



# Glossary



# State Administrative and Accounting Manual

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**ABSOLUTE TITLE** - Clean title, free of liens or attachments, replacing all previous titles. Accepted as the sole document of title, it is defensible against claims by third parties.

**ACCESS** - Physical accessibility, as well as the provision of appropriate accommodations to ensure use of programs by persons with disabilities.

**ACCOUNT** - A fiscal and accounting entity with a self-balancing set of general ledger codes in which cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, are recorded and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. For reporting purposes, the state identifies certain accounts as major funds, and administratively combines all remaining accounts into roll-up funds. Refer to [MAJOR FUND](#), and [ROLL-UP FUND](#).

**ACCOUNT CODE** - The three-character alpha/numeric code assigned by the Office of Financial Management to identify each account. Refer to [ACCOUNT](#).

**ACCOUNTING PERIOD** - Any period of time designated for which financial statements are prepared. Refer to [FISCAL PERIOD](#).

**ACCOUNTING PROCEDURES** - All procedures that discover, identify, record, classify, maintain, and summarize financial information to either produce financial reports or to provide internal control.

**ACCOUNTING SYSTEM** - The methods and records established to identify, assemble, analyze, classify, record, and report the state's transactions and to maintain accountability for its assets and liabilities.

**ACCOUNTS PAYABLE** - Amounts owed to private persons or organizations for goods and/or services received by the state. Accounts Payable does not include amounts due to other agencies, funds, or other governments. Refer to [DUE TO](#).

**ACCOUNTS RECEIVABLE** - Amounts due from private persons or organizations for goods, and/or services furnished by the state. Accounts Receivable does not include amounts due from other agencies, funds, or other governments. Refer to [DUE FROM](#).

**ACCREDITED VALUE** - A valuation basis for certain investments and debt instruments that reports on the balance sheet only that portion of their face value that reflects principal and interest accrued to date.

**ACCRUAL BASIS** - The basis of accounting whereby revenues are recognized when earned and measurable regardless of when collected; and expenses are recorded on a matching basis when incurred. All proprietary and fiduciary funds use the accrual basis of accounting.

**ACCRUE** - To record revenues and expenditures/expenses when they meet the recognition criteria of the fund type involved regardless of when the cash activity occurs.

**ACCRUED EXPENDITURES/EXPENSES** - Expenses or expenditures that meet the appropriate recognition criteria of the fund type involved but have not been paid. Accrued expenditures are expected to be paid in a subsequent accounting period. Refer to [ACCRUAL BASIS](#) and [ACCRUE](#).

**ACCRUED LIABILITIES** - Liabilities reflecting the obligation to pay for goods or services that have been incurred or received but not paid for by the end of the accounting period.

**ACCRUED REVENUES** - Revenues that meet the appropriate recognition criteria of the fund type involved, but are not realized during the accounting period. Refer to [ACCRUAL BASIS](#), [ACCRUE](#), and [MODIFIED ACCRUAL BASIS](#).



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**ACCUMULATED DEPRECIATION** - A contra-asset valuation account used to record the accumulation of periodic credits made to reflect the expiration of the estimated useful life of capital assets.

**ACQUISITION VALUE** - The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

**ACTUARIAL BASIS** - A basis used in computing the amount of contributions to be made periodically to a fund or account so that the total contributions plus the compounded earnings thereon will equal the required payments to be made out of the fund or account. A Pension Trust Fund for a public employee retirement system is an example of a fund concerned with actuarial basis data.

**ADA** - An acronym for the Americans with Disabilities Act of 1990.

**ADMINISTERING AGENCY** - An agency designated by the Office of Financial Management to provide general oversight of financial accounting activity. An administering agency is also responsible for the cash management of the funds it administers.

**ADVANTAGEOUS** - Direct non-financial, work-related benefits accruing to the state.

**AFFILIATED ORGANIZATION** - An affiliated organization is a nonprofit corporation whose purpose is to raise funds or conduct other activities primarily in support of a governmental entity.

**AFRS** - Refer to [AGENCY FINANCIAL REPORTING SYSTEM](#).

**AGENCY** - Every state agency, office, board, commission, department, state institution, or state institution of higher education, which includes all state universities, regional universities, The Evergreen State College, and community and technical colleges.

**AGENCY CODE** - The four character numeric code assigned by the Office of Financial Management to designate the distinct operational units of state government. Agency codes are used for the identification of state agencies. Agencies are to use only the code assigned to their agency unless specified elsewhere in this manual. Refer to [AGENCY](#).

**AGENCY FINANCIAL REPORTING SYSTEM (AFRS)** - The statewide accounting system maintained by the Department of Enterprise Services. AFRS is the state of Washington's official accounting system.

**AGENCY PROGRAM ADMINISTRATOR** – An individual, designated by the agency, responsible for the management and oversight of the purchase card program within an agency. This includes: the issuance and cancellation of purchase cards; the monitoring of approving officials, cardholders, card custodians, and designated card users; and, the development and enforcement of agency policy, procedures and training.

**ALIEN BANK** - A bank organized under the laws of a foreign country and having its principal place of business in that country, the majority of the beneficial ownership and control of which is vested in citizens or countries other than the United States of America ([RCW 30A.42.020](#)).

**ALLOCATE** - To divide a lump-sum appropriation into parts that are designated for expenditure by specific governmental units and/or for specific purposes, activities, or objects. Refer to [ALLOCATION](#).

**ALLOCATION** - A part of a lump-sum appropriation that is designated for expenditure by specific governmental units and/or for specific purposes, activities, or objects. Refer to [EXPENDITURE AUTHORITY](#).

**ALLOTMENT** - An agency's plan of estimated expenditures, revenues, cash disbursements, and cash receipts for each month of the biennium.

**ALLOWABLE MOVING COSTS** - Except as noted in [Subsection 60.20.20](#) and within certain limitations, allowable moving costs include the costs associated with moving household goods, personal effects, and property used in a dwelling, and normal



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equipment and supplies used to maintain a dwelling from a residence to a new station within the state. Refer to [HOUSEHOLD GOODS](#) and [Chapter 60](#).

**ALLOWANCE FOR DEPRECIATION** - Refer to [ACCUMULATED DEPRECIATION](#).

**ALLOWANCE FOR UNCOLLECTIBLES** - A contra-asset valuation account used to indicate the portion of accounts receivable that is estimated to be uncollectible.

**AMORTIZATION** - The gradual reduction or liquidation of an amount over a period of time according to a specified schedule (such as, the retirement of a debt by serial payments to the creditor or in a sinking fund) either by a direct credit, or debit; or through the use of a valuation account.

**AMORTIZED COST** - The par value of the investment increased or decreased by any unamortized premium or discount.

**AMOUNT AVAILABLE IN DEBT SERVICE FUNDS** - An "other debit" general ledger code used in the General Long-Term Obligations Subsidiary Account that designates the amount of assets available in debt service funds for the retirement of outstanding general obligation debt.

**AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS** - An "other debit" general ledger code used in the General Long-Term Obligations Subsidiary Account that represents the amount to be provided from taxes or other general revenues to retire outstanding general long-term obligations debt.

**ANCILLARY COSTS** - Costs that are directly attributable to asset acquisition, such as freight and transportation costs, site preparation costs, and professional fees, that are necessary to place a capital asset into its intended state of operation. Ancillary costs are capitalized as part of the cost of a capital asset. For an investment, ancillary costs include legal fees and commissions and are included as part of the cost of the investment.

**ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)** - The official annual financial report of the state encompassing all funds and component units of the state. It includes an introductory section, management's discussion and analysis (MD&A), basic financial statements, required supplementary information other than MD&A, combining and individual fund statements, schedules, and a statistical section.

**ANNUITY** - A series of equal money payments made or received at equal intervals over a designated period of time.

**APPRAISAL** - (1) The act of appraising. (2) The estimated value resulting from such action. Refer to [APPRAISE](#).

**APPRAISE** - To make an estimate of value of an asset, for example an investment or capital asset, particularly of the value of property.

**APPROPRIATION** - A legislative authorization for an agency to make expenditures for specific purposes from designated resources available or estimated to be available during a specified time period.

**APPROPRIATION CODE** - Refer to [EXPENDITURE AUTHORITY CODE](#).

**APPROVING OFFICIAL** - An individual, designated by the agency and the agency program administrator to, in a timely manner, monitor, review and approve the purchases of assigned cardholders or designated card users via purchase cards.

**ART COLLECTION** - An individual work of art or group of items of original artwork such as paintings, sculptures, craftwork or other materials commonly identified as a work of art. Art collections that are considered inexhaustible and meet certain criteria are not required to be capitalized. Agencies meeting the criteria for not capitalizing a collection have the option of capitalizing art collections as non-depreciable capital assets. Art collections that are exhaustible (such as those whose useful lives are diminished by display or educational/research applications) are to be capitalized and depreciated.



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**ASSETS** - Resources with present service capacity that the government presently controls as a result of past transactions or events. These resources can be tangible or intangible.

**ASSET RETIREMENT OBLIGATION** - A legally enforceable liability associated with the retirement of a tangible capital asset.

**ASSIGNED FUND BALANCE** - A classification for governmental fund balance reporting that includes amounts that the state intends to use for specific purposes.

**ASSISTANCE LISTING NUMBER** - Formerly known as the Catalog of Federal Domestic Assistance (CFDA) Number, is a five-digit number assigned in the awarding document for all federal assistance award mechanisms, including federal grants and cooperative agreements.

**AUDIT** - A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities. The auditor obtains this evidential matter through inspection, observation, inquiries, and confirmations with third parties. Refer to [COMPLIANCE AUDIT](#), [CORRECTIVE ACTION PLAN](#), [FINANCIAL AUDIT](#), [PERFORMANCE AUDIT](#), and [SINGLE AUDIT](#).

**AUTHORIZED TRAVEL PERIOD** - That period of time when the traveler is in authorized travel status away from the official workstation for travel reimbursement and official residence. Refer to [OFFICIAL WORKSTATION FOR TRAVEL REIMBURSEMENT](#), [OFFICIAL RESIDENCE](#), and [TRAVELER](#).

**AUTOMATED CLEARING HOUSE (ACH)** - A nationwide payment and collection system that provides for electronic distribution and settlement of funds. Although the term Electronic Fund Transfer (EFT) is technically more inclusive than the term ACH, the term EFT is often used synonymously with ACH.

**AUTOMATED TELLER MACHINE (ATM)** - Computer controlled terminals located at a bank branch or other location, which enable a customer to perform basic banking activities (such as, withdrawals, deposits, or transferring funds) as they would through a bank teller.

**AVAILABILITY PAYMENT ARRANGEMENT (APA)** - an arrangement in which a government procures a capital asset or service by compensating an operator for activities that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The payments by the government are based entirely on the asset's availability for use rather than on tolls, fees, or similar revenues or other measures of demand.

**BALANCE SHEET** - A financial statement that discloses the assets, liabilities, and equities of an entity at a specified date in conformity with generally accepted accounting principles (GAAP).

**BASIS OF ACCOUNTING** - This refers to the methodology and timing of when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Refer to [ACCRUAL BASIS](#), [MODIFIED ACCRUAL BASIS](#) and [CASH BASIS](#).

**BETTERMENT** - An addition made to, or change made in, a capital asset, other than maintenance, that is anticipated to prolong its expected useful life or to increase its capacity, efficiency, or quality of output.

**BIENNIUM** - A 24-month fiscal period. In Washington, the biennium extends from July 1 of odd numbered years to June 30 of odd numbered years.

**BLENDED COMPONENT UNIT** – A type of component unit that is so intertwined with the state that it functions, for all practical purposes, as an integral part of the state. Financial data of a blended component unit is merged (blended) with the state's financial data and is not separately distinguishable. Refer to [COMPONENT UNIT](#).



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**BLOCK GRANT** - A federal grant that consolidates, for a broad purpose, funding previously awarded for a wide range of activities.

**BOND** - A debt instrument issued through a formal legal procedure and secured either by the pledge of specific properties or revenues or by the general credit of the state.

**BOND DISCOUNT** - The excess of the face value of a bond over the price for which it is acquired or sold resulting from a disparity between the market rate of interest and the stated rate of interest on the bonds, also referred to as original issue discount (OID). In governmental funds, bond discount associated with a bond sale is reported as an other financing use.

**BOND ISSUE** - A reference indicating the particular classification or quantity of bonds issued at a given time.

**BOND PREMIUM** - The excess of the price for which a bond is acquired or sold over its face value resulting from a disparity between the market rate of interest and the stated rate of interest on the bonds, also referred to as original issue premium (OIP). In governmental funds, bond premium associated with a bond sale is reported as another financing source.

**BOND REDEMPTION** - The regaining of possession of bonds formerly issued by payment of amount due to the holder.

**BONDS PAYABLE** - The face value of bonds issued and unpaid. In the case of zero-coupon bonds, however, only the accreted value of the bond is reported as bonds payable on the balance sheet.

**BOOK VALUE** - The net amount at which an asset or asset group appears on the books of account, as distinguished from its market or intrinsic value. In the case of assets subject to reduction by valuation allowances, book value refers to cost or stated value less the appropriate allowance.

**BOOKS OF ORIGINAL ENTRY** - Books of original entry are a record in which the various transactions are initially and formally recorded and serve as the direct source of postings to ledgers (e.g. payroll register).

