- Added question #11 to the miscellaneous disclosure form regarding Capital assets held for sale due to the implantation of GASB Statement 104, *Disclosure of Certain Capital Assets* (90.40.75).

Chapter 95: Federal Assistance Reporting
(Section 95.20)

Revisions to Chapter 95 establish federal reporting policies and procedures for fiscal year 2026:

- Updated the disclosure form due dates for fiscal year 2026 (95.20.10).
- Changed terminology for Federal Non-Financial Assistance to Non-Cash Assistance and renamed the disclosure form.
- Federal Assistance Certification Form:
    - In statement #14, the new Single Audit threshold of $1,000,000 as a result of the 2024 Uniform Guidance revisions is now fully effective for audits performed for fiscal year 2026 and thereafter (95.20.90).

Updates to Section 95.10.40, Federal Clusters, is pending release of the OMB 2026 Compliance Supplement.

Glossary

- Deleted obsolete definitions related to superseded SAAM chapter on Purchase Cards
- Deleted Point of Sale as a result of chapter 40 updates
- Deleted Nonoperating Expenses and Nonoperating Income (Loss)
- Added Washington Purchasing Manual and Federal Acquisition Regulations
- Added Subsidies

Timetable for Year-End Reporting and Closing:

This directive also contains the timetable related to year-end reporting and the fiscal year-end closing schedule.

Key Dates	Reporting Items
July 8, 2026	**Disclosure form application opens**
July 24, 2026	Mail out interagency billings (whether based on actuals or estimates).
July 31, 2026	**Phase 1** Close, Agency Accrual Phase • Prioritize interagency receivable/payable reconciliations as many agencies have an early internal close date.
Aug. 21, 2026	**Phase 1B** Close • Due date for certain state disclosure forms. • Interagency receivable/payable balancing is due. • Pollution remediation site status report is due. • Asset retirement obligation report is due.
Sept. 04, 2026	**Phase 2** Close, Agency Adjustment Phase: • Agency adjustments completed. • Remaining State and all Federal disclosure forms are due (not including certifications). • Disclosure form application closes. • All agency adjusting entries made after Phase 2 require OFM approval.
Sept. 16, 2026	**State Financial Certification form, including attachments, is due.** **GL Reconciliation Certification is due.**
Feb. 26, 2027	**Federal Assistance Certification form is due.**

Agencies are encouraged to establish an internal close prior to September 4, 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.

Additional year-end closing resources are available on OFM's Administrative and Accounting Resources website at: Year-end closing | Office of Financial Management (wa.gov).
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: SAAM Policy Documentation.

Additional administrative and accounting resources are also available on OFM's website at: Administrative and Accounting Resources.

Questions regarding manual content and proper interpretation should be directed to the OFM Statewide Accountant assigned to your agency. You can find your agency's OFM Statewide Accountant at: OFM Directory Agency Assignments.