**BUDGET** - A plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them.

**BUDGETARY ACCOUNTS** - Accounts used to enter the adopted budget into the general ledger as part of the management control technique of formal budgetary integration.

**BUDGETARY CONTROL** - The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

**BUDGETED ACCOUNTS** - Accounts that are subject to the appropriation and/or allotment process. Refer to [APPROPRIATION](#) and [ALLOTMENT](#).

**BUILDINGS** - Permanent structures owned or held by the state. The cost of buildings includes both acquisition costs (historical cost, ancillary costs, and, for proprietary and trust funds, net interest during construction) and capital improvement costs (betterments). Buildings include not only structures in the form of office buildings, storage quarters, or other facilities, but also associated items such as loading docks, heating and air-conditioning equipment, refrigeration equipment, and all other property permanently attached to or forming an integral part of the structure. Buildings can be capitalized as a single unit, or by individual component. Buildings do not include furniture, fixtures, or other equipment, which are not integral parts of the building. Refer to [BETTERMENT](#).

**BUSINESS CLASS AIR COMMON CARRIER** - a premium class of travel on a air common carrier which is greater than coach class but other than first class.

**BUSINESS CLASS NON-AIR COMMON CARRIER** - a premium class of travel on a non-air common carrier which is greater than coach class and less expensive than coach class airfare for the same route.



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**BUSINESS-TYPE ACTIVITIES** - Reported in the government-wide financial statements. Financed in whole or in part by fees charged to external parties for goods or services that are usually reported in enterprise funds. Refer to [GOVERNMENT-WIDE FINANCIAL STATEMENTS](#).

**CAPITAL ASSETS** - Tangible or intangible assets held and used in state operations, which have a service life of more than one year and meet the state's capitalization policy. Capital assets of the state include land, infrastructure, improvements to land, buildings, leasehold improvements, vehicles, furnishings, equipment, collections, and all other tangible and intangible assets that are used in state operations.

**CAPITAL BUDGET** - The portion of a budget, or a separate budget, devoted to proposed additions to capital assets and the means of financing those additions.

**CAPITAL EXPENDITURE** - Refer to [CAPITAL OUTLAYS](#).

**CAPITAL GRANTS** - Grants that are restricted for the acquisition, construction, or renovation of capital assets associated with a specific program. Refer to [GRANTS](#) and [OPERATING GRANTS](#).

**CAPITAL OUTLAYS** - A budgetary or financial reporting term to indicate the expenditures for the acquisition of, addition to, or major repair of capital assets intended to benefit future periods. Expenditures may be from either Operating or Capital sources, and may be either capitalized or not capitalized.

**CAPITAL PROJECTS FUNDS** - Capital projects funds are used to account for the acquisition and/or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Refer to [GOVERNMENTAL FUNDS](#).

**CAPITALIZATION POLICY** - The criteria used to determine which capital outlays should be reported as capital assets on the state's financial statements.

**CARD CUSTODIAN** – An individual, designated by the agency program administrator, to administer and control the use of department purchase cards by authorized designated card users within the card custodian's workgroup. (For agencies choosing to utilize department cards rather than individually assigned cards.)

**CARD STATEMENT** - The detailed itemized monthly statement of purchase card charges provided by the purchase card issuing bank to the agency.

**CARD USER AGREEMENT FORM** – This form states that the purchase card user has read and understands the policies and procedures of the State and his/her agency relative to purchase card use and agrees to comply with all of these established procedures. This form must be signed by the card user prior to issuance and use of the purchase card.

**CARDHOLDER** – An individual, designated by the agency program administrator and approving official, to make purchases using an individually assigned purchase card. (For agencies choosing to utilize individually assigned cards rather than department cards.)

**CASH BASIS** - A basis for accounting whereby revenues are recorded only when received and expenses are recorded only when paid without regard to the period in which they were earned or incurred.

**CASH DISBURSEMENTS** - Cash disbursements are any moneys (e.g., checks, cash, warrants, credit or debit card amounts, IAP's (interagency payments), and EFTs (Electronic Fund Transfers)) paid by a state agency during a period regardless of when the related obligations are incurred.

**CASH DISCOUNT** - An allowance received or given if payment is completed within a stated period of time. Refer to [TRADE DISCOUNT](#).



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**CASH EQUIVALENT** - Short-term, highly liquid investments that are both (1) readily convertible to known amounts of cash and (2) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally only investments with original maturities of three months or less meet this definition.

**CASH RECEIPTS** - Cash receipts are any moneys (e.g., checks, cash, warrants, credit or debit card amounts, IAP's (interagency payments, or EFTs)) received by a state agency during a period regardless of when the moneys are earned.

**CASH/INVESTMENTS WITH ESCROW AGENT** - An asset account reflecting deposits with escrow agents.

**CATEGORICAL GRANTS** - Federal grants that are awarded for specific limited purposes.

**CENTRAL TRAVEL ACCOUNT** - Terminology used by the credit card company for a "ghost billing account."

**CERTIFICATE OF PARTICIPATION (COP)** – A debt financing program administered by the Office of the State Treasurer. A COP is an instrument evidencing a pro rata share in a specific pledged revenue stream, usually lease payments by the issuer that are subject to annual appropriation. The certificate generally entitles the holder to receive a share, or participation, in the lease payments from a particular project. The lease payments are passed through the lessor to the certificate holders. The lessor typically assigns the lease and lease payments to a trustee, which then distributes the lease payments to the certificate holders.

**CHANGE ACCOUNTS** - Accounts used solely for making change in across-the-counter cash transactions. Refer to [IMPREST ACCOUNT](#).

**CHECK** - A written order on a bank to pay on demand a specified sum of money to a named person, out of money on deposit to the credit of the maker. A check differs from a warrant in that the latter is not necessarily payable on demand and may not be negotiable. It also differs from a voucher in that the latter is not an order to pay. Refer to [WARRANT](#).

**CHECK REGISTER** - The document used to record pertinent details relating to expenditure/expense vouchers and coding for each check issued.

**CHILD CARE FACILITY** - Space used by a child care provider to provide child care services for state government employees.

**CHILD CARE PROVIDER** – An entity that is, or commits to becoming, licensed to operate a Washington State day care facility, an entity that regularly provides care for children for periods of less than twenty-four hours.

**CLEARANCE PATTERN** - The proportion of the total amount disbursed that is debited against the state's bank account each day after the disbursements.

**CLEARING ACCOUNT** - An account used to accumulate total charges or credits so that they can be distributed later among the accounts to which they are allocable or so that the net differences can be transferred to the proper account.

**CLIENT** - For travel regulation purposes, a person or entity that is entitled to receive agency services.

**CLIENT SERVICES** - Services provided directly to agency clients including, but not limited to, medical and dental services, employment and training programs, residential care, and subsidized housing. Clients are considered to be those individuals who the agency has statutory responsibility to serve, protect, or oversee.

**COFFEE AND LIGHT REFRESHMENTS** - For state purposes, coffee encompasses any non-alcoholic beverage, such as tea, soft drinks, juice, or milk. For state purposes, a light refreshment is an edible item that may be served between meals, for examples, doughnuts, sweet rolls, and pieces of fruit or cheese.

**COLLECTIONS** - Refer to [LIBRARY RESERVE COLLECTIONS](#), [MUSEUM AND HISTORICAL COLLECTIONS](#), and [ART COLLECTIONS](#).





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**COMMERCIAL LODGING FACILITY** - A business, non-profit, or governmental entity that provides lodging accommodations for a fee. A commercial lodging facility other than a hotel must be supported by a tax ID number and must be available to the general public to qualify as commercial lodging. Reimbursement for lodging at a private residence not meeting the criteria above is not allowed.

**COMMITTED FUND BALANCE** - A classification for governmental fund balance reporting that includes amounts that can only be used for specific purposes pursuant to constraints imposed by state law. The commitment of fund balance remains in place until the Legislature changes or eliminates the state law.

**COMMODITY CLASS CODE** - The code assigned to an inventoriable capital asset that correlates to a descriptive title.

**COMMON CARRIER** - A person or company that transports passengers or goods for a fee.

**COMMUTER RIDE-SHARING** - A car pool or van pool arrangement whereby a fixed group, not exceeding fifteen persons including passengers and driver, is transported between their residences or other designated place, and their places of employment, educational, or other institutions, in a single daily round trip where the driver is also on the way to or from the place of employment, educational, or other institution.

**COMMUTE** - Travel between the official residence and the official workstation for travel reimbursement.. Normally, an employee would only have one round trip commute each day. However, there are some work schedules that may require an employee to commute multiple times in a day due to call back, split shifts, or on-call situations. Refer to [OFFICIAL RESIDENCE](#) and [OFFICIAL WORKSTATION FOR TRAVEL REIMBURSEMENT](#).

**COMPENSATORY TIME** - Time worked by certain state employees that, if not used for paid time off, results in compensation to be cashed out in accordance with regulations or agency policy.

**COMPETITIVE SOLICITATION** - A documented formal process providing an equal and open opportunity to qualified parties and culminating in a selection based on criteria which may include such factors as the consultant's fees or costs, ability, capacity, experience, reputation, responsiveness to time limitations, responsiveness to solicitation requirements, quality of previous performance, and compliance with statutes and rules relating to contracts or services.

**COMPLIANCE AUDIT** - An examination leading to the expression of an opinion on the audited governmental unit's compliance with the various finance-related legal and contractual provisions. Refer to [AUDIT](#).

**COMPONENT UNIT** - A unit legally separate from the state but financially accountable to the state, or that has a relationship with the state such that exclusion would cause the state's financial statements to be misleading. For reporting purposes, depending upon the nature of component unit and its relationship with the state, financial data may be either discretely presented or blended. Refer to [BLENDED COMPONENT UNIT](#).

**COMPOSITE METHOD** - A method used to calculate depreciation expense that groups similar assets (such as library resources) or dissimilar assets of the same class (such as all roads and bridges in a park) using the same depreciation rate. Refer to [DEPRECIATION](#).

**CONDUIT DEBT OBLIGATION** - A debt instrument issued in the name of a state (the issuer) that is for the benefit of a third party that is primarily liable for the repayment of the debt instrument (the third-party obligor). A conduit debt obligation has all of the following characteristics: (a) There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee. There may be more than one third-party obligor, debt holder, or debt trustee; (b) the issuer and the third-party obligor are not within the same financial reporting entity; (c) the debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer; (d) the third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance; and (e) the third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).



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**CONSTRUCTION IN PROGRESS** - A general ledger account that reflects the cost of construction work undertaken on capital projects, but not completed as of the end of the accounting period.

**CONSULTANT** - An independent individual or entity contracting with an agency to perform a professional service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the agency except as to the result of the work. The agency monitors progress under the contract and authorizes payment.

**CONSUMABLE INVENTORIES** - Supplies consumed in the course of an agency's operations; or incidental items held for resale.

**CONSUMPTION METHOD** - The method under which inventories are recorded as an expenditure/expense when used. Refer to [PURCHASES METHOD](#).

**CONTINENTAL BREAKFAST** - Either (1) a breakfast generally consisting of juice, bread, fruit and a hot beverage (typically coffee or tea), or (2) a light meal defined in agency policy.

**CONTINENTAL USA** - As used in this manual, all areas in the 48 contiguous states and the District of Columbia.

**CONTINGENT LIABILITY** - Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending law suits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts.

**CONTRACT MANAGEMENT** – Activities related to contracting, including the decision to contract, contractor screening and selection, contract preparation, contract monitoring, auditing and post-contract follow-up.

**CONTRACT MANAGER** – Any state agency staff involved in the contracting process who is responsible for oversight of a contract (e.g. contract specialists, program managers, state agency executives, etc).

**CONTRACT MONITORING** – Planned, ongoing or periodic activity that measures and ensures contractor compliance with the terms, conditions, and requirements of a contract.

**CONTRACTS PAYABLE** - Amounts due on contracts for public improvements on work done for a governmental unit are to be recorded as Contracts Payable. Amounts withheld from that which is due the contractor and are intended to serve as a guarantee on the contracts are to be recorded separately as retainage payable. Refer to [RETAINAGE PAYABLE](#).

**CONTROL ACCOUNT** - An account in the general ledger in which the aggregate of all debit and credit postings to a number of related accounts (called the subsidiary accounts) are recorded. For example, the Accounts Receivable account is a control account supported by the aggregate of the individual customer subsidiary accounts. Refer to [GENERAL LEDGER](#) and [SUBSIDIARY ACCOUNTS](#).

**CORRECTIVE ACTION PLAN** - An agency response to audit findings that documents how deficiencies are to be corrected, how improvements are to be made, or demonstrates that audit findings are invalid or do not warrant any subsequent action. Refer to [AUDIT](#).

**COST ACCOUNTING** - That method of accounting which provides for accumulating and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

**COST-BASED MEASURE** - Value of investment that is based on the cost of the investment.

**COST RECORDS** - All ledgers, supporting records, schedules, reports, invoices, vouchers, and other records and documents reflecting the cost of projects, jobs, production centers, processes, operations, products, or services, or the cost of any of the component parts thereof.

**CREDIT CARD** - A card entitling the holder to buy services or goods on credit.



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**CURRENT ASSETS** - Resources that are available, or can readily be made available, to meet the cost of operations or to pay current liabilities.

**CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS** - Measurement focus used by governmental funds that accounts for the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. Refer to [MEASUREMENT FOCUS](#).

**CURRENT LIABILITIES** - Those obligations which are payable within one year from current assets or current resources.

**CUSTODIAL FUNDS** - Custodial funds are used to account for resources held by the state in a purely custodial capacity for other governments, private organizations, or individuals that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Refer to [FIDUCIARY FUNDS](#).

**CUT-OFF DATE** - A selected date whereby transactions generally are stopped to provide for closing of the books of accounts for a given period, or for audit purposes.

**DEBIT CARD** - A card that draws funds directly from a deposit account.

**DEBT** - An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of the state include bonds, accounts payable, and other liabilities. Refer to [BONDS PAYABLE](#), [ACCOUNTS PAYABLE](#), [LIABILITIES](#), [LONG-TERM OBLIGATIONS](#) and [GENERAL LONG-TERM OBLIGATIONS](#).

**DEBT SERVICE FUNDS** - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term obligation principal and interest. Refer to [GOVERNMENTAL FUNDS](#).

**DEFERRED INFLOWS OF RESOURCES** - An acquisition of net assets by the government that is applicable to a future reporting period.

**DEFERRED OUTFLOWS OF RESOURCES** - A consumption of fund net assets by the government that is applicable to a future reporting period..

**DEFICIT** - (1) The excess of the liabilities and reserves of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

**DEPARTMENT CARD LOG** – A record kept by the card custodian to track the use of department purchase cards within a designated workgroup within an agency. Designated card users must check out and check in use of the purchase card on this log and record the business purpose for each use in order to make a purchase. (For agencies choosing to utilize department cards rather than individually assigned cards.)

**DEPOSIT** - Money or securities held in a bank or other financial institution. In the context of required note disclosures, deposits include cash and near cash items placed on account with a financial institution or fiscal agent. Some deposits (e.g., checking accounts) are subject to withdrawal upon demand without notice or penalty (demand deposits) and others (e.g., certificates of deposit) can only be withdrawn without penalty upon completion of a fixed period (time deposits).

**DEPRECIABLE CAPITAL ASSETS** - Capital assets that are depreciated because they are exhaustible in that their useful lives diminish over time. Exceptions to this include infrastructure assets reported using the modified approach to depreciation. Refer to [DEPRECIATION](#) and [MODIFIED APPROACH TO DEPRECIATION](#).

**DEPRECIATION** - The portion of the cost of a capital asset representing the expiration in the useful life of the capital asset attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence which is charged off during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated useful life of such an asset. Refer to [COMPOSITE METHOD](#) and [STRAIGHT-LINE METHOD](#).



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**DERIVATIVES** - Financial securities whose value is derived from another "underlying" financial security. Options, futures, swaps, swaptions, and structured notes are all examples of derivative securities.

**DESIGNATED CARD USER** – An individual, designated by the agency program administrator, the approving official, and the card custodian to make purchases using a department purchase card. (For agencies choosing to utilize department cards rather than individually assigned cards.)

**DIRECT COSTS** - Costs that include direct materials and labor. Refer to [DIRECT EXPENSES](#).

**DIRECT EXPENSES** - Expenses which are charged directly as a part of the cost of a product or service, or of a department or operating unit, as distinguished from overhead and other indirect costs which must be prorated among several products or services, departments, or operating units.

**DISBURSEMENT** - Payment by cash, warrant, check, journal voucher, ACH, or any other technological payment method approved by OFM.

**DISCLOSURE FORMS** - The state Disclosure Forms application is an electronic way of capturing the detail data for various aspects of an agency's activities. Each of the disclosure forms covers a specific activity or area of information that is not readily available from the data collected in the state's Agency Financial Reporting System (AFRS). Agencies complete these forms at fiscal year end.

**DISPOSAL AUTHORIZATION** - The policies and processes established by the Department of Enterprise Services (Surplus Operations), as applicable, by which an agency is authorized to dispose of a specific asset or as provided by specific statutory authority.

**DISPOSAL DATE** - With proper approval, the date that an agency officially disposes of or relinquishes responsibility for an asset.

**DISPUTED ITEM** - An item in question or lacking agreement by parties involved, such as an item appearing on a purchase card statement that the agency disagrees with.

**DIVISION OR COST CENTER CODE** - A code assigned by an agency to further identify its organizational structure.

**DOMESTIC PARTNER** - Effective July 22, 2011, [RCW 26.60.090](#) authorizes a legal union of two persons of the same sex that was validly formed in another jurisdiction, and that is substantially equivalent to a domestic partnership under state law, to be recognized as a valid domestic partnership and treated the same as a domestic partnership registered in the state of Washington regardless of whether it bears the name domestic partnership.

For more information about state registered domestic partnerships, refer to the Office of the Secretary of State's website at: <http://www.sos.wa.gov/corps/domesticpartnerships>.

**DONATED ASSETS** - Assets acquired by gift, donation, or payment of a nominal sum, which is not reflective of the assets' true market value.

**DONATED INVENTORIES** - Food or other items held for future distribution.

**DONATED LEAVE** - The dollar value of the hours of leave a donor donates through the Shared Leave Program. Refer to [SHARED LEAVE](#).

**DOUBLE ENTRY BOOKKEEPING** - A system of record keeping which requires two entries to the records (a debit and a credit) for every accounting event.

**DRAWDOWN** - Process whereby a state requests and receives federal funds.



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**DUE FROM FEDERAL GOVERNMENT** - An asset account reflecting amounts due to the state from the federal government. These amounts may represent grants-in-aid, shared revenues, loans, and/or charges for services rendered by the state for the federal government.

**DUE FROM OTHER AGENCIES** - An asset account reflecting amounts billed or otherwise due for materials or services rendered by one Washington state agency to another Washington state agency.

**DUE FROM OTHER FUNDS** - An asset account reflecting amounts owed to a particular fund by another fund in the same agency for goods sold or services rendered. This account includes only short-term obligations on open account and not non-current portions of long-term loans.

**DUE FROM OTHER GOVERNMENTS** - An asset account reflecting amounts due to the state from another government (e.g., county or municipality). These amounts may represent grants-in-aid, shared revenues, loans, and charges for services rendered by the state for another governmental entity.

**DUE TO FEDERAL GOVERNMENT** - A liability account reflecting amounts owed by the state to the federal government.

**DUE TO OTHER AGENCIES** - A liability account reflecting amounts owed by one Washington state agency to another Washington state agency.

**DUE TO OTHER FUNDS** - A liability account reflecting amounts owed by a particular fund to another fund in the same agency. These amounts include only short-term obligations on open account.

**DUE TO OTHER GOVERNMENTS** - A liability account reflecting amounts owed by the state to another government (e.g., county or municipality).

**ECONOMIC FEASIBILITY** - An application is economically feasible when, over a reasonable period of time, the application's cumulative benefits outweigh or are equivalent to the application's cumulative costs.

**ECONOMIC FEASIBILITY STUDY (EFS)** - A cost/benefit analysis of a state agency's proposed electronic payment acceptance and/or disbursement project that should demonstrate the economic feasibility (net benefit) of the proposed project. Refer to [Section 40.40](#).

**ECONOMIC RESOURCES MEASUREMENT FOCUS** - Measurement focus that considers all of the assets available for the purpose of providing goods and services and reports all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for government-wide financial reporting. Refer to [MEASUREMENT FOCUS](#).

**ECONOMICAL** - Direct financial, work-related costs that occur at the least cost to the state and which the state is responsible to pay.

**EFFECTIVE INTEREST RATE** - The rate of earning on a bond investment based on the actual price paid for the bond, the coupon rate, the maturity date and the length of time between interest dates, in contrast with the nominal interest rate.

**ELECTRONIC BENEFIT TRANSFER (EBT)** - The electronic transfer of government benefit funds to individuals through the use of automated card technology, automated teller machines (ATM) and point of sale (POS) terminals.

**ELECTRONIC COMMERCE (E-COMMERCE)** - The commercial transaction of services in an electronic format.

**ELECTRONIC DATA INTERCHANGE (EDI)** - A computer-to-computer exchange of information that is both computer-readable and computer-processable.

**ELECTRONIC DATA PROCESSING (EDP)** - Data processing by means of high-speed electronic equipment.



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**ELECTRONIC FLIGHT BAG (EFB)** – EFBs provide replacement for the paper reference material pilots typically carry. In order to qualify as an EFB, the system must be capable of displaying information equivalent to the paper products they replace.

**ELECTRONIC PAYMENTS FROM A LOCAL ACCOUNT** – Electric payments such as Paypal, Venmo, and Apple Pay attached to a local bank account. To be used only for lived experience compensation authorized by the Office of Equity.

**EMERGENCY** - A set of unforeseen circumstances beyond the control of an agency that either: (a) presents a real, immediate threat to the proper performance of essential functions; or (b) may result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

**EMERGENCY RIDE HOME** - An assured ride home for employees participating in a commute trip reduction program who are not able to use their alternative commute mode on a particular day because of a personal emergency. Alternative commute modes include walking, bicycling, carpooling, vanpooling, bus, ferry and train. ([Chapter 43.01 RCW](#)).

**EMINENT DOMAIN** - The power of a government to acquire private property for public purposes. It is frequently used to obtain real property that cannot be purchased from owners in a voluntary transaction. Where the power of eminent domain is exercised, owners are compensated by the state in an amount determined by the courts.

**ENCUMBRANCE** - Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

**ENDOWMENT** - Refer to [PERMANENT FUNDS](#).

**ENTERPRISE FUNDS** - Used to account for any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds, in the context of the activity's principal revenue sources, if any one of the following criteria is met: a) the activity is financed with debt that is secured solely by pledge of the net revenues from fees and charges of the activity; 2) laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues. Refer to [PROPRIETARY FUNDS](#).

**ENTITLEMENT** - A service or grant that, under federal law, must be provided to all eligible applicants.

**ENTITY** - The basic unit upon which accounting and/or financial reporting activities are focused.

**ENTRY** - The record of a financial transaction in the appropriate books of account.

**EQUIPMENT** - Tangible property other than land, buildings, improvements other than buildings, or infrastructure, which is used in operations and with a useful life of more than one year. Examples are furnishings, equipment, and software. Equipment may be attached to a structure for purposes of securing the item, but unless it is permanently attached to, or an integral part of, the building or structure, it is to be classified as equipment and not buildings.

**EQUITY INVESTMENTS** - Equity investments include, but are not limited to, any instruments representing ownership shares in an enterprise (e.g., common, preferred, and other capital stock).

**EQUITY TRANSFERS** - Nonrecurring or nonroutine transfers of equity between funds. An example of an equity transfers is the transfer of residual equity from a discontinued fund. Refer to [INTERFUND TRANSFERS](#).

**ESTIMATED REVENUE** - This is a budgetary term that identifies revenues expected to be received or accrued during a given period.

**EVIDENCE OF COMPETITION** - Documentation demonstrating that an agency has solicited responses from multiple firms in selecting a consultant.



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**EXCHANGE TRANSACTIONS** - Transaction in which each party receives and gives up essentially equal values.

**EXCHANGE-LIKE TRANSACTIONS** - Transaction in which there is an identifiable exchange between the state and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

**EXHAUSTIBLE CAPITAL ASSETS** - Refer to [DEPRECIABLE CAPITAL ASSETS](#) and [MODIFIED APPROACH TO DEPRECIATION](#).

**EXIT PRICE** - The price that would be received to sell an asset or paid to transfer a liability.

**EXPENDITURE AUTHORITY** - Permission for agencies to disburse moneys or accrue liabilities during specific fiscal periods, up to specified amounts, from specific accounts. Authority is provided by the Legislature through appropriations or inclusion of nonappropriated account moneys in the legislative budget; by the executive through allocations, approval of unanticipated receipts, or across-the-board spending reductions.

**EXPENDITURE AUTHORITY CODE** - The three-character code assigned by the Office of Financial Management (OFM) to identify each legislative or executive authorization to incur expenditures. Agencies are to use only those expenditure authority codes that have been authorized in writing by OFM. The assigned codes are valid only for the biennium for which they are established. Refer to [EXPENDITURE AUTHORITY](#), [APPROPRIATION](#), [UNANTICIPATED RECEIPT](#), and [ALLOCATION](#).

**EXPENDITURES** - Decreases in net current financial resources. Expenditures include disbursements and accruals of the current period. Expenditures do not include encumbrances.

**EXTERNALLY RESTRICTED** - Refer to [RESTRICTED NET ASSETS](#).

**EXPENSES** - Decreases in net total assets. Expenses represent the cost of operation incurred during the current period regardless of the timing of the related disbursements.

**FACE VALUE** - As applied to securities, this term designates the amount of an insurer's liability stated in the security document.

**FAIR VALUE** - The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the exit price. For publicly traded securities, this is usually the price at which the security is currently being traded on a national market. For investment instruments that are not publicly traded, fair value is based on the use of other relevant observable and nonobservable inputs.

**FEDERAL FINANCIAL ASSISTANCE** - Assistance that nonfederal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance. It does not include amounts received for provision of vendor services to federal agencies or reimbursements for services rendered directly to individuals.

**FIDELITY BOND** - A written promise to indemnify against losses from theft, embezzlement, defalcation, and misappropriation of public moneys by government officers and employees. Refer to [SURETY BOND](#).

**FIDUCIARY FUNDS** - Fiduciary funds are used to account for assets held by the state in a trustee capacity, or as an agent for others and that cannot be used to support the state's own programs. There are four types of fiduciary funds: private-purpose, pension (and other employee benefit), and investment trust funds, and agency funds. Refer to [PRIVATE-PURPOSE TRUST FUNDS](#), [PENSION \(AND OTHER EMPLOYEE BENEFIT\) TRUST FUNDS](#), [INVESTMENT TRUST FUNDS](#), and [AGENCY FUNDS](#).



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**FIELD ORDER (A17-A, A17-1A)** - A document used by agencies to order, encumber, liquidate, and authorize payment for local purchases. This form is used when an agency has general or specific authority to make the purchase or when the item being purchased falls within the statewide contracts.

**FINAL AMENDED BUDGET** - The original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

**FINANCIAL AUDIT** - An audit made by an independent external auditor for the purpose of issuing an audit opinion on the fair presentation of the financial statements of the state in conformity with GAAP. Refer to [AUDIT](#).

**FINANCIAL GUARANTEE** - Represents a commitment on the part of a government to indemnify a third party if the entity that issues the guaranteed obligation does not fulfill its requirements under the obligation. A liability is recognized for a financial guarantee when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment related to the guarantee. A financial guarantee can be an exchange, exchange-like, or nonexchange.

**FIRST-IN, FIRST-OUT (FIFO)** - An inventory valuation method, which allocates cost on the assumption that goods are consumed or sold in the order that they were acquired.

**FISCAL PERIOD** - Any period at the end of which a governmental unit determines its financial position and the results of its operations. Refer to [ACCOUNTING PERIOD](#).

**FISCAL YEAR** - In Washington State, a 12-month period extending from July 1 of one calendar year to June 30 of the next calendar year.

**FIXED ASSETS** - Refer to [CAPITAL ASSETS](#).

**FIXED INCOME INVESTMENTS** - Fixed income investments consist of those non-equity assets (e.g., bonds) where earnings are derived from interest that is a fixed percentage of the asset's par, stated, or face value. These may include investments purchased at a discount that do not have coupon payments.

**FIXTURES** - Attachments to buildings, which are not intended to be removed, and which cannot be removed without damage to the buildings. Those fixtures with useful lives presumed to be as long as that of the building itself are considered a part of the building; all others are classified as equipment.

**FOOD STAMPS** - For financial reporting purposes, the dollar value of food stamps on hand for future distribution.

**FOREIGN TRAVEL** - Travel in all areas of the world outside of the United States of America and its possessions.

**FULL-TIME EQUIVALENT (FTE)** - Equivalent of 2088 hours of work in a fiscal year.

**FUNCTION** - A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

**FUNCTION AND PROGRAM CODES** - Codes assigned by an agency with the concurrence of the Office of Financial Management to identify an agency's functional areas and the various major activities within an agency. Refer to [FUNCTION](#) and [PROGRAM](#).

**FUND** - For state purposes, a fund is referred to as an account. Refer to [ACCOUNT](#).

**FUND BALANCE** - In governmental funds, this is the difference between fund assets and fund liabilities. Governmental fund balances should be reported in classifications that reflect the extent to which the state is bound to honor constraints on the purposes for which amounts can be spent. Refer to fund classifications: [NONSPENDABLE FUND BALANCE](#), [RESTRICTED](#)





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[FUND BALANCE](#), [COMMITTED FUND BALANCE](#), [ASSIGNED FUND BALANCE](#), and [UNASSIGNED FUND BALANCE](#).

**FUND CAPITAL ASSET** - Capital assets recorded in proprietary and trust funds and used in the production of the goods or services provided or sold. Depreciation on fund capital assets is charged as an expense of the fund.

**FUND FINANCIAL STATEMENTS** - Financial statements presented for the state's governmental, proprietary and fiduciary funds. They display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial statements for fiduciary funds. Each of the three fund categories is reported using the measurement focus and basis of accounting required for that category. Refer to [GOVERNMENTAL FUNDS](#), [PROPRIETARY FUNDS](#), and [FIDUCIARY FUNDS](#).

**FUND LONG-TERM OBLIGATIONS** - Fund long-term obligations are directly related to and payable from proprietary and trust funds and are recorded in such funds. They are generally not expected to be paid within the next twelve months. Fund long-term obligations may be backed by a lien on a specific fund asset or by the full faith and credit of the state.

**FUND TYPE (GAAP)** - One of 11 classifications into which all individual accounts can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

**FUNDING TECHNIQUE** - Procedures to minimize the time between the transfer of funds from the federal government and the payment of funds for program purposes by the state.

**FURNISHINGS AND EQUIPMENT** - Refer to [EQUIPMENT](#).

**GAAP** - Refer to [GENERALLY ACCEPTED ACCOUNTING PRINCIPLES](#).

**GAAS** - Refer to [GENERALLY ACCEPTED AUDITING STANDARDS](#).

**GAGAS** - Refer to [GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS](#).

**GENERAL CAPITAL ASSETS** - Used in operations of governmental funds that are not assets of any fund, but of the government as a whole. Most often, general capital assets are acquired through the expenditure of the financial resources of governmental funds. General capital assets include all capital assets not accounted for in proprietary funds. The state accounts for general capital assets in the General Capital Assets Subsidiary Account and reports them in the governmental activities column in the government-wide financial statement of net position.

**GENERAL CAPITAL ASSETS SUBSIDIARY ACCOUNT** - A record keeping mechanism that provides a basis for accountability and control over the state's general capital assets.

**GENERAL FUND** - The general fund is used to account for the financial activities of the general government not required to be accounted for in another account. Refer to [GOVERNMENTAL FUNDS](#).

**GENERAL JOURNAL** - The journal in which all entries not recorded in special journals are recorded.

**GENERAL LEDGER** - A ledger containing the accounts in which are recorded, in detail or in summary, all transactions of the state. Refer to [CONTROL ACCOUNT](#) and [SUBSIDIARY ACCOUNTS](#).

**GENERAL LEDGER CODE** - The four-character numeric codes assigned by the Office of Financial Management to identify the titles of those accounts that classify, in summary form, all financial transactions of the state.

**GENERAL LEDGER TRIAL BALANCE** - Shows both the debit and credit general ledger balances for an account or related group of accounts at the close of an accounting period.



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**GENERAL LONG-TERM OBLIGATIONS** - All long-term indebtedness of the state that is not classified as a fund obligation is accounted for as general long-term obligations. General long-term obligations are secured by the general credit and revenue raising capacity of the state and will not be paid by expending available resources as of the end of the current fiscal year. The state accounts for general long-term obligations in the General Long-Term Obligations Subsidiary Account and reports them in the governmental activities column in the Government-wide Financial Statement of [NET POSITION](#).

**GENERAL LONG-TERM OBLIGATIONS SUBSIDIARY ACCOUNT** - A record keeping mechanism that provides a basis for accountability and control over the state's long-term obligations other than those accounted for in proprietary and fiduciary funds.

**GENERAL OBLIGATION BONDS** - Statewide bond issues that are secured by an unconditional pledge of the full faith, credit and taxing power of the state.

**GENERAL REVENUES** - Revenues that are not matched to specific program expenses are required to be reported as general revenues.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** – These are the uniform minimum standards for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board.

**GENERALLY ACCEPTED AUDITING STANDARDS (GAAS)** – These are the standards established by the AICPA for the conduct and reporting of financial audits. There are 10 basic GAAS, classed into three broad categories: general standards, standards of fieldwork and standards of reporting. The GAAS set forth the objectives of the audit and establish measures that can be applied to judge the quality of its performance.

**GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS (GAGAS)** – These standards are for the conduct and reporting of both financial and performance audits in the public sector. The basic GAGAS standards are classed into three broad categories: general standards, fieldwork standards, and reporting standards.

**GHOST BILLING ACCOUNT** - A cardless billing program offered by many charge card and credit card companies that is designed to primarily accommodate airline ticket purchases.

**GOODS** - Products, materials, supplies, or equipment provided by a contractor or vendor.

**GOVERNMENTAL ACCOUNTING** - The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of a governmental entity.

**GOVERNMENTAL ACTIVITIES** - Activities generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. These activities are usually reported in governmental funds and internal service funds. Refer to [GOVERNMENT-WIDE FINANCIAL STATEMENTS](#).

**GOVERNMENTAL EXTERNAL INVESTMENT POOL** - An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants not being part of the sponsor's reporting entity. The sponsoring government reports the external investment pool in an Investment Trust Fund. Refer to [INVESTMENT TRUST FUNDS](#).

**GOVERNMENTAL FUNDS** - Governmental funds are used to account for most typical governmental functions focusing on the acquisition, use, and balances of a state's expendable financial resources and the related current liabilities. The accounting for governmental funds has a budget orientation using the current financial resources measurement focus and the modified accrual basis of accounting. There are five types of governmental funds: General, Special Revenue, Debt Service, Capital



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Projects, and Permanent Funds. Refer to [GENERAL FUND](#), [SPECIAL REVENUE FUNDS](#), [DEBT SERVICE FUNDS](#), [CAPITAL PROJECTS FUNDS](#), and [PERMANENT FUNDS](#).

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** - Financial statements that incorporate all of the state's governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements: the Statement of Net Position and the Statement of Activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Refer to [BUSINESS-TYPE ACTIVITIES](#) and [GOVERNMENTAL ACTIVITIES](#).

**GRANTS** - Awards of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, to an eligible grantee. The term does not include technical assistance which provides services instead of money, or other forms of assistance such as revenue sharing, loans, loan guarantees, interest subsidies, insurance or direct appropriations. Also, the term does not include assistance, such as fellowship or other lump sum awards, which the grantee is not required to account for. Refer to [CAPITAL GRANTS](#) and [OPERATING GRANTS](#).

**HIGH COST LOCATIONS** - Continental USA - Specific cities or areas within the continental USA as displayed in Subsection 10.90.10. Refer to [CONTINENTAL USA](#).

**HIGH COST LOCATIONS** - Noncontinental USA and Foreign Travel - Specific cities or areas within the noncontinental USA and foreign nations or localities throughout the world as contained in Subsection [10.90.10](#). Refer to [NONCONTINENTAL USA](#).

**HISTORICAL COLLECTIONS** - Refer to [MUSEUM AND HISTORICAL COLLECTIONS](#).

**HOSTING ACTIVITIES** - Social rather than governmental business events, such as lobbying.

**HOUSEHOLD GOODS** - All household goods, personal effects and property used in a dwelling, and normal equipment and supplies used to maintain the dwelling.

**IMPREST ACCOUNT** - An account into which a fixed amount of money is placed for the purpose of making change or minor disbursements. As disbursements are made, a voucher is completed to record the date, amount, nature, and purpose of the disbursement. At periodic intervals, or when the money is completely expended, a report with substantiating vouchers is prepared and the account is replenished for the exact amount of the disbursements, and appropriate general ledger accounts are charged. The total of cash and the substantiating vouchers should always equal the total fixed amount of money set aside in the imprest account. Refer to [CHANGE ACCOUNTS](#) and [PETTY CASH](#).

**IMPROVEMENTS OTHER THAN BUILDINGS** - Capital assets that reflect the cost of permanent improvements other than buildings which add value to land such as fences and retaining walls.

**INCIDENTAL EXPENSES** - Fees and tips given to porters, baggage carriers, hotel and restaurant staff, flight attendants, and others for personal services performed. This is not a miscellaneous expense. An allowance for incidental expenses is included within the daily subsistence rates for the area of travel.

**INCOME STATEMENT** - Refer to [OPERATING STATEMENT](#); [STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE](#); and [STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION](#).

**INDEPENDENT AUDIT** - An audit performed by an independent auditor. Refer to [FINANCIAL AUDIT](#), [PERFORMANCE AUDIT](#), and [INTERNAL AUDIT](#).

**INDIRECT CHARGES** - Refer to [OVERHEAD](#).

**INDIRECT COSTS** - Costs that cannot be directly charged to an activity (e.g. depreciation and other administrative and support costs).



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**INEXHAUSTIBLE CAPITAL ASSETS** - Refer to [NON-DEPRECIABLE CAPITAL ASSETS](#).

**INFORMATION TECHNOLOGY (IT)** - For purposes of tracking IT expenditures required by SAAM [Section 75.65](#), IT includes the electronic capture, collection, storage, manipulation, transmission, calculation, retrieval, and presentation of information.

**INFRASTRUCTURE ASSETS** - Long lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, sidewalks, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. With the exception of the state highway system operated by the Department of Transportation, which uses the modified approach to depreciation, infrastructure assets are to be depreciated.

**INHERENT RISK** - The exposure arising from a specific risk before any action has been taken to manage it.

**IN-STATE TRAVEL** - Travel within the state of Washington. However, with respect to the requirement for prior authorization of out-of-state travel in [Subsection 10.10.50](#).a) travel to counties and/or cities in the states of Idaho and Oregon that are contiguous to the border between Washington-Idaho or Washington-Oregon, or b) out-of-state employees traveling within the same state as their official workstation for travel reimbursement shall not be considered out-of-state.

**INTANGIBLE ASSETS** - Assets that possess the following characteristics: (a) lack of physical substance; (b) non-financial nature in that it is not in monetary form and represents neither a claim or right to assets in a monetary form; (c) initial useful life extends beyond a single reporting period. Examples of intangible assets are easements, water rights, timber rights, mineral rights, patents, trademarks, copyrights and computer software. Refer to [INTERNALLY GENERATED INTANGIBLE ASSETS](#) and [INTERNALLY DEVELOPED COMPUTER SOFTWARE](#).

**INTEGRAL PART OF THE MEETING** - An activity within a meeting that is essential to the completeness of the meeting.

**INTERAGENCY PAYMENT (IAP)** - An automated payment to another state agency using treasury accounts (requires a statewide vendor number).

**INTEREST PAYABLE** - A liability account reflecting the amount of interest owed by the state. In governmental funds, interest is to be recognized as an expenditure in the accounting period in which it becomes due and payable and the liability is to be recorded as interest payable at that time. In proprietary and trust funds, interest payable is recorded as it accrues, regardless of when payment is actually due.

**INTEREST RECEIVABLE** - An asset account reflecting the amount of interest due to the state.

**INTERFUND ACCOUNTS** - Accounts in which activity between funds are reflected. Refer to [INTERFUND ACTIVITY](#).

**INTERFUND ACTIVITY** - Activity between funds of the state, including blended component units. Interfund activities are divided into two broad categories: reciprocal and nonreciprocal. Reciprocal interfund activity is comprised of interfund loans and interfund services provided and used. Nonreciprocal interfund activity is comprised of interfund transfers and interfund reimbursements. Refer to [INTERFUND LOANS](#), [INTERFUND SERVICES PROVIDED AND USED](#), [INTERFUND TRANSFERS](#) and [INTERFUND REIMBURSEMENTS](#).

**INTERFUND LOANS** - Loans made by one fund to another with a requirement for repayment. Refer to [INTERFUND ACTIVITY](#).

**INTERFUND REIMBURSEMENTS** - Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Refer to [INTERFUND ACTIVITY](#).

**INTERFUND SERVICES PROVIDED AND USED** - Sales and purchases of goods and services between funds for a price approximating their external exchange value. Refer to [INTERFUND ACTIVITY](#).



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**INTERFUND TRANSFER (IFT)** - An automated transfer between treasury accounts within the same agency.

**INTERFUND TRANSFERS** - Nonreciprocal transfers made without a requirement for repayment. Refer to [EQUITY TRANSFERS](#), [OPERATING TRANSFERS](#), and [INTERFUND ACTIVITY](#).

**INTERGOVERNMENTAL REVENUES** - Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

**INTERIM FINANCIAL STATEMENT** - A financial statement prepared before the end of the current fiscal period and covering only financial transactions during the period to date.

**INTERNAL AUDIT** - An appraisal activity conducted by auditors working for and within an organization of the diverse operations and controls within the organization to determine whether prescribed policies and procedures are followed, established standards are met, resources are used efficiently and economically, and the organization's objectives are being achieved.

**INTERNAL CONTROL** - A process effected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of the entity's objectives. The state's objectives per [RCW 43.88.160](#) fall into separate but related categories: safeguard its assets; check the accuracy and reliability of its accounting data; promote operational efficiency; and encourage adherence to policies for accounting and financial controls.

**INTERNAL CONTROL FRAMEWORK** - An integrated set of policies and procedures, based on a common structure of components, concepts and definitions, designed to assist management to achieve its goals and objectives. To be truly comprehensive, a government's internal control framework must (a) provide a favorable control environment, (b) provide for the continuing assessment of risk, (c) provide for the design, implementation, and maintenance of effective control-related policies and procedures, (d) provide for the effective communication of information, and (e) provide for the ongoing monitoring of the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.

**INTERNAL SERVICE FUNDS** - Internal service funds are used to report activities that provide goods or services to other funds, departments or agencies of the state on a cost reimbursement basis. Internal service funds are used where the state is the predominant participant in the activity.

**INTERNALLY DEVELOPED COMPUTER SOFTWARE** - Software developed in-house by the state's personnel or by a third-party contractor on behalf of the state. Also includes commercially available software purchased or licensed by the state and modified using more than minimal incremental effort before being placed into operation.

**INTERNALLY GENERATED INTANGIBLE ASSETS** - Assets that are created or produced by the state or an entity contracted by the state. Also includes assets acquired from a third party but require more than minimal incremental effort on the part of the state to begin to achieve their expected level of service capacity. Examples include patents, copyrights, trademarks, and computer software.

**INVENTORY CONTROL POINT** - A specific location, area, building, account, inventory type, etc., as defined in writing by the agency inventory officer where consumable inventories are aggregated for distribution, valuation, and/or reporting threshold purposes.

**INVESTMENT TRUST FUNDS** - Fiduciary funds used by the sponsor to report the external portion of investment pools. Refer to [FIDUCIARY FUNDS](#).

**INVESTMENTS** - Securities, real estate and other instruments held for the production of income or profit.

**INVOICE** - A document submitted by a vendor, showing the character, quantity, price, terms, nature of delivery, and other particulars of goods delivered or of services rendered.



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**INVOICE VOUCHER (A19-1A)** - A form used by agencies to substantiate and authorize payment when a purchase order or field order is not involved and where vendor invoices are not employed. The invoice voucher is to be signed by the vendor on the space provided.

**ISSUANCE COSTS** - Fees associated with the issuance of debt that may be withheld from the proceeds or paid separately including underwriter's fees and bond counsel fees. Issuance costs are reported as expenditures/expenses.

**ISSUING BANK** - An individual, company, firm, or combination thereof with which the state of Washington contracts for purchase card services.

**JOINT VENTURE** - Legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest, or (b) an ongoing financial responsibility.

**JOURNAL VOUCHER (A7-A)** - A form used to generate EFT payments through the Office of the State Treasurer. It can also be used to transfer funds between agencies and between funds within treasury and/or treasury trust accounts, and to record accruals and other adjustments to account balances.

**JUDGMENT** - An amount to be paid or collected by the state as the result of a court decision, including a condemnation award in payment for private property taken for public use.

**LAST-IN, FIRST-OUT (LIFO)** - An inventory valuation method that allocates cost on the assumption that the last units acquired are the first units consumed or sold.

**LEASEHOLD** - The right to the use of real estate by virtue of a lease, usually for a specified term of years, for which consideration is paid.

**LEASE-TO-OWN AGREEMENTS** - Contractual agreements which are termed "leases," but in substance are purchase contracts where the ownership of the asset transfers to the state at the end of the lease term.

**LEDGER** - A group of accounts in which are recorded the financial transactions of the state. Refer to [GENERAL LEDGER](#) and [SUBSIDIARY LEDGER](#).

**LEGAL OPINION** - (1) The opinion of an official authorized to render it (e.g., attorney general). (2) In the case of governmental bonds, the opinion of a specialized bond attorney as to the legality of a bond issue.

**LESSEE** - the agency, business, or individual in a lease agreement that is granted the right to use another party's asset.

**LESSOR** - the agency, business, or individual in a lease agreement that grants another party the right to use the leased asset.

**LIABILITIES** - Present obligations to sacrifice resources that the government has little or no discretion to avoid.

**LIBRARY RESERVE COLLECTIONS** - Items of historical or literary significance, such as documents, maps, photos, and original books. Library reserve collections that are considered inexhaustible and meet certain criteria are not required to be capitalized. Agencies meeting the criteria for not capitalizing library reserves have the option of capitalizing them as non-depreciable capital assets. Library reserve collections that are exhaustible (such as those whose useful lives are diminished by display or educational/research applications) are to be capitalized and depreciated.

**LIBRARY RESOURCES** - Exhaustible items used for reference or lending such as books, periodicals, and microfilm that have a useful life greater than one year. Library resources are capitalized, depreciated and controlled by a recognized cataloging system.



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**LIMITED OBLIGATION BONDS** - These bonds, while backed by the full faith and credit of the state, are payable primarily from dedicated revenues of the state's motor vehicle fuel excise tax and other miscellaneous dedicated revenues.

**LIQUIDATION** - Payment of debt, cancellation of encumbrance, or conversion into cash.

**LOANS RECEIVABLE** - An asset account reflecting amounts that have been loaned to individuals or organizations external to the state, including notes taken as security for such loans. Loans to other governments should be recorded and reported separately.

**LOCAL AIRPORT** - The airport that offers commercial air service that is closest to the point from which travel begins. In most situations it would be the airport closest to the traveler's residence. For out-of-state destinations, the closest airport that provides direct out-of-state flights may be considered the local airport for this purpose.

**LOCAL ACCOUNTS** - Accounts under the control of an agency with cash on deposit in a local bank account and requiring the signature of agency officials on a check for disbursement. Some local funds are on deposit with the State Treasurer as a matter of convenience or statutory requirement.

**LOCATION CODE** - The identification code of the county in which the fixed asset is located.

**LOCKBOX SERVICES** - A post office box opened in the name of a depositor but accessed and serviced by a remittance processor. Banks and other non-bank processors offer lock box services to process incoming mail and prepare the state's deposits at a time of day and in a manner that accelerates the availability of funds to the state.

**LONG-TERM OBLIGATIONS** - Those obligations expected to mature at some future date and therefore not expected to be liquidated with currently existing resources or current assets. The long-term liabilities of specific enterprise, internal service, and fiduciary funds are to be accounted for through those funds. All other unmatured general long-term liabilities are to be accounted for in the General Long-Term Obligations Subsidiary Account.

**MACHINERY AND EQUIPMENT** - Refer to [EQUIPMENT](#).

**MAJOR FUND** - A governmental or enterprise account reported as a separate column in the basic fund financial statements. The General Fund is always a major fund. Otherwise, major funds are those accounts with revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) that are at least 10 percent of corresponding totals for all governmental and enterprise accounts for the same item.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)** - A component of Required Supplementary Information that introduces the basic financial statements and provides an analytical overview of the state's financial activities. In the state's ACFR, the MD&A precedes the basic financial statements. Refer to [REQUIRED SUPPLEMENTARY INFORMATION](#).

**MANUFACTURER** - The name of either the manufacturer or the commonly accepted trade name.

**MEASUREMENT FOCUS** - The accounting convention which determines: (1) which assets and which liabilities are included on the governmental unit's balance sheet; and (2) whether its operating statement presents "financial flow" information (revenue and expenditures) or "capital maintenance" information (revenues and expenses). Refer to [CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS](#) and [ECONOMIC RESOURCES MEASUREMENT FOCUS](#).

**MERCHANDISE INVENTORIES** - Merchandise held for resale to other agencies, other governmental units, or the public.

**MID PERIOD TRANSFER** - Occurs when an employee transfers to a new agency in the middle of a pay period other than the 1st working day after the end of pay cycle.

**MODIFIED ACCRUAL BASIS** - The basis of accounting under which expenditures, whether paid or unpaid, are formally recognized when incurred against the account, but revenues are recognized only when they become both measurable and



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available to finance expenditures of the current accounting period. All governmental funds use the modified accrual basis of accounting.

**MODIFIED APPROACH TO DEPRECIATION** - A method of accounting whereby capital assets that are part of a network or subsystem of a network, i.e. the state highway system, are not required to be depreciated as long as certain requirements are met. Requirements include managing the eligible assets in an asset management system and documenting that these assets are being preserved approximately at or above a condition level established and disclosed. Refer to [INFRASTRUCTURE ASSETS](#).

**MONEY MARKET INVESTMENTS** - A short-term, highly liquid debt security, including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. (Asset-backed securities, derivatives, and structured notes are not included in this term.)

**MOTOR VEHICLE** - Any vehicle licensed to be operated on the roadway.

**MUSEUM AND HISTORICAL COLLECTIONS** - An individual item or group of items of historical or natural history significance. These items could be located in state museums or in any state agency. They include items such as photographs, negatives, letters, blueprints, antique furniture, historical documents, miscellaneous artifacts, and other similar items. Museum and historical collections that are considered inexhaustible and meet certain criteria are not required to be capitalized. Agencies meeting the criteria for not capitalizing a collection have the option of capitalizing museum and historical collections as non-depreciable capital assets. Museum and historical collections that are exhaustible (such as those whose useful lives are diminished by display or educational/research applications) are to be capitalized and depreciated.

**NADA VALUE** - The average trade-in value shown in the current issue of the NADA Official Used Car Guide, Pacific Northwest edition, published by the National Automobile Dealers Used Car Guide Company.

**NET BOOK VALUE** - Refer to [BOOK VALUE](#).

**NET INCOME** - A term used in accounting for proprietary funds to designate the excess of total revenues and operating transfers in over total expenses and operating transfers out for an accounting period.

**NET INVESTMENT IN CAPITAL ASSETS** - One of the three components of net position reported in government-wide and proprietary fund financial statements. It is comprised of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the state. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt also should be included. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included.

**NET POSITION** - An element of the statement of financial position measured by the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

**NOMINAL INTEREST RATE** - The contractual interest rate shown on the face and in the body of a bond and used to compute the amount of interest to be paid, in contrast to the effective interest rate.

**NONAPPROPRIATED FUNDS** - Moneys that can be expended without legislative appropriation. Only funds in accounts specifically established in state law as being exempt from appropriation fall into this category. Nonappropriated accounts can be either budgeted (and subject to OFM allotment approval) or nonbudgeted.

**NONBUDGETED ACCOUNTS** - Accounts that are not subject to either the appropriation or allotment process.

**NONCONTINENTAL USA** - As used in this manual, all areas in Alaska, Hawaii, the Commonwealth of Puerto Rico, and all areas in possession of the United States of America throughout the world.





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**NON-DEPRECIABLE CAPITAL ASSETS** - Capital assets that are inexhaustible or where the useful life does not diminish or expire over time, such as land and land improvements. Infrastructure assets reported using the modified approach to depreciation are also not depreciated. Refer to [MODIFIED APPROACH TO DEPRECIATION](#).

**NONEXCHANGE TRANSACTIONS** - A transaction in which a government either gives value (benefit) to another party without directly receiving equal value in exchange or receives value (benefit) from another party without directly giving equal value in exchange.

**NONOPERATING EXPENSES** - Expenses of a proprietary fund that are not directly related to the fund's principal operations.

**NONOPERATING INCOME (LOSS)** - In a proprietary fund, the net difference between nonoperating revenues and nonoperating expenses. Refer to [NONOPERATING REVENUES](#) and [NONOPERATING EXPENSES](#).

**NONOPERATING REVENUES** - Proprietary fund revenues that are incidental to, or by-products of, the fund's principal operations.

**NONRECIPROCAL INTERFUND ACTIVITY** - Transactions that are nonexchange in nature. Nonreciprocal interfund activity includes interfund transfers and interfund reimbursements.

**NONREVENUE** - Collections of amounts that do not represent revenue, such as recoveries of current appropriation expenditures.

**NONSPENDABLE FUND BALANCE** - A classification for governmental fund balance reporting that includes amounts that cannot be spent either because they are (a) in a nonspendable form (e.g., inventories) or (b) legally or contractually required to be maintained intact.

**NON-STATE FACILITY** - A facility, barrier-free or non-barrier-free, owned and/or operated by an entity other than a state agency, including private for-profit organizations, not-for-profit organizations, and other public entities such as cities, counties, and junior or special taxing districts.

**NORMAL RETURN NIGHT** - That night of travel on which it was anticipated prior to the trip, that the traveler would return either to the official workstation for travel reimbursement or official residence after the completion of official state business.

**NOTES PAYABLE** - A liability account reflecting amounts owed by the state from an unconditional written promise to pay a certain sum of money upon demand or at a fixed or determinable time.

**NOTES RECEIVABLE** - An asset account reflecting amounts owing to the state from an unconditional written promise to pay a certain sum of money on demand or at a fixed or determinable time.

**NOTES TO THE FINANCIAL STATEMENTS** - The summary of significant accounting policies and other disclosures required for a fair presentation of the financial statements of the governmental unit in conformity with generally accepted accounting principles (GAAP) which are in addition to and not included on the face of the financial statements themselves. The notes to the financial statements are an integral part of the financial statements.

**OBJECT OF EXPENDITURE** - As used in expenditure classification, this term applies to the character of the article purchased or the service obtained (rather than the purpose for which the article or service was purchased or obtained). Examples are salaries and employee benefits.

**OBJECT/SUB-OBJECT OF EXPENDITURE CODE** - The two character alpha code assigned by the Office of Financial Management to identify expenditures/expenses according to the character of the goods or services involved. Refer to [OBJECT OF EXPENDITURE](#) and [SUBJECT](#).



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**OFFICIAL DUTY STATION** - The official duty station is driven by the Unique Facility Identifier (UFI) and represents the location of a position's assigned, permanent state facility worksite (if a state owned or leased facility), field assignment city/state, or home-based city/state. A state official or employee's official duty station is to be assigned by the agency.

**OFFICIAL RESIDENCE** - The city, town, or unincorporated area where a state official or employee maintains a residence that is used as their primary domicile. Determinations by the agency head or authorized designee regarding a state official or employee's official residence are to be based on items such as voter registration, ownership, or long-term rental of a personal residence, and the permanent address carried in the state official or employee's personnel or other file.

**OFFICIAL STATE BUSINESS** - Activities performed by an official or state employee, authorized volunteer, or contractor, work experience program participant, student or employee of another governmental jurisdiction as directed by his or her supervisor in order to accomplish state programs or as required by the duties of his or her position or office.

**OFFICIAL WORKSITE** - The official worksite is the city, town, or unincorporated area where the majority of the employee's time is spent. The determination is not based on the preference of the state official or employee. The agency maintains the authority to exercise flexibility in determining the employee's official worksite, considering the agency's requirements and nature of the position.

**OFFICIAL WORKSTATION FOR TRAVEL REIMBURSEMENT** - The official workstation for travel reimbursement may be the city, town, or unincorporated area of the state official or employee's official duty station or official worksite as determined by the agency for purposes of travel reimbursement.

**OPERATING BUDGET** - A plan of current expenditures and the proposed means of financing them. The operating budget is the primary means to ensuring that the financing, acquisition, spending, and service delivery activities of the state are controlled.

**OPERATING EXPENSES** - Proprietary fund expenses that are directly related to the fund's principal operations.

**OPERATING GRANTS** - Grants that support all or a portion of current operating expenses within a certain program. Refer to [GRANTS](#) and [CAPITAL GRANTS](#).

**OPERATING INCOME** - The excess of proprietary fund operating revenues over operating expenses.

**OPERATING REVENUES** - Proprietary fund revenues that are directly related to the fund's principal operations. They consist primarily of user charges for goods and services.

**OPERATING STATEMENT** - The financial statement disclosing the financial results of operations of a governmental unit during an accounting period in conformity with generally accepted accounting principles (GAAP).

**OPERATING TRANSFERS** - All interfund transfers other than equity transfers, e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. Refer to [INTERFUND TRANSFERS](#).

**ORDER NUMBER** - The number of the purchasing document used for an acquisition of an asset.

**ORGANIZATION OF STATE EMPLOYEES** - As relates to contracting for child care services, a group of state employees who affiliate as a non-profit organization under [Chapter 24.03 RCW](#) and Section 501(c)(3) of the United States Internal Revenue Code for such purposes or a state employee labor organization.

**ORIGINAL BUDGET** - The first complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year.

**ORIGINAL ISSUE DISCOUNT (OID)** - The amount by which the par value of a security exceeds its public offering price at the time it was originally offered to an investor.



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**ORIGINAL ISSUE PREMIUM (OIP)** - The amount by which the price paid for a security exceeds the security's par value.

**OUT-OF-STATE TRAVEL** - Travel anywhere outside the boundaries of the state of Washington is to be considered out-of-state and should be coded as out-of-state travel. However, with respect to the requirement for prior authorization of out-of-state travel in [Subsection 10.10.50.a](#)) travel to counties and/or cities in the states of Idaho and Oregon that are contiguous to the border between Washington-Idaho or Washington-Oregon, or b) out-of-state employees traveling within the same state as their official workstation for travel reimbursement shall not be considered out-of-state.

**OUTSIDE CONSULTANT** - An independent contractor providing professional services.

**OUTSTANDING WARRANT RECORD** - A record used to record warrants issued by an agency which are not yet redeemed by the State Treasurer.

**OVERHEAD** - Those elements of cost necessary in the production of a good or service which are not directly traceable to the product or service. Usually these costs relate to objects of expenditure that do not become an integral part of the finished product or service, such as rent, heat, lights, management, and supervision.

**OWNERSHIP STATUS** - An indication as to who is responsible for possible claims against the asset by outside parties; e.g., federal government.

**PARCEL LOCATION IDENTIFIER (FOR LAND ONLY)** - The county assessor's parcel number of the land, or other code used by the agency to specifically identify the location of the land.

**PAR VALUE** - In the case of bonds, the amount of principal that must be paid at maturity. Par value is referred to as the face value of the security.

**PAYROLL CARDS** - A card for which employee's net pay is loaded and made accessible to an employee. Payroll cards are a form of a prepaid debit card. Refer to [Section 25.70](#) for more information regarding employee payment options.

**PEER-TO-PEER PROPERTY RENTAL** - The process whereby a homeowner makes their home or a room within their home available for others to rent for short periods of time as an alternative form of accommodation.

**PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS** - A fiduciary fund type used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post employment benefit plans, or other employee benefit plans. Refer to [FIDUCIARY FUNDS](#).

**PER DIEM EXPENSES** - Daily travel costs covering both lodging expenses and subsistence expenses while in travel status.

**PERFORMANCE-BASED CONTRACT** - A written document detailing an agreement between parties and identifying expected deliverables, performance measures or outcomes with payment contingent on their successful delivery. Performance-based contracts also use appropriate techniques, which may include, but are not limited to, consequences and/or incentives to ensure that agreed upon value to the state is received.

**PERFORMANCE AUDIT** - A systematic process of objectively obtaining and evaluating evidence regarding the performance of an organization, program, function, or activity. Evaluation is made in terms of its economy and efficiency of operations and effectiveness in achieving desired goals. The performance audit function provides an independent review of management's performance and the degree to which actual performance meets pre-stated goals. Refer to [AUDIT](#).

**PERIODIC INVENTORY** - An inventory system whereby the agency performs a physical count of its inventory periodically, at least annually at fiscal year end.

**PERMANENT FUNDS** - Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for the purposes that benefit the state or its citizens. Permanent funds include



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endowments where the funds or property donated to the state are required by contract, agreement or trust instrument to be maintained in tact. Refer to [GOVERNMENTAL FUNDS](#).

**PERMANENTLY ASSIGNED VEHICLE** - A motor vehicle that has been assigned to a state agency or an individual for a period greater than thirty days.

**PERPETUAL INVENTORY** - An inventory system whereby the inventory quantities and values for all purchases and issues are recorded directly in the inventory system as they occur.

**PETTY CASH** - A sum of money set aside on an imprest basis. Cash held for making change or paying small obligations when the issuance of a formal voucher and warrant/check would be too expensive and time consuming. Petty cash includes both change and imprest accounts. Refer to [IMPREST ACCOUNT](#).

**POINT OF SALE** - An electronic payment system in a merchant location where consumers pay for retail goods and services, through the use of credit cards and/or debit cards that directly access and deduct funds from the customer's bank account.

**POSTING** - The process of transferring to a ledger account the data, either detailed or summarized, contained in a book or document of original entry.

**PREPAID DEBIT CARD** - A card for which the prefunded value is associated with a bank account, which must be accessed for payment authorization. These cards can be reloadable or disposable, and include cards such as prepaid cards, payroll cards, flexible spending account cards, government benefit cards, etc.

**PREPAID EXPENSES** - Payments made for those supplies and/or services (not inventory) acquired or purchased during an accounting period but not consumed or used during that accounting period.

**PRINTING REQUISITION (A21-A)** - A form used by agencies to order, encumber, liquidate, and authorize payment for goods and services from the Department of Enterprise Services.

**PRIVATE-PURPOSE TRUST FUNDS** - A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. The resources held under these arrangements are not available to support the government's own programs. Refer to [FIDUCIARY FUNDS](#).

**PRIVATELY OWNED VEHICLE (POV)** - A vehicle privately owned, leased, or borrowed by a state driver for which the driver receives or is entitled to receive monetary reimbursement or per diem when the vehicle is used to conduct official state business. The state driver is responsible to maintain vehicle insurance on the POV in compliance with Washington mandatory liability insurance requirements as defined in [RCW 46.29](#) and [RCW 46.30](#).

**PROFESSIONAL SERVICES** - Consulting or technical expertise provided to accomplish a specific study, project, task, or other work statement. Refer to [PROFESSIONAL SERVICE CONTRACT](#) and [SERVICES](#).

**PROFESSIONAL SERVICE CONTRACT** - An agreement, or any amendment thereto, with a consultant or technical expert for the rendering of professional services to the state which is consistent with state law. Professional service contracts may render services to state agencies, businesses, providers, other contractors, etc. If, however, services are provided directly to agency clients, the contracts are classified as client service contracts. Refer to [PROFESSIONAL SERVICE CONTRACT](#) and [SERVICES](#).

**PROGRAM** - Any of the major activities of an agency expressed as a primary function or organizational unit. Agencies may not alter their program structure without the explicit approval of the legislature and the Office of Financial Management.

**PROGRAM CODE** - The three character alpha/numeric code used to identify the agency functional area and the major activities within an agency. Generally, program codes are assigned by an agency with the concurrence of the Office of Financial Management. However, there are a limited number of mandatory statewide program codes used to identify special functions.



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**PROGRAM REVENUE** - Term used in connection with the government-wide Statement of Activities. Revenues that derive directly from the program itself or from parties outside the state's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the state's general revenues.

**PROJECT TYPE CODE** - The one character alpha/numeric code assigned by OFM to identify specified information technology expenditures/expenses and to classify them as new acquisition or maintenance and operations.

**PROPRIETARY FUNDS** - Proprietary funds are used to account for the state's ongoing organizations and activities that are similar to those often found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. Proprietary funds use the economic resources measurement focus and the accrual basis of accounting. There are two types of proprietary funds: enterprise funds and internal service funds. Refer to [ENTERPRISE FUNDS](#) and [INTERNAL SERVICE FUNDS](#).

**PROSPECTIVE EMPLOYEE** - Applicants for the position of director, deputy director, assistant director, state supervisor or equivalent or higher position, engineers or other personnel having both executive and professional status. In the case of institutions of higher education, prospective employees are limited to applicants being considered for academic positions above the rank of instructor, and professional or administrative employees in supervisory positions. In the case of community and technical colleges, such travel expenses may be paid for applicants being considered for full-time faculty positions or administrative employees in supervisory positions.

**PUBLIC DEPOSITARY** - A national or state chartered commercial bank or trust company, savings bank, or savings association, or federal or state chartered credit union, or branch or branches thereof, located in this state and lawfully engaged in business approved by the Public Deposit Protection Commission (PDPC) as a depository of public funds. Solely for the purpose of receiving public deposits that may total no more than the maximum deposit insured by the national credit union share insurance fund, a state-chartered credit union or a credit union chartered under federal law is a public depository. The maximum deposit applies to all funds attributable to any one depositor of public funds in any one credit union. The PDPC maintains a list of public depositories on the Office of the State Treasurer's [website](#).

**PUBLIC FUNDS** - Moneys under the control of a treasurer or custodian belonging to, or held for the benefit of, the state or any of its political subdivisions, public corporations, municipal corporations, agencies, courts, boards, commissions, or committees, including moneys held as trustee, agent or bailee. [RCW 39.58.010](#).

**PUBLIC-PRIVATE OR PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENT (PPP)** - an arrangement in which a government (the transferor) contracts with an operator (a governmental or non-governmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset of the government, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

**PURCHASE** - The acquisition of goods or services, including the leasing or renting of facilities or goods.

**PURCHASE CARD** - A charge card issued to a card custodian for the purpose of making authorized purchases on behalf of the agency.

**PURCHASE CARD TRANSACTION LOG** - A record kept by the cardholder, card custodian, or designated card user that lists purchase card transactions in detail. This may be either a manual log that the agency develops and/or maintains, or an online tracking log.

**PURCHASE ORDER (A16, A16-A)** - A document that authorizes the delivery of specified merchandise or the rendering of certain services. This form is used by agencies to encumber, liquidate, and authorize payment for such purchase requisition requests.

**PURCHASE REQUISITION (A15-A)** - A form used by agencies to request the Department of Enterprise Services, to order materials, supplies, and equipment, or to request an amendment of a previous requisition. This form is used when an agency does not have general or specific authority to make the purchase or when the item does not fall within the statewide contracts.



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**PURCHASED BANKING SERVICES** - Standard depository services that a financial institution provides an agency for a demand deposit account such as monthly maintenance charge, credits posted, debits posted, cash deposited/purchased, returned items, re-deposited items, basic balance reporting capabilities, and checks deposited. Accounting related services such as "deposit source reporting" are not considered regular purchased banking services and are the responsibility of the state agency requesting this type of service.

**PURCHASES METHOD** - The method under which inventories are recorded as expenditures when acquired. Refer to [CONSUMPTION METHOD](#).

**PURCHASING DOCUMENTS** - Documents approved for use by agencies having local purchasing authority.

**QUALIFIED TRAVEL PROVIDER** - An internet travel provider, qualified travel agent, or other vendor under contract with the state to provide travel services to state employees.

**REALIZED GAIN OR LOSS** - The difference between the net proceeds received and the cost, or amortized cost, or fair value of an investment when the investment is sold.

**RECEIPTS** - Refer to [CASH RECEIPTS](#).

**RECEIVABLES** - Amounts due from private persons, businesses, agencies, funds, or governmental units that are expected to be collected in the form of moneys, goods, and/or services.

**RECEIVING REPORT - PARTIAL DELIVERY (A18, A18-A)** - A form used by agencies to document and authorize payment for partial deliveries of goods or services ordered by a single Purchase Order or Field Order.

**RECIPROCAL INTERFUND ACTIVITY** - Internal counterpart to exchange and exchange-like transactions. Reciprocal interfund activity includes interfund loans and interfund services provided and used. Refer to [INTERFUND LOANS](#) and [INTERFUND SERVICES PROVIDED AND USED](#).

**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.

**RECOVERY OF EXPENDITURE** - Those receipts which represent the recovery of current period expenditures and which are offset against the expenditure account.

**REFUND** - An amount paid back or credit allowed because of an over-collection or because of the return of merchandise.

**REFUNDING BONDS** - Bonds issued to retire bonds already outstanding. In a current refunding, outstanding bonds are called or mature within 90 days of the issuance of the refunding bonds. In an advanced refunding, the net proceeds of the refunding issue are used to purchase U.S. Government securities that are placed in irrevocable trusts with escrow agents to provide for all future debt service payments on the refunded bonds until the bonds are called or mature.

**REGISTER** - A record for the consecutive entry of events, documents, or transactions, with proper notation of all the required information. The form is designed so that the entries are distributed, summarized, and aggregated for convenient posting to the accounts.

**REIMBURSEMENT** - (1) Repayments of amounts remitted on behalf of another party. (2) Interfund/Interagency transactions that constitute reimbursement to a fund/agency for expenditures/expenses initially made from it but that properly apply to another. These transactions are recorded as expenditures/expenses in the reimbursing fund/agency and as reductions of expenditures/expenses in the fund/agency reimbursed.

**RELATED ORGANIZATION** - An organization for which the state is not financially accountable even though the primary government appoints a voting majority of the organization's governing board.



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**RELOCATION AUTHORIZATION (A33)** - A form used to authorize moving household goods of employees to a new official residence. The authorization may be for new employees and transferred employees.

**REMOTE DEPOSIT SERVICES** – The use of a scanner and software to capture and transfer an image of a paper check to the bank for deposit. The paper check is stored by the agency for a predetermined amount of time and then destroyed. Remote deposit services may also be referred to as Check 21 deposits.

**REPLACEMENT COST** - The amount of cash or other consideration that would be required today to obtain the same asset or its equivalent.

**REQUEST FOR PROPOSAL (RFP)** - A written solicitation document which identifies the agency's need or problem, and consultants are invited to submit proposals which outline their solution to the need or problem, their qualifications and experience to provide the services, and their costs or fees.

**REQUEST FOR QUALIFICATIONS/QUOTATIONS (RFQQ)** - A solicitation document in which the agency describes the services needed and invites consultants to provide their qualifications to perform the services and to specify their costs or fees.

**REQUIRED SUPPLEMENTARY INFORMATION** - Required supplementary information consists of schedules, statistical data, and other information that the GASB has determined are an essential part of financial reporting and should be presented with, but are not part of, the basic financial statement of a governmental entity.

**RESIDUAL TITLE** - The legal right to control or dispose of the asset after the end of its useful life.

**RESIDUAL VALUE GUARANTEE** - An agreement between the lessor and the lessee in which the lessee is obligated to pay the lessor at the end of the lease for any difference between a leased asset's residual value and an amount specified in the contract.

**RESTRICTED ASSETS** - Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**RESTRICTED FUND BALANCE** - A classification for governmental fund balance reporting that includes amounts that have constraints placed on their use that are (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by enabling legislation (state constitution).

**RESTRICTED NET POSITION** - One of the three components of net position reported in government-wide and proprietary fund financial statements. Net position should be restricted when constraints are placed on use either: 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation.

**RETAINAGE PAYABLE** - A liability reflecting amounts due on construction contracts not paid pending final inspection of the project or the lapse of a specified period, or both. The unpaid amount is usually a stated percentage of the contract price. Refer to [CONTRACTS PAYABLE](#).

**RETIREMENT FUND** - Refer to [PENSION \(AND OTHER EMPLOYEE BENEFIT\) TRUST FUNDS](#).

**REVENUE** - In governmental fund type accounts, revenues are increases in net current assets and are recognized in the accounting period in which they become measurable and available. In proprietary fund and trust fund type accounts, revenues are increases in net total assets and are recognized in the period in which they are earned and become measurable.

**REVENUE BONDS** - Bonds whose principal and interest are secured by specific sources of revenue and do not involve a pledge of the full faith and credit of the state. Revenue bonds are payable from identified sources of revenue which are



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generally derived from the assets acquired or constructed with bond proceeds. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

**REVENUE SOURCE CODE** - The four character alpha/numeric code assigned by the Office of Financial Management to identify the origin, or originating categories, from which revenues/receipts are derived.

**REVENUE SUB-SOURCE CODE** - Optional coding assigned by the agency to identify particular items or item categories within a single major source of revenue source code.

**REVOLVING FUND/ACCOUNT** - (1) An internal service fund established to carry out a cycle of operations. The amounts expended from the fund are restored thereto from earnings from operations or by transfers from other funds, so that it is always intact. (2) An imprest account into which a fixed amount of money is placed for change-making purposes or minor disbursements. Refer to [IMPREST ACCOUNT](#).

**RIGHT-TO-USE LEASE AGREEMENT** - A contract that conveys control of the right to use another entity's capital asset for a specific period of time in an exchange or exchange-like transaction.

**ROLL-UP FUND** - A roll-up fund is a reporting entity. It is comprised of the various accounts that generally fall within the generic activity/nature of the roll-up fund's title.

**SALVAGE VALUE** - An estimate of the amount that will be realized at the end of the useful life of a depreciable asset.

**SCHEDULES** - Refer to [SUPPORTING SCHEDULES](#).

**SCIENTIFIC AMORTIZATION METHOD** - Under the scientific amortization method, the total discount or premium is prorated to interim periods on the basis of a constant rate (as opposed to a constant dollar) to produce a level rate of yield.

**SECURITIES** - Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.

**SEGMENT** - A segment is an identifiable activity within an enterprise fund that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt and an external party that requires a separate accounting of revenues, expenses, gains, losses, assets and liabilities.

**SERIAL BONDS** - Bonds for which the principal is repaid in periodic installments over the life of the issue.

**SERVICE CONCESSION ARRANGEMENT (SCA)** – a public-private or public-public partnership arrangement (PPP) in which: (1) the transferor conveys to the operator the right and related obligation to provide public services through the use and operation of an underlying PPP asset in exchange for significant consideration, such as an up-front payment, installment payments, a new facility, or improvements to an existing facility; (2) the operator collects and is compensated by fees from third parties; (3) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (4) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

**SERVICE ORGANIZATION** - An entity that processes information or handles business transactions on behalf of its customers (user entities).

**SERVICE ORGANIZATION CONTROLS (SOC) REPORTS** - Are designed to help service organizations build trust and confidence in their service delivery processes and controls through a report by an independent Certified Public Accountant. Each type of SOC report is designed to help service organizations meet specific user needs.

**SERVICES** - Labor, work, analysis, or similar activities provided by a contractor or vendor to accomplish a specific scope of work. Refer to [PROFESSIONAL SERVICES](#) and [PROFESSIONAL SERVICE CONTRACT](#).





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**SHARED LEAVE** - The donated leave converted to hours by the receiving agency at the donee's rate of pay. This may be more or less than the literal hours donated depending on the relative salary rates of the respective employees.

**SHORT-TERM LIABILITIES** - Short-term liabilities are legal obligations of the state that arise upon the receipt of goods or services. In governmental fund type accounts, they are payable from current financial resources. In proprietary fund type accounts, short-term liabilities are payable within one year.

**SINGLE AUDIT** - A financial, internal control, and compliance audit of a nonfederal entity administering federal assistance awards including the financial statements of the entity.

**SMALL AND ATTRACTIVE ASSETS** - Assets that do not meet the state's capitalization policy but that an agency considers particularly vulnerable to loss, thus subject to special property control. Absent a risk assessment and written procedures, agencies must include certain specified assets in their "small and attractive" inventory. Refer to specific limitations in [Subsection 30.40.20](#).

**SOLE SOURCE** - A contractor providing goods or services of such a unique nature or sole availability at the location desired that the contractor is clearly and justifiably the only practicable source to provide the goods or services.

**SOURCE DOCUMENT** - Document used to initiate an individual accounting transaction.

**SPECIAL REVENUE FUNDS** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations or other governments or for major capital projects) that are legally restricted to expenditure for specified purposes. Refer to [GOVERNMENTAL FUNDS](#).

**STATE DRIVER** - Person authorized by the agency head or authorized designee to operate a state vehicle used for conducting official state business. State drivers can include: state employees, volunteers, students (high school or college students that are 18 years of age and have minimum two years of driving experience), Department of Correction inmates (under the control of the Department of Corrections), and contractors (refer to [Subsection 10.50.20.a](#).)

**STATE VEHICLE** - A motor vehicle owned, rented, leased, or otherwise under the possession and control of the State. A rental vehicle is a state vehicle if it is rented by a duly authorized employee at the cost of the State and is solely for official state business. The use of a state vehicle must be authorized by the agency head or authorized designee and used only for official state business.

**STATEMENT OF ACTIVITIES** - A government-wide financial statement that reports the net (expense) revenue of its individual functions. An objective of using the net (expense) revenue format is to report the relative financial burden of each of the reporting government's functions on its taxpayers.

**STATEMENT OF CASH FLOWS** - A GAAP financial statement for proprietary funds that provides relevant information about the cash receipts and cash payments of a government during a period. It categorizes cash activity as resulting from operating, noncapital financing, capital financing and investing activities.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION** - The financial statement that is the GAAP operating statement for pension and investment trust funds. It presents additions and deductions in net position held for pension benefits and investment pool participants. It reconciles net position held at the beginning and end of the financial period, explaining the relationship between the operating statement and the balance sheet.

**STATEMENT OF FIDUCIARY NET POSITION** - The fund financial statement that presents information about the assets, deferred outflows, liabilities, deferred inflows, and net position for each fiduciary fund type.

**STATEMENT OF NET POSITION** - A government-wide financial statement that reports the difference between assets and deferred outflows and liabilities and deferred inflows as net position, not fund balance or equity. Assets are reported in order of liquidity, or how readily they are expected to be converted to cash and whether restrictions limit the government's ability to use



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the resources. Liabilities are reported based on their maturity, or when cash is expected to be used to liquidate them. Net position is displayed in three components – net investment in capital assets; restricted; and unrestricted.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE** - The financial statement that is the GAAP operating statement for governmental funds. It presents the inflows, outflows, and balances of current financial resources. It reconciles fund balance at the beginning and end of the financial period, explaining the relationship between the operating statement and the balance sheet.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION** - The financial statement that is the GAAP operating statement for proprietary funds. It distinguishes between operating and nonoperating revenues and expenses and separately presents revenues from capital contributions and additions to the principal of permanent and term endowments, special and extraordinary items, and transfers. It reconciles fund net position at the beginning and end of the financial period, explaining the relationship between the operating statement and the balance sheet/statement of net position.

**STATEWIDE PROGRAM ADMINISTRATOR** – Acts as the statewide purchase card program administrator for agencies participating in the statewide purchase card contract administered by the Department of Enterprise Services (DES). The responsibilities of DES include negotiating all contract terms and conditions with the issuing bank, and managing and administering the statewide program.

**STATEWIDE VENDORS** –A vendor with a common vendor record maintained by the Department of Enterprise Services that can be used by any agency making a payment to that vendor. A Statewide Vendor (SWV) code is required for certain payment types (IAP and AFRS ACH).

**STATUTE** - A written law enacted by the Legislature and signed by the Governor.

**STRAIGHT-LINE METHOD** - Under the straight-line method of amortization, the premium or discount is prorated in equal dollar amounts to interim periods between the date of purchase and the maturity. The straight-line method of depreciation allocates the cost of a capital asset systematically over the useful life of the asset by way of the following formula: (cost less salvage value) divided by estimated useful life in years. Refer to [AMORTIZATION](#) and [DEPRECIATION](#).

**STORED VALUE CARD** - A card for which the prefunded value is associated with a bank account, which must be accessed for payment authorization. These cards can be reloadable or disposable, and include cards such as prepaid cards, gift cards, payroll cards, flexible spending account cards, government benefit cards, etc.

**SUBJECT** - A refined breakdown of object of expenditures relating to particular items or item categories. Refer to [OBJECT/SUBJECT OF EXPENDITURE CODE](#).

**SUB-PROGRAM** - A general term describing specific activities within an agency program.

**SUB-PROGRAM CODE** - A code assigned by the agency to identify specific activities or organizational units within a single program.

**SUBRECIPIENT** - A non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. It also excludes vendors that receive federal funds in exchange for goods and/or services in the course of normal trade or commerce.

**SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA)** - A contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

**SUBSIDIARY ACCOUNTS** - A group of related accounts supporting in detail the balance of a controlling account, usually kept in a subsidiary ledger. Refer to [SUBSIDIARY LEDGER](#) and [CONTROL ACCOUNT](#).



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**SUBSIDIARY LEDGER** - A group of subsidiary accounts, the sum of the balances of which is equal to the balance of the related control account. Refer to [GENERAL LEDGER](#) and [SUBSIDIARY ACCOUNTS](#).

**SUBSISTENCE** - Daily travel expenses covering meals, taxes, tips for meals and incidental expenses.

**SUBSTANTIAL CONTRACT AMENDMENT** - Changes to contracts wherein the value of the amendment, singly or cumulatively, exceeds fifty percent of the value of the original contract and/or when the amendments significantly changes the scope of work of the contract or of the original solicitation document.

**SUB-SUB-OBJECT OF EXPENDITURE CODE** - Optional code assigned by an agency to further identify a particular expenditure item within a sub-object of expenditure.

**SUITABLE SPACE FOR A CHILD CARE FACILITY** - Space that is, or, with an identified financial resource, can be made, sufficient to meet licensing requirements as a child care facility. It must be able to set aside exclusively for use as a child care facility, including provision for a food preparation area, storage areas sufficient for the program, and restroom and changing facilities. It must be able to be made secure, and must be convenient to the place of employment of the state employee parents or guardians of children enrolled in the program.

**SUNDRY CLAIMS** - Sundry claims represent injury and property loss for which the State of Washington may be responsible, but the injury or loss was not caused by the tortious activities of state employees. These claims include self-defense claims and wildlife damage claims.

**SUPPLIES** - Assets consumed in the course of an agency's operations.

**SUPPORTING SCHEDULES** - Financial presentations used: (1) to demonstrate compliance with finance-related legal and contractual provisions; (2) to aggregate and present in greater detail information spread throughout the financial statements that can be brought together and shown in greater detail (e.g., cash balances, investments, current and delinquent taxes); (3) to present greater detail information reported in the financial statements (e.g., additional revenue sources detail); and (4) to present information not disclosed in the GAAP financial statements.

**SURETY BOND** - A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through nonperformance or through embezzlement defalcation. Surety bonds also include fidelity bonds covering governmental officials and employees. Refer to [FIDELITY BOND](#).

**SUSPENSE ACCOUNT** - An account that carries charges or credits temporarily pending the determination of the proper account or accounts to which they are to be posted. It does not appear in financial statements.

**TAXES** - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

**TAXES RECEIVABLE** - An asset account reflecting the uncollected portion of taxes that have been levied.

**TELEWORKING** - Involves the use of telephones and computers to enable an employee to work at a location other than their official duty station. Teleworking is a Commute Trip Reduction strategy that must be approved by an employee's agency.

**TEMPORARILY ASSIGNED VEHICLE** - A motor vehicle that has been assigned to a state agency or an individual for a period of 30 days or less.

**TEMPORARY DUTY STATION** - A fixed location where a state official or employee has been temporarily assigned to work for a specific period of time which is less than one year.

**TERM BONDS** - Bonds whose entire principal matures on one date.

**TERMINATION BENEFITS** - Benefits given to employees when they leave state service either voluntarily (i.e. early retirement) or involuntarily (i.e. reduction in force). Examples of benefits include cash payments, enhancements to defined



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benefit pension or other postemployment benefit formulas, continued access to health insurance, severance pay, career counseling, and/or outplacement services.

**TDD** - An acronym for Telecommunication Devices for the Deaf.

**TRADE DISCOUNT** - An allowance, usually varying in percentage with the volume of transactions, made without respect to the time when the account is paid. These discounts are commonly considered a reduction of the sales or purchase price and not earnings. The term is not to be confused with cash discount. Refer to [CASH DISCOUNT](#).

**TRANSPORTATION EXPENSES** - Those costs covering a) travel by commercial carriers such as bus, train, ship, and airplane; b) travel by privately owned motor vehicles, such as cars, motorcycles, vans, or trucks; c) travel by rental motor vehicle; d) or some combination of a), b), and/or c).

**TRAVEL EXPENSE VOUCHER (A20-A, A20-2A)** - Form A20-A, in electronic or paper form, is used by agencies to substantiate and/or authorize payment of travel costs for state employees. In the absence of a vendor relationship, this form can also be used to substantiate and/or authorize payment of travel costs for nonstate employees such as prospective employees; individuals who serve on boards, commissions, councils, committees, and task forces; volunteers and other individuals who are authorized to receive travel expense reimbursement. When a vendor relationship exists and the A20-A is used by nonstate employees to substantiate travel costs, it must be attached to an Invoice Voucher (A19-1) to authorize payment. Form A20-2A is used only for reimbursing travel expenses of commission members who are reimbursed on a per diem basis.

**TRAVEL EXPENSES** - Those costs covering per diem expenses; transportation expenses; meals and/or coffee and light and miscellaneous refreshment business expenses regardless of travel status; and miscellaneous business expenses related to official state travel.

**TRAVEL STATUS** - The official status of a traveler when the traveler is away from both the official residence and the official workstation for travel reimbursement, exclusive of commuting between the traveler's official workstation for travel reimbursement and official residence, on state-related business.

**TRAVELER** - A person in travel status who is on official state business.

**TREASURY ACCOUNTS** - Accounts which have cash on deposit in and under the control of the State Treasurer and are disbursed by means of a warrant or electronic means. Treasury accounts are subject to appropriation unless specifically exempted.

**TREASURY TRUST ACCOUNTS** - Accounts not required by law to be within the treasury and not subject to appropriation, but placed in the custody of the state treasurer due to certain circumstances.

**TRIAL BALANCE** - A list of balances of the accounts in a ledger kept by double entry with the debit and credit balances shown in separate columns.

**TRUST AND AGENCY FUNDS** - Refer to [FIDUCIARY FUNDS](#).

**UNALLOTTED** - Appropriation authority not specifically scheduled for expenditure.

**UNAMORTIZED DISCOUNTS ON BONDS SOLD** - Excess portion of the face value of bonds over the amount received from their sale that remains to be amortized over the life of the bonds.

**UNAMORTIZED DISCOUNTS ON INVESTMENTS** - An asset account used to reflect the excess portion of the face value of securities over the amount paid for them that remains to be amortized over the remaining life of such investments.

**UNAMORTIZED PREMIUMS ON BONDS SOLD** - Excess portion of proceeds over the face value of the bonds that remains to be amortized over the remaining life of such bonds. Refer to [BOND DISCOUNT](#).



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**UNAMORTIZED PREMIUMS ON INVESTMENTS** - An asset account used to reflect the excess portion of the amount paid for securities over their face value that remains to be amortized over the remaining life of such investments. Refer to [BOND PREMIUM](#).

**UNANTICIPATED RECEIPTS** - Money received which has not been appropriated by the Legislature. The Governor has the authority to approve the allotment of such money within the guidelines of the intent in which they were received.

**UNASSIGNED FUND BALANCE** - The residual classification used for reporting spendable fund balance in the General Fund that represents amounts that have not been restricted, committed, or assigned. Additionally, any deficit fund balance within other governmental funds is reported as unassigned.

**UNAVAILABLE REVENUE** - Amounts that meet the asset recognition criteria but will not be collected and recognized as revenue either within the current period or soon enough after the end of the period to pay current year liabilities. May be used only in governmental fund type accounts which use the modified accrual basis of accounting which recognize revenues in the period in which they become measurable and available.

**UNDERWRITER'S DISCOUNT** - The fee an underwriter charges when purchasing bonds or certificates of participation (COPs) for resale to the public. The underwriter assumes the risk of ownership until the bonds are sold.

**UNEARNED REVENUES** - Unearned revenues are amounts for which asset recognition criteria have been met, but for which the earning process is not complete.

**UNEXPENDED ALLOTMENT** - Portion of an allotment not yet expended.

**UNEXPENDED APPROPRIATION** - Portion of an appropriation not yet expended.

**UNIFIED BUSINESS IDENTIFIER (UBI)** - A standard nine digit sequential number used by all state agencies to uniquely identify a business entity.

**UNLIQUIDATED ENCUMBRANCES** - Outstanding encumbrances which have not been paid or approved for payment. Refer to [ENCUMBRANCE](#).

**UNREALIZED GAIN OR LOSS** - Term used in connection with the valuation of investments. It represents the cumulative difference between the cost of the investment and its market value prior to its disposition.

**UNRESTRICTED NET POSITION** - One of the three components of net position reported in government-wide and proprietary fund financial statements. It represents that portion of net position that is neither restricted nor invested in capital assets.

**USEFUL LIFE** - An estimate of the total time that an asset is usable and in service.

**VENDOR** - An entity selling a good or service to the State. Vendors include, but are not limited to, retail businesses, consultants, contractors, manufacturers, credit card companies. A vendor may be an individual, corporation, non-profit organization, federal government, or federal agency, local government or local agency, another state or another state agency, a Washington state agency, or Indian nation. For travel reimbursement purposes, a vendor may include an employee, a board member, or volunteer.

**VENDOR'S REMITTANCE ADVICE** - A form used to accompany each warrant/check to notify the payee of what is being paid. The vendor's remittance advice is to reference the warrant/check number and the invoice number as appropriate.

**VOUCHER** - A written document that evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.



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**VOUCHER DISTRIBUTION FORM (A19-2, A19-2A)** - A form used by agencies to substantiate and authorize payment when a Purchase Order or Field Order is not involved but where vendor invoices are employed.

**VOLUNTEER** - A volunteer is a person, other than an emergency services worker as described by [Chapter 38.52 RCW](#), who, of his/her own free choice, performs any assigned or authorized duties for the state or any agency thereof. A volunteer receives no wages, and is registered and accepted as a volunteer by the state or any agency thereof, for the purpose of engaging in authorized volunteer service.

**WARRANT** - A payment instrument for each invoice voucher or other evidence of indebtedness validated by the State Treasurer for payment. Refer to [CHECK](#).

**WARRANT REGISTER (A1)** - A form used to record expenditure/expense vouchers and account classifications of each transaction in detail certified and issued by the State Treasurer. It is also used to summarize the information documented on the detailed warrant register.

**WEIGHTED AVERAGE (W.A.)** - An inventory valuation method which values ending inventory based on the average cost per unit for the period.

**WIRE TRANSFER** - A type of electronic fund transfer that guarantees immediate available funds or same day settlement. The payments are conducted on the Federal Reserve System's federal wire (Fed Wire) network.

**ZERO-COUPON GENERAL OBLIGATION BONDS** - Bonds secured by an unconditional pledge of the full faith, credit and taxing power of the state. They are sold at a deep discount without coupons and appreciate to full value at maturity